



KSL
KSL HOLDINGS BERHAD
200001008827 (511433-P)

2023
ANNUAL REPORT

KSL
ESPLANADE
MALL

ANNUAL REPORT

KSL HOLDINGS BERHAD

200001008827 (511433-P)

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BOARD OF DIRECTORS	<p>Ku Hwa Seng (Executive Chairman) Khoo Cheng Hai @ Ku Cheng Hai (Group Managing Director) Ku Tien Sek (Executive Director) Khoo Lee Feng (Executive Director) Ku Ek Mei (Executive Director) Tan Kai Seng (Executive Director) Pang Ah Kow (Independent Non-Executive Director) Tan Swee Geok (Independent Non-Executive Director) Wong Lee Lee (Independent Non-Executive Director)</p>
COMPANY SECRETARIES	<p>Lim Pei Cheng (SSM PC No. 201908003202) (MAICSA 7071988)</p> <p>Ng Chui Yen (SSM PC No. 202208000325) (MIA23826)</p>
REGISTERED OFFICE	<p>Wisma KSL, 148, Batu 1 ½, Jalan Buloh Kasap, 85000 Segamat, Johor Darul Takzim. Tel: 07-931 1430 / Fax: 07-932 4888 E-mail: info_kslh@ksl.my Website: http://www.ksl.my</p>
AUDITORS	<p>UHY (AF1411) Suite 11.05, Level 11, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia Tel: 03-2279 3088 / Fax: 03-2279 3099 Website: https://www.uhy.com.my</p>
PRINCIPAL BANKERS	<p>Malayan Banking Berhad OCBC Bank (Malaysia) Berhad RHB Bank Berhad AmBank (M) Berhad</p>



**SHARE REGISTRARS**

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo
Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor,
Malaysia
Tel: +603-7890 4700 / Fax: +603-7890 4670

SOLICITORS

Lee Fook Leong & Co
No. 29, 31 & 33, 1st Floor, (Peti Surat 95), Jalan Kekwa,
85007 Segamat, Johor Darul Takzim.
Tel: 07-931 3479 / Fax: 07-931 4180

YK Chin
L1-86A, KSL City, No. 33, Jalan Seladang, Taman Abad,
80250 Johor Bahru, Johor Darul Takzim.
Tel: 07-3319939 / Fax: 07-2890039

**STOCK EXCHANGE
LISTING**

Main Market of Bursa Malaysia Securities Berhad
Stock Name: KSL
Stock Code: 5038



**KSL HOLDINGS BERHAD**

100%	BINTANG-BINTANG DEVELOPMENT SDN. BHD.	
100%	BINTANG-BINTANG ENTERPRISE SDN. BHD.	
100%	CLARION HOUSING DEVELOPMENT SDN. BHD.	
100%	EVERSONIC SDN. BHD.	
100%	EXPORTEX SDN. BHD.	
100%	GOODPARK DEVELOPMENT SDN. BHD.	
100%	HARAPAN TERANG PROPERTIES SDN. BHD.	
100%	HARAPAN TERANG REALTY SDN. BHD.	
100%	HARAPAN TERANG SDN. BHD.	100% KSL DEVELOPMENT SDN. BHD.
100%	KHOO SOON LEE REALTY SDN. BHD.	
100%	KSL CITY DEVELOPMENT SDN. BHD.	
100%	KSL CITY MANAGEMENT SDN. BHD.	
100%	KSL MEDINI MANAGEMENT SDN. BHD.	
100%	KSL PERFECT BUILDER SDN. BHD.	100% GANTANG JAYA SDN. BHD.
100%	KSL PROPERTIES CONSTRUCTION SDN. BHD.	
100%	KSL PROPERTIES MANAGEMENT SDN. BHD.	
100%	KSL PROPERTIES SDN. BHD.	
100%	OMEGA PRESTASI SDN. BHD.	
100%	PINGAT PELITA SDN. BHD.	
100%	PROSPER PLUS INDUSTRIES SDN. BHD.	
100%	SEJOTA SDN. BHD.	
100%	SERING CEMERLANG SDN. BHD.	100% BESTARI KAYA SDN. BHD.
100%	SURE SUCCESS PROPERTIES SDN. BHD.	
100%	TAI LIK DEVELOPMENT (BATU ANAM) SDN. BHD.	
100%	VILLA BESTARI SDN. BHD.	
100%	VIP BEYOND SDN. BHD.	70% KSL BESTARI SDN. BHD.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be held entirely through live streaming from the broadcast venue at L1-95, KSL City, 33, Jalan Seladang, Taman Abad, 80250 Johor Bahru, Johor, Malaysia on Monday, 27 May 2024 at 11.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Report.
2. To approve the payment of the Non-Executive Directors' Fees of RM90,000 and Benefits of RM20,000 for the financial year ending 31 December 2024 until the next AGM of the Company. **Resolution 1**
3. To re-elect the following Directors who are retiring in accordance with Article 93 of the Company's Constitution: -
 - (a) Mr. KU HWA SENG **Resolution 2**
 - (b) Mr. PANG AH KOW **Resolution 3**
 - (c) Ms. TAN SWEE GEOK **Resolution 4**
4. To re-elect the following Directors who are retiring in accordance with Article 99 of the Company's Constitution: -
 - (a) Ms. KHOO LEE FENG **Resolution 5**
 - (b) Ms. KU EK MEI **Resolution 6**
 - (c) Mr. TAN KAI SENG **Resolution 7**
5. To re-appoint Messrs. UHY (AF1411), the retiring Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 8**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions: -

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Resolution 9**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of shares of the Company (excluding treasury shares) for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until:-

 - (a) the conclusion of the Annual General Meeting held next after the approval was given; or
 - (b) the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever occurs first.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING (Cont'd)

7. **PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES OF THE COMPANY (KSL SHARES) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES SHAREHOLDERS OF THE COMPANY WITH AN OPTION TO REINVEST THEIR CASH DIVIDEND IN NEW KSL SHARES (DIVIDEND REINVESTMENT PLAN)** **Resolution 10**

“**THAT** pursuant to the Dividend Reinvestment Plan (DRP) as approved by the Shareholders at the Extraordinary General Meeting held on 28 November 2014, approval be and is hereby given to the Directors to allot and issue such number of new KSL Shares, from time to time as may be required to be allotted and issued 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 sole and absolute discretion, deem fit and in the best interest of the Company **PROVIDED THAT** the issue price of the said new KSL 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 KSL Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the DRP, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including amendments, modifications, suspension and termination of the DRP as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

8. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

LIM PEI CHENG (SSM PC No. 201908003202) (MAICSA 7071988)

NG CHUI YEN (SSM PC No. 202208000325) (MIA 23826)

Company Secretaries

Johor Bahru
29 April 2024

Notes: -

A. Live Streaming Meeting

- (i) *In the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the Annual General Meeting (“AGM”) will be held virtually and online remote voting using the Remote Participation and Voting Facilities (“RPV”).*
- (ii) *Please follow the procedures provided in the Administrative Guide for the 24th AGM in order to register, participate and vote remotely via the RPV.*
- (iii) *No Members/ Proxies will be physically present at the Broadcast Venue on the day of the 24th AGM.*

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING (Cont'd)

Notes: - (Cont'd)

B. Appointment of Proxy

- (i) Members whose names appear in the Record of Depositors as at 6 May 2024 shall be eligible to attend, speak and vote at the 24th AGM.
- (ii) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints two (2) proxies, the member must specify the proportions of shareholdings to be represented by each proxy.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of an officer, or its attorney duly authorised in writing.
- (iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- (v) Where a member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to attend and vote at the 24th AGM.
- (vi) The instrument appointing a Proxy may be made in hardcopy form or by electronic means as follows and must be deposited not less than forty-eight (48) hours before the time for the Meeting; ie. latest by Friday, 24 May 2024 at 11.00 am:

Hardcopy

The instrument appointing a Proxy must be deposited at the registered office of the Company at Wisma KSL, 148, Batu 1 ½, Jalan Buloh Kasap, 85000 Segamat, Johor, Malaysia not less than forty-eight (48) hours before the time for the Meeting.

Electronically

The duly completed and executed Proxy Form may be submitted electronically, through proxy@aismartuallearning.com

C. Explanatory notes

Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016 for discussion only under item 1 of the agenda. They do not require shareholders' approval and hence, will not be put for voting.

Directors' Fees and Benefits (Resolution 1)

The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to Non-Executive Directors. Benefits of RM20,000 are to reimburse Non-Executive Directors' travelling expenses to attend meetings of Company. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Resolution 1 is passed at the forthcoming Annual General Meeting.

Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 24th AGM on the Directors' remuneration in resolution as below:

- Resolution 1 on payment of Non-Executive Directors' fees and benefits in respect of the current year 2024 and until the next AGM of the Company ("Relevant Period").

The Board decided that the Non-Executive Directors' fees for financial year ("FY") ended 31 December 2023 be maintained as the previous FY subject to the performance of the Company and the current economy. The remuneration policy for Non-Executive Directors fees is clarified in pages 53 to 58 of the Corporate Governance Report.

Re-election of Directors who retire in accordance with Article 93 of the Company's Constitution (Resolutions 2, 3 and 4)

Article 93 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3). With the current Board's size of Nine (9), three (3) Directors are to retire in accordance with Article 93 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 24th AGM, the Nominating Committee ("NC") has considered the following:

- (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (2) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING (Cont'd)

Notes: - (Cont'd)

C. Explanatory notes (Cont'd)

Re-election of Directors who retire in accordance with Article 93 of the Company's Constitution (Resolutions 2, 3 and 4) (Cont'd)

In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/ confirmation of independence bi-annually.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 93 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

Re-election of Directors who retire in accordance with Article 99 of the Company's Constitution (Resolutions 5, 6 and 7)

Article 99 of the Company's Constitution provides that the Directors appointed to fill casual vacancy shall hold office only until the next AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Ms. KHOO LEE FENG, Ms. KU EK MEI and Mr. TAN KAI SENG are appointed as Executive Directors of the Company on 1 January 2024, hence they shall hold office only until this AGM and shall be eligible for re-election.

Re-appointment of Auditors (Resolution 8)

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. UHY, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs. UHY have indicated their willingness to continue their service. The re-appointment of Messrs. UHY as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 8, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Resolution 9)

The proposed Resolution 8 above, if passed, will empower the Directors of the Company, from the date of the 24th AGM, with the authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the 23rd Annual General Meeting. The renewal of general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/ or acquisitions which the Directors deem necessary and feasible.

Up to date of this Notice, the Company has not issue any shares pursuant to the mandate granted to the Directors at the 23rd Annual General Meeting as there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

Proposed renewal of authority for Directors to allot and issue new ordinary shares of the Company (KSL Shares) in relation to the Dividend Reinvestment Plan that provides shareholder of the Company with an option to invest their cash dividend in new KSL SHARES (Dividend Reinvestment Plan) (Resolution 10)

The proposed Ordinary Resolution 10, if passed, will give the authority to the Directors to allot and issue new KSL Shares pursuant to the Dividend Reinvestment Plan in respect of the dividends declared from time to time until the next AGM.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 63(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 6 May 2024. Only a depositor whose name appears on the Record of Depositors as at 6 May 2024 shall be entitled to attend this meeting or appoint proxy/proxies to attend, speak, participate and/or vote in his stead. The AGM registration process will be opened on 13 May 2024 as per the Administrative Guide.

Administrative Guide for Twenty-Fourth Annual General Meeting (“AGM”)

Date and time of the 24th AGM (“AGM”)	: Monday, 27 May 2024 at 11.00 am
Fully virtual online meeting platform	: www.vpoll.com.my (Domain Registration No. with MyNIC Berhad: D1A457149) provided by AI Smartual Learning Sdn. Bhd. in Malaysia

1.0 ENTITLEMENT TO PARTICIPATE AND VOTE

- 1.1 Only depositors whose names appear in the Record of Depositors as at 6 May 2024 shall be entitled to participate and/or vote remotely at the AGM or appoint a proxy/proxies to participate and/or vote on his stead.
- 1.2 Eligible members are required to pre-register for the RPV at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM remotely.
- 1.3 The registration process will be opened on 13 May 2024.

2.0 REMOTE PARTICIPATION AND ELECTRONIC VOTING FACILITIES (“RPV”)

2.1 Details of the RPV

- ① The RPV is available to: individual members; proxy holders; corporate representatives; authorised nominees; and exempt authorised nominees (individually, “participant”, and collectively, “participants”)
- ② Eligible participants are entitled to participate and/or vote remotely at the AGM using the RPV provided by AI Smartual Learning Sdn. Bhd. at www.vpoll.com.my from various devices such as smart phone, tablet, laptop or computer.
- ③ The quality of the participant’s connection to the live broadcast is dependent on the bandwidth and stability of the internet of his location and the device he uses.
- ④ In the event the participant encounters any issues with pre-meeting registration, submission of questions, log-in, connection to the live streamed meeting or online voting on the meeting day, kindly contact the Poll Administrator (details of the Poll Administrator is stated in Item 4.0 of this administrative guide) for assistance.

2.2 Appointment of Proxy(ies)

- ① Members may appoint proxy(ies) to participate and/or vote at the AGM via RPV, or to appoint the Chairperson of the Meeting as his proxy by indicating the voting instructions in the Proxy Form [otherwise the proxy(ies) will vote at his discretion] in accordance with the notes and instructions printed therein.
- ② Please ensure that the duly completed and executed Proxy Form is deposited at *the registered office of the Company at Wisma KSL, 148, Batu 1 ½, Jalan Buloh Kasap, 85000 Segamat, Johor, Malaysia* not less than 48 hours before the time appointed for holding the AGM ie. latest by Friday, 24 May 2024 at 11.00 am. Alternatively, the duly completed and executed Proxy Form can also be submitted electronically, through proxy@aismartuallearning.com.
- ③ Appointed proxies are required to pre-register for the RPV at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM remotely.

2.3 Appointment of Corporate/Authorised Representative(s)

- ① Members who are body corporates may appoint their corporate/authorised representative(s) to participate and/or vote at the AGM.
- ② Appointed corporate/authorised representative(s) shall: (i) provide a copy of his identity card, email address and mobile phone number, and (ii) deposit together with the original evidence of his authority (eg. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority in English or Bahasa Malaysia) to the Poll Administrator at *the office of the Poll Administrator, AI Smartual Learning Sdn. Bhd. at 23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan Ampang, 50450 Kuala Lumpur, Malaysia* not later than Friday, 24 May 2024 at 11.00 am, for verification.
- ③ Appointed corporate/authorised representative(s) are required to pre-register for the RPV at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM remotely.

2.4 Submission of Questions

- ① Pre-meeting submission of questions - Members are welcome to submit questions to the Board and/or the Auditors of the Company in advance prior to the AGM not later than Monday, 17 May 2024 at 11.00 am electronically, through proxy@aismartuallearning.com.
- ② Submission of questions during the AGM - Participants may pose questions to the Board and/or the Auditors of the Company via real time submission of typed texts throughout the AGM.
- ③ The Board will endeavour to answer the questions received at the AGM.

2.5 Voting Procedures

- ① Members/proxies/corporate representatives can proceed to vote on the resolutions via the RPV at www.vpoll.com.my at any time from the commencement of the AGM at 11.00 am on 27 May 2024 but before the end of the voting session which will be announced by the Chairperson of the meeting.
- ② Upon completion of the voting session, the appointed Poll Administrator will verify the poll results followed by the Chairperson's declaration whether the resolutions put to vote were successfully carried or otherwise.

2.6 Procedures for RPV

Members/proxies/corporate representatives who wish to participate and/or vote at the AGM remotely via RPV are to follow the requirements and procedures as summarised in "Annex A" as annexed hereto.

3.0 OTHERS

- 3.1 NO gifts/meal vouchers - There will be no distribution of gifts or meal vouchers for members/proxies/corporate representatives who participate in the AGM.
- 3.2 NO recording or photography - Unauthorised recording and/or photography are strictly prohibited at the AGM.


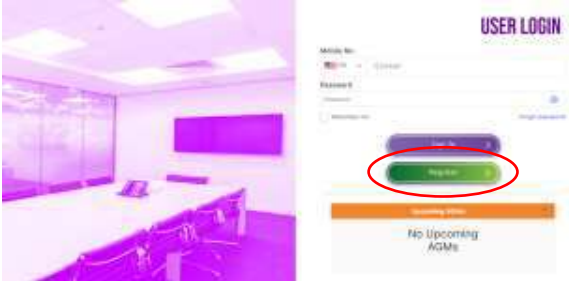

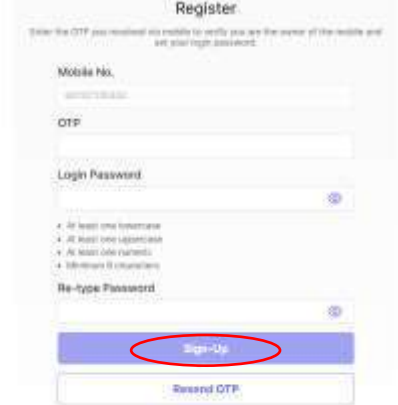
4.0 ENQUIRY AND RPV ASSISTANCE

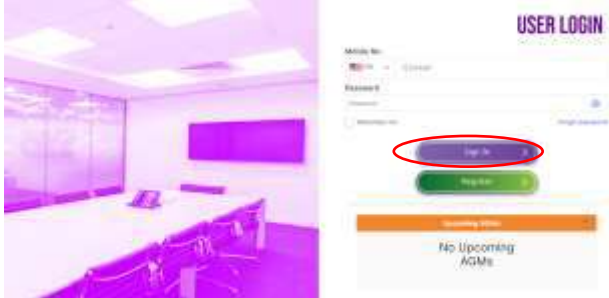

- 4.1 If you have any enquiries on the above, please contact the Poll Administrator during office hours from 9.00 am to 5.00 pm (Monday to Friday, excluding public holidays and days on which the office is closed due to regulations imposed by the Malaysian government to curb the spread of Covid-19 pandemic, if any):

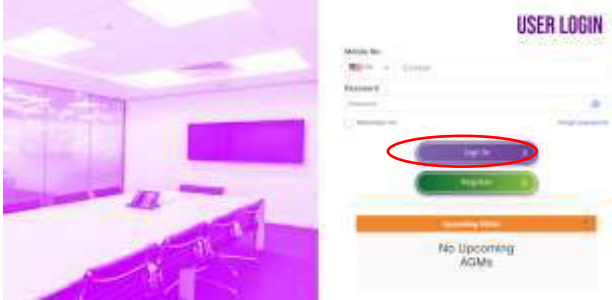



Poll Administrator : AI Smartual Learning Sdn. Bhd.
23-5, Menara Bangkok Bank, Berjaya Central Park, Jalan
Ampang, 50450 Kuala Lumpur, Malaysia


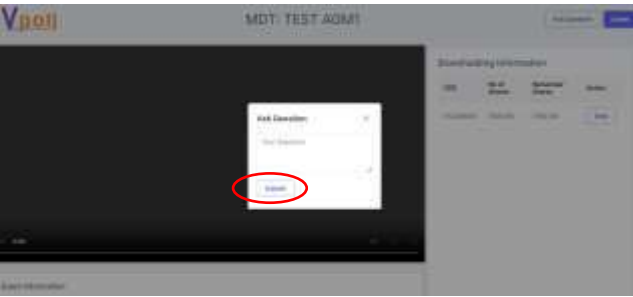

Contact person: David Cheng
Telephone No.: +60177700887
Email: davidcheng@aismartuallearning.com





ANNEX A : PROCEDURES FOR RPV

Procedure		Action
1.	Register as a user with www.vpoll.com.my	Step
	 <p style="text-align: center;">Landing Page</p>  <p style="text-align: center;">User Login / Register</p>  <p style="text-align: center;">Mobile Phone Register</p>  <p style="text-align: center;">OTP and Password fill up form</p>	<ul style="list-style-type: none"> • Please access the URL www.vpoll.com.my to reach the landing page • Click on “User Login/Register button” to register yourself as a user • Please click on “Register” • Please enter your mobile phone number, click on “Got OTP”, and wait for a one-time password (OTP) to be sent to your mobile phone • Please insert the OTP, create a login password, and click on “Sign-up”

Procedure		Action
1.	Register as a user with www.vpoll.com.my (continued)	Step
	 <p style="text-align: center;">Login Page</p>  <p style="text-align: center;">Account verification form</p>	<ul style="list-style-type: none"> • Please re-access the URL www.vpoll.com.my to reach the login page, enter all the login details and click on “Sign In” • Please fill up all the required fields, upload a copy of your NRIC (for Malaysian) / Passport (for Foreigner) and click on “Submit for Verification” • The poll administrator will perform the verification, and approve/reject your application within 12 hours after your submission • Thereafter, an email will be sent to the user on the approval/rejection • If you received a rejection email, please call the Poll Administrator to resolve the issue • If you received an approval email, you may login to the Vpoll anytime therefrom

Procedure		Action
2.	Login to the RPV at www.vpoll.com.my on the AGM Day	Step
<p style="text-align: center;"><i>BEFORE</i></p>  <p style="text-align: center;"><i>AFTER</i></p>   <p style="text-align: center;"><i>DURING THE LIVE STREAMING</i></p> 		<ul style="list-style-type: none"> On the AGM Day, please access the URL www.vpoll.com.my The Vpoll will open for access on the AGM Day from 27 May 2024 at 10.30 am until the conclusion of the AGM Click on “Events”, select KSL AGM, click on “Join” to participate the AGM of KSL Holdings Berhad Your screen will divert you to the event page of the AGM as shown To watch livestream, click on “▶” on the livestream widget Continue watching

Procedure		Action
3.	Submission of questions via RPV	Step
	<p style="text-align: center;"><i>BEFORE</i></p>  <p style="text-align: center;"><i>AFTER</i></p> 	<ul style="list-style-type: none"> • If you wish to raise a question, please click on “Ask Question” • Type your question(s) in the Q&A pop-up screen and click on “Submit” to send in the question • There is no limitation on the number of questions that you may raise
4.	Casting of votes via RPV	Step
		<ul style="list-style-type: none"> • To cast your votes, click on “Vote”

Procedure		Action
4.	Casting of votes via RPV (continued)	Step
	  	<ul style="list-style-type: none"> You will be shown the voting page Please vote accordingly Upon ready to submit your votes, click on “Vote” to complete your voting <ul style="list-style-type: none"> To view the voting results, click on “View Result” <ul style="list-style-type: none"> The voting results will be presented as shown
5.	Conclusion of AGM	Step
		<ul style="list-style-type: none"> Click on “Sign Out” <p>Thank you for your participation</p>

FORM OF PROXY

I/We, _____ (Full Name),
 NRIC/Passport/Company No. _____ of
 _____ being a
 member/members of **KSL HOLDINGS BERHAD**, hereby appoint * the Chairman of the meeting or:

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Email:	Contact:		
Address:			

or failing him/her,

Name:	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Email:	Contact:		
Address:			

* *Strike out if not applicable*

as my/our Proxy(ies) to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held entirely through live streaming from the broadcast venue a L1-95, KSL City, 33, Jalan Seladang, Taman Abad, 80250 Johor Bahru, Johor, Malaysia on Monday, 27 May 2024 at 11.00 a.m. and at any adjournment thereof.

My/Our Proxy(ies) is(are) to vote as indicated below: -

No.	Ordinary Resolutions	For	Against
1.	Approval for the payment of the Non-Executive Directors' Fees and Benefits		
2.	Re-election of Mr. KU HWA SENG (Article 93)		
3.	Re-election of Mr. PANG AH KOW (Article 93)		
4.	Re-election of Ms. TAN SWEE GEOK (Article 93)		
5.	Re-election of Ms. KHOO LEE FENG (Article 99)		
6.	Re-election of Ms. KU EK MEI (Article 99)		
7.	Re-election of Mr. TAN KAI SENG (Article 99)		
8.	Re-appointment of Messrs. UHY as Auditors of the Company		
9.	Authority to Issue and Allot Shares		
10.	Renewal of Authority to Issue and Allot Shares for Dividend Reinvestment Plan		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given above on the Proxy will vote or abstain at his(her) discretion.]

Dated this day of 2024

Email	
Contact No.	
CDS Account No.	
No. of Shares Held	

 Signature/Common Seal of Member

Fold this flap for sealing

A. Live Streaming Meeting

- (i) *In the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the Annual General Meeting ("AGM") will be held virtually and online remote voting using the Remote Participation and Voting Facilities ("RPV").*
- (ii) *Please follow the procedures provided in the Administrative Guide for the 24th AGM in order to register, participate and vote remotely via the RPV.*
- (iii) *No Members/ Proxies will be physically present at the Broadcast Venue on the day of the 24th AGM.*

Then fold here

B. Appointment of Proxy

- (i) *Members whose names appear in the Record of Depositors as at 6 May 2024 shall be eligible to attend, speak and vote at the 24th AGM.*
- (ii) *A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where a member appoints two (2) proxies, the member must specify the proportions of shareholdings to be represented by each proxy.*
- (iii) *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of an officer, or its attorney duly authorised in writing.*
- (iv) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
- (v) *Where a member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to attend and vote at the 24th AGM.*
- (vi) *The instrument appointing a Proxy may be made in hardcopy form or by electronic means as follows and must be deposited not less than forty-eight (48) hours before the time for the Meeting; ie. latest by Friday, 24 May 2024 at 11.00 am:*

Hardcopy

The instrument appointing a Proxy must be deposited at the registered office of the Company at Wisma KSL, 148, Batu 1 ½, Jalan Buloh Kasap, 85000 Segamat, Johor, Malaysia not less than forty-eight (48) hours before the time for the Meeting; or

Electronically

The duly completed and executed Proxy Form may be submitted electronically, through proxy@aismartuallearning.com.

fold here

The Company Secretary
KSL HOLDINGS BERHAD
Registration No. 200001008827 (511433-P)
Wisma KSL, 148, Batu 1½,
Jalan Buloh Kasap,
85000 Segamat,
Johor, Malaysia.

STAMP

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of KSL Holdings Berhad ("KSL" or "The Group"), I am pleased to present the Annual Report and the Audited Financial Statements of the Group for the financial year ended on 31 December 2023 ("FY2023").

In 2023, the property market in Malaysia saw a resurgence fuelled by economic recovery and increased domestic mobility. As Malaysia transitioned into an endemic phase, economic activities regained traction, setting the stage for renewed optimism in the property sector.

Throughout the year, our strategic focus remained steadfast on achieving sustainable growth milestones. We implemented various initiatives backed by prudent financial management and robust capital discipline, enabling us to effectively navigate market dynamics.

Our property development projects in Johor and Klang regions continued to receive favorable market response, demonstrating resilience and promising performance. Additionally, our investment properties segment, encompassing assets such as KSL City Mall, KSL Hotel & Resort, and KSL Hot Spring Resort in Johor Bahru, contributed steadily to our overall business success. As we look ahead, the outlook for Klang Esplanade Hotel & Mall is optimistic. With its strategic location and innovative offerings, we anticipate this landmark property to become a vibrant hub for both locals and tourists alike.

Notably, in a recent development, we are witnessing a growing trend of sustainable and eco-friendly practices within the property sector. This shift reflects a heightened awareness of environmental responsibility and a commitment to building resilient communities. As such, we remain committed to incorporating sustainable practices into our projects, ensuring they align with evolving market preferences and contribute positively to the environment and society.

Looking ahead, we remain optimistic about the prospects of the property market in Malaysia, and we are poised to capitalize on emerging opportunities while upholding our commitment to sustainable growth and innovation.

Taking this opportunity, we would like to congratulate Ms Khoo Lee Feng, Ms Ku Ek Mei and Mr Tan Kai Seng being appointed as our Executive Directors, effective from 1 January 2024. We look forward to their valuable contributions going forth.

In conclusion, I extend my sincere gratitude to the management team, dedicated employees, valued bankers, trusted business associates, regulatory bodies, and all stakeholders for their unwavering support throughout FY2023. I also express heartfelt appreciation to our shareholders for their enduring vote of confidence. As we move forward, we eagerly anticipate your continued support as we strive for even greater accomplishments. While the future may present challenges, it also holds immense promise and potential for all stakeholders. Together, we are poised to seize the opportunities ahead and chart a course towards continued success.

Thank you.

For and on behalf of KSL Holdings Berhad
Ku Hwa Seng
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of the Group's Business and Operations

We are pleased to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 2023, highlighting the Group’s performance and commitment to enhancing shareholder value in Malaysia’s evolving property sector landscape.

In 2023, the global economic landscape saw continued adaptation to prevailing conditions, marked by shifts in market dynamics and geopolitical considerations. While challenges such as financial market volatility and supply chain disruptions persisted, there were also opportunities for growth and resilience in various sectors.

In Malaysia, the property sector witnessed notable developments driven by factors including infrastructure projects, changing consumer preferences, and urbanization trends. The complete reopening of the Johor-Singapore borders catalyzed economic activities in the region, contributing to a positive outlook for Johor’s property market.

Throughout the year, the Group maintained its strategic focus on delivering value to shareholders through prudent financial management and operational excellence. Our commitment to innovation and sustainability remained steadfast, positioning us to capitalize on emerging opportunities and navigate market complexities.

Looking ahead, we remain optimistic about the prospects of Malaysia’s property sector, buoyed by factors such as infrastructure investments and evolving consumer demands. As we continue to execute our strategic initiatives, we are confident in our ability to drive sustainable growth and create long-term value for all stakeholders.

During the financial year, the Group has completed various projects, such as Taman Bestari Indah Zone A Phase 15, Taman Mengkibol Phase 8, Taman Mutiara Bestari and 3 towers of KSL Residence 2.

2. Financial Performance

Group’s revenue increase by 99% RM1,142 million, compared to RM575 million in the previous year. Easing up of the restriction on construction work in year 2023 has seen more project was able to be completed comparing to year 2022. The Group profitability expanded, pre-tax profit recorded at RM535.0 million, in the year under review comparing to the profit of RM217.2 million previously. The Group’s nett profit recorded at RM 416.8 million, increased by 132% comparing to the profit recorded at RM179.5 million in 2022.

On segmental basis, the Group’s property development segment emerged as the majority revenue contributor with 82% of total FY2023 group revenue, while the balance made up by 17% for property investment and 1% for others sector.

The Group financial position as at end of December 2023 also expanded with our retained profit and profitability, with shareholders’ equity increased to RM3,713 million from RM3,296 million in the previous year end.

The Five-Year Group Financial Highlights are set out on page 31 - 33 of this Annual Report.

The Group did not purchase any of its issued ordinary shares from the open market during the year 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3. Operating Activities, Risks and Future Outlook

3.1 Property Development

In 2023, Malaysia's property sector continued to evolve within the framework of revised policies and economic conditions. Building on the momentum of 2022, characterized by the easing of containment measures and economic revival, the market remained dynamic, albeit with nuanced shifts in response to governmental initiatives outlined in Budget 2023, particularly those directed towards stimulating residential development.

Government provided incentive and introduced strategic measures to encourage home ownership, such as Real Property Gains Tax exemptions and guarantees to banks via Skim Jaminan Kredit Perumahan. These initiatives, when effectively implemented, are expected to invigorate the property sector, catalyzing increased sales and transactions.

Despite external challenges, Malaysia's property market demonstrated resilience in 2023, with total transaction value soaring to RM196.83 billion, marking a substantial 9.9% year-on-year increase. This growth, coupled with a surge in over 399,000 transactions, was fueled by robust economic expansion and initiatives such as the homeownership campaign.

Looking ahead, the property market is poised to align with the moderated economic growth forecasted for 2023, ranging between 4% and 5% according to the Ministry of Finance. Accommodative policies, including the prevailing overnight policy rate (OPR) of 3%, continue to provide favorable conditions for property financing.

Maintaining an optimistic outlook, the Group anticipates continued growth in the property market, supported by the implementation of measures outlined in Budget 2023 and strategic initiatives under the 12th Malaysia Plan. Emphasizing affordable housing initiatives, we are committed to addressing market needs and contributing to broader economic stability.

As we navigate evolving economic landscapes, we remain vigilant and adaptive, poised to seize opportunities and contribute positively to Malaysia's property sector growth.

3.2 Property Investment

In 2023, Malaysia's property investment landscape continued to undergo shifts reflective of broader economic trends and market dynamics.

The tourism industry, while vital to Malaysia's economy, faced ongoing challenges with international travel restrictions and changing consumer preferences. Efforts to revitalize domestic tourism remained a priority, albeit against the backdrop of subdued international visitor numbers.

Commercial property transactions experienced notable growth in 2023, with both volume and value increasing significantly compared to the previous year. The retail segment, particularly shops, emerged as a key driver of this growth, with regions like Selangor and Johor showcasing robust market activity.

The complete reopening of borders and relaxation of restrictions in 2023 provided a positive impetus to the tourism sector and broader economy. However, the commercial landscape continues to evolve amidst changing work patterns and consumer behaviors.

Looking ahead, the retail and office segments are expected to face challenges as businesses adapt to remote work arrangements and shifts in consumer preferences. This may result in a re-evaluation of space requirements and a potential decline in demand for traditional commercial spaces.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3. Operating Activities, Risks and Future Outlook (Cont'd)

3.2 Property Investment (Cont'd)

Despite these challenges, opportunities for innovation and adaptation abound, with concepts such as pop-up stores and experiential retail offering potential avenues for growth and resilience.

As Malaysia's property investment sector continues to evolve, proactive strategies and a focus on market responsiveness will be essential for navigating uncertainties and seizing emerging opportunities.

REVIEW OF OPERATIONS

Despite the prevailing headwinds in the property sector, KSLH performed commendably in the year under review.

A. PROPERTY DEVELOPMENT

Property development continued to be the main top line contributor for the Group in the year under review. Revenue from this segment was recorded at RM 935 million for FY2023. (2022: RM 454 million).

For the year under review, KSLH has the following highlighted on-going projects under various construction stages in Johor and Klang.

A.1 JOHOR BAHRU

A.1.1 Taman Bestari Indah

Taman Bestari Indah is mixed development township of residential and commercial buildings. The Project is situated just 20 kilometres from the Johor Bahru City Centre. It boasts of easy accessibility to the Tebrau Highway, Pasir Gudang Highway and Senai-Desaru Highway.

Residents in the township also enjoy a wide variety of features and amenities in the vicinity, including shopping complexes such as AEON and Lotus, recreational clubs such as Johor Jaya Sports Complex, Austin Hill Country Club, Ponderosa Golf & Country Club, medical centres such as Hospital Sultan Ismail as well as educational institutions such as Sunway College and Institute KTC.

Taman Bestari Indah Zone A Phase 15 had fully completed during the year consists of 84 units 2 Storey Cluster Houses, 4 units Semi-D and 4 units Link Bungalow. Zone D Phase 3 which consists of 151 units of 2 Storey Terrace Houses is under active construction and targeted to complete in 1st Quarter of 2025.

A.1.2 Taman Mutiara Bestari

Mutiara Bestari is located in Skudai, next to Iskandar Puteri, Johor. The entire Iskandar Development Region, stretching from the new State Administrative Capital at Nusajaya, the 2nd Link, the Senai International Airport, the Customs, Immigration Quarantine Complex (CIQ) of Johor Bahru can be conveniently accessed by expressways or highways.

This development spans approximately 100 acres and is to be developed progressively in 3 phases comprising of a total of 704 units of luxurious houses. Mutiara Bestari is targeted at urbanites who seek the convenience of city living within an upscale neighbourhood complete with heightened security of CCTV along with parameter fencing for peace of mind and comprehensive community amenities such as education, shopping and entertainment hubs which meet the residents' needs.

Phase 1, 2 & 3 of Mutiara Bestari are consists of total 704 units of 2 Storey Semi-D, 2 Storey and 3 Storey Cluster Houses, all phases are completed with Certificate of Completion and Compliance (CCC) obtained.

REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.1 JOHOR BAHRU (Cont'd)

A.1.3 KSL Residence 2 @ Kangkar Tebrau

KSL Residences 2 @ Kangkar Tebrau is a high-rise residential development located at Jalan Kangkar Tebrau, which consists of 5 Towers of Service Apartments with 2,068 units, which size ranging from 463 sq.ft to 883 sq.ft. Currently 5 Towers of the Service Apartment are open for sales.

KSL Residence 2 @ Kangkar Tebrau is generally located within the locality known as Kangkar Tebrau, Johor Bahru off Pasir Gudang highway and lies about 13 kilometres due north of the Johor Bahru city centre. Linked with several main road and easy accessibility from Johor Bahru, Pasir Gudang and Plus highway. Access to the subject property from Johor Bahru city centre is via Jalan Tebrau then onto Jalan Kangkar Tebrau leading to the subject property. It is also accessible from Pasir Gudang highway via Taman Daya Interchange, Jalan Daya and Jalan Kangkar Tebrau.

The location of this apartment was carefully picked to reflect elements of convenience and functionality which are its focus. The amenities available in the surrounding complements the range of facilities provided in-house ensuring that both the everyday and recreational needs of the resident are properly met.

The project consists of 5 towers, 2 towers is under active construction and 3 towers was completed with Certificate of Completion and Compliance (CCC) in year 2023.

A.1.4 Pangsapuri @ Bukit Gemilang

KSL Bukit Gemilang was officially launched in January 2023. This high rise residential and commercial development with a leasehold tenure of 991 years. Nestled in Taman Bukit Gemilang, Skudai, it comprises two towers of apartments featuring 476 units, ranging from 850 sq. ft. to 3,634 sq. ft. and 24 units of shophouse in ground floor spanning from 1,876 sq. ft. to 3,634sq.ft.

The strategic location of Taman Bukit Gemilang provides residents with easy access to major highways such as the North-South Expressway, Skudai-Pontian Highway, and the Second Link Expressway. It is located in close proximity to various amenities such as Aeon Mall Bukit Indah, Sutera Mall, and Paradigm Mall Johor Bahru. Moreover, residents can also access healthcare facilities such as Columbia Asia Hospital and Gleneagles Medini Hospital within a few minutes' drive.

The residential units feature 3 bedrooms and 2 bathrooms with modern concepts and practical layouts to provide comfortable living for residents. Residents are treated to an array of facilities tailored to their lifestyle needs, including a swimming pool, gym, playground, multipurpose hall, and 24-hour security.

Currently, Pangsapuri KSL Bukit Gemilang is under active construction and targeted to complete in year 2024.

REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.1 JOHOR BAHRU (Cont'd)

A.1.5 KSL Pulau Bestari

KSL Pulau Bestari is a 190-acre mixed development township. The project comprises both residential and commercial buildings, offering a complete range of amenities and facilities to residents. The township is strategically located in Pulau, Johor, a beautiful residential area that offers easy access to the Skudai-Pontian Highway.

KSL Pulau Bestari (Phase 1) was officially launched in June 2023. This is the first project in this township consist of 183 units of 2 Storey Terrace Houses with spacious living spaces and modern design, tailored to meet the needs of families seeking comfort and security in their living spaces.

KSL Pulau Bestari (Phase 2A) is a 2 Storey Cluster House development comprising 325 units, expected to be officially launched in March 2024. The project's standout feature is its spacious car porch area and soaring 15-foot high ceilings, promising a unique living experience.

The township will continue to grow and expand with future developments planned for the coming years.



REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.2 KLUANG

A.2.1 Taman Mengkibol

Taman Mengkibol is a 249-acre development township featuring single storey terrace houses, double storey terrace houses and affordable houses known as “Rumah Mampu Mampu Johor (RMMJ)”, double storey and three storey shop offices. Taman Mengkibol is located 3 kilometres from Kluang Town. The township is also accessible through the North-South Highway and linked with several main roads with easy accessibility. The subject property is easy to access from Ayer Hitam via Jalan Batu Pahat, Jalan Besar and Jalan Mengkibol. Furthermore, it is also accessible from Simpang Renggam via Jalan Simpang Renggam and Jalan Kluang Renggam. Nearest commercial complexes are Dees Mart, Target Grand Hypermarket & Lotus Hypermarket which located within 3km away. In addition, Kluang Mall, Kluang Parade, Target Hypermarket, Aeon Big Hypermarket and Eonsave Hypermarket is located within 5-8 km away.

The group plans to develop the project in various phases. There is 80 units Single Storey Terrace Houses completed in year 2023. In year 2023, we have active phases construction & targeted to complete by 2nd Quarter of 2024. We target to launch a new phase of ‘Rumah Mampu Milik Johor’ in year 2024.

A.3 SEGAMAT

All those projects are situated at prime location and easily accessible through main road and adjoined with existing matured housing estate.

A.3.1 Taman Tasik Sejati @ Yayasan

Spread over approximately 100 acres, Taman Tasik Sejati is an exciting township which is sprouting in the rapidly growing area of Taman Yayasan, Segamat. Located merely 10 minutes away from Segamat main town and accessible to Kuantan Highway, this project is much sought after due to its strategic location and is situated at established neighbourhood. It’s definitely a liveable place with lots of good food and a good living environment as well as amenities for daily needs such as Billion and Nirwana Supermarket. It is accessible to the main highways to Kuantan, Kuala Lumpur and to Segamat town. The project comprises an enviable cluster of quality homes, consisting of 2 Storey Cluster House as well as Single and 2 Storey Terrace House that will appeal to discerning buyers.

During the year, 144 units of Single Storey Cluster Houses was completed by 1st Quarter 2024. A new phase will be launching consists of ‘Rumah Mampu Milik Johor’ in year 2024.

A.3.2 Taman Pesona @ Kg Tengah

These 3.3 acres freehold land residential project, namely Taman Pesona is situated at Kg Tengah, Segamat, Johor. The project surrounded by mature housing projects. With the green environment sure will provide fresh air and healthy environment to the residents. It comprises of total 47 units of various houses.

The project has been launched in 2022 and now in active construction and estimated to complete in 2nd Quarter 2024.

REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.4 BATU PAHAT

Embark on a lifestyle of exclusivity as KSL unveils its maiden freehold mixed development project in Batu Pahat. It is one of our biggest development in year 2023, of which located along the main road of Jalan Tanjung Labuh, Batu Pahat.

A.4.1 Taman Banang Jaya

This is our first mixed development project at Batu Pahat of which the commercial unit is launched in the 3rd quarter 2023, comprising of 57 units of Double Storey Shop Offices with gross development value of RM50 million. This Commercial Development situated in a very strategy location, fronting Jalan Tanjung Labuh, and in between matured neighbourhood, Taman Banang Jaya and Taman Evergreen Height, on the back, Taman Bukit Floral. It comprises total area of approximately 41.84 acres.

Besides this, KSL also launched its residential units of 322 units of 2 Storey Terrace Houses, boasting an estimated Gross Development Value (GDV) of RM200 million during the 4th quarter 2023. This project is a perfect fit for growing families and property hunters dreaming of a secluded enclave of peace and quiet, away from the hustle and bustle of city life. Residents in the township also enjoy a wide variety of features and amenities in the vicinity as it is nearby the popular Chinese High School Batu Pahat, Banquet Restaurant Grand Seaview, Bukit Banang Golf and Country Club and opposite to one of the biggest Army Camp in Malaysia, the Majidee Camp. Taman Banang Jaya is surrounded by high-density population of Taman Evergreen Heights, Taman Banang Jaya (old), Taman Bukit Flora 1 & 2.



REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.5 TANGKAK

A.5.1 Taman Cemerlang

This is another freehold mixed residential project, located in Pekan Rawang, Tangkak, Johor. Sitting on 8.2828 acres of land, this residential development has a Gross Development Value (GDV) of RM38 Million, comprising total of 91 units of various houses.

Taman Cemerlang is adjoined with a matured residential project known also as Taman Cemerlang (old). This project is nearby existing project such as Taman Pantai Layang & Taman Baiduri and is surrounded with Primary & Secondary schools such as SJKC Chung Hwa Sungai Sendok, SK Rawang, SK Pantai Layang, SM Agama & SMJK Pei Hwa, and others Educational Institutions such as Kolej Komuniti YPJ Muar & Manipal Universiti College Malaysia (Muar Campus). There are also financial institutions and Healthcare facilities in close proximity of the development include Sultan Fatimah Specialist Hospital and private clinics.

This project is under active construction and is targeted to complete in year 2025.

A.6 KLANG, SELANGOR

Bandar Bestari

The Bandar Bestari is a 448-acre self-integrated township located in Klang with an exclusive blend of premium landed residential homes, strata properties commercial business centre.

Besides that, the 90-acre retail and commercial hub boasts of various facilities to foster community living, including a private community clubhouse, a commercial zone and schools. The subject project is located within the integrated development of Bandar Bestari, Klang which is approximately 44 km due to south-west of Kuala Lumpur City Centre and approximately 8 km from Klang town centre.

It is accessible from Kuala Lumpur City centre by KESAS Highway into Jalan Klang Banting for approximately 3 km where the project is located on the right side by Jalan Klang-Banting.

Nearby residential development includes Bayuemas, Bandar Parklands, Taman Perindustrian Air Hitam Phase 1 & 2, Taman Sijangkang Jaya, Taman Perwira and Taman Seri Medan. Landmarks within the locality include Indah Water Konsortium, Pangsapuri Arista and Orchids Apartment.

Shopping, marketing, educational, recreational amenities and public facilities are available in the neighbourhood.

A.6.1 Canary Garden @ Bandar Bestari

The Canary Garden Homes depicts residences for the luxurious lifestyle. Designed to showcase the delicate balance between serenity and convenience, some of the primary features include a 52-acre French-inspired Garden for nature-focused recreation.

During the year under review, phase Bandar Bestari Phase 2D consist of 86 units semi-D was completed during the year.

The Group has launched Bandar Bestari Phase 3A, namely Green Pine with 102 units 2 Storey Cluster Houses and 2 Storey Semi-Detached Houses.

REVIEW OF OPERATIONS (Cont'd)

A. PROPERTY DEVELOPMENT (Cont'd)

A.6 KLANG, SELANGOR (Cont'd)

Bandar Bestari (Cont'd)

A.6.2 Raintree Residences @ Bandar Bestari

The Group has started a new project in year 2023, consists of retail and residential development located adjacent to Canary Garden @ Bandar Bestari. It is Raintree Residences, a high-rise Service Apartment, which comprises of 3 towers with 25 storey.



REVIEW OF OPERATIONS (Cont'd)

B. PROPERTY INVESTMENT

During the year under review, property investment continues to be an important driver for the Group, contributing RM 198 million in revenue, which makes up for 17% of the Group's total revenues.

B.1 KSL City Mall

KSL City Mall has a gross floor space of 1 million sqft, making it one of the largest mall in Johor. Featuring 500 upmarket lifestyle outlets which consist of 442 retail shops, 50 F&B outlets and 8-cineplex,

B.2 KSL Hotel & Resort

KSL Hotel & Resort Johor Bahru is the largest integrated resort in Johor, located at the heart of the city centre and sits strategically within Iskandar Puteri Malaysia, Johor's second city. The 904 hotel rooms with choices of Superior, Deluxe, Premier Deluxe King, Grand Super King & Suites room meet the requirements for leisure and business travellers alike.

The hotel also features a Grand Ballroom which seats up to 800 persons, two secondary ballrooms and 9 meeting rooms to cater every need and group size. Not only that, the hotel also features other facilities such as an international cuisine restaurant, lounge & bar, dinosaur themed park, rooftop pool, golf simulators, gymnasium and sauna. It is also seamlessly integrated to a wide array of retail outlets and cinema in KSL City Mall which is linked to the hotel for an enhanced 'shop & stay' experience.

B.3 KSL Hot Spring Resort

KSL Hot Spring Resort comprises 308 rooms with 4 types of rooms & suites featuring urbanized and modern environment which provides a relaxing and rejuvenating experience from hectic lifestyle.

KSL Hot Spring is proud to be the first hospitality establishment to provide healthy living through "onsen water" with its natural essences.

B.4 KSL Esplanade Hotel & Mall, Klang

It is an integrated commercial podium which consists of retail shops, departmental store, cinemas, car parks, 4-Star-Hotel and Serviced Apartment.

The KSL Esplanade Mall will be complemented by over 300 local and international stores, shopping, dining, entertainment and public Park as well as the alfresco dining that connects the mall to the park. The KSL Esplanade Mall is expected to give impact not only to the social-economic but also to community uplift with the job opportunities which will be created for the locals.

The KSL Esplanade Hotel comprises 403 rooms with 4 types of rooms & suites which provides a modern, luxurious setting during your business trip or leisure vacation.

The whole integrated complex is completed and started operation during the year.

REVIEW OF OPERATIONS (Cont'd)

C. GROWTH STRATEGIES

The Group strives to ensure that its property development and investment segments continue to remain profitable besides finding more opportunities to sustain our growth in the long term.

C.1 Property Development

The property industry remains challenging with escalating cost of building materials, supply chain disruptions, shortage of workers and uptrend in interest rate. The Group has continued to exercise caution in its business plans and activities. At the same time, the Group continued to place greater emphasis on building capacities, expertise and improving management effectiveness and efficiency so that the Group will remain strong and resilient in facing the current and future challenges.

C.2 Property Investment

The Group continues to intensify our promotional and marketing campaigns, events and roadshows to further increase the patronage to our KSL City Mall & Hotel, KSL Hot Spring Resort and KSL Esplanade Hotel & Mall Klang.

We will also continue to collaborate with various parties to boost tourism to Johor Bahru and Klang. Besides that, the Group is also exploring more opportunities to add more investment properties to our portfolio to further strengthen our recurring income stream.

D. LAND BANKING

As at 31 December 2023, KSLH has approximately of 2,550 acres of land bank throughout Johor and Klang. The land bank is strategically located at different prime locations of Segamat, Batu Pahat, Muar, Mersing, Johor Bahru and Klang. Supported by our strong balance sheet, the Group intends to acquire lands at strategic locations in the future, in order to safeguard our property development arm and to generate a continuous pipeline of projects.

E. CONCLUSION

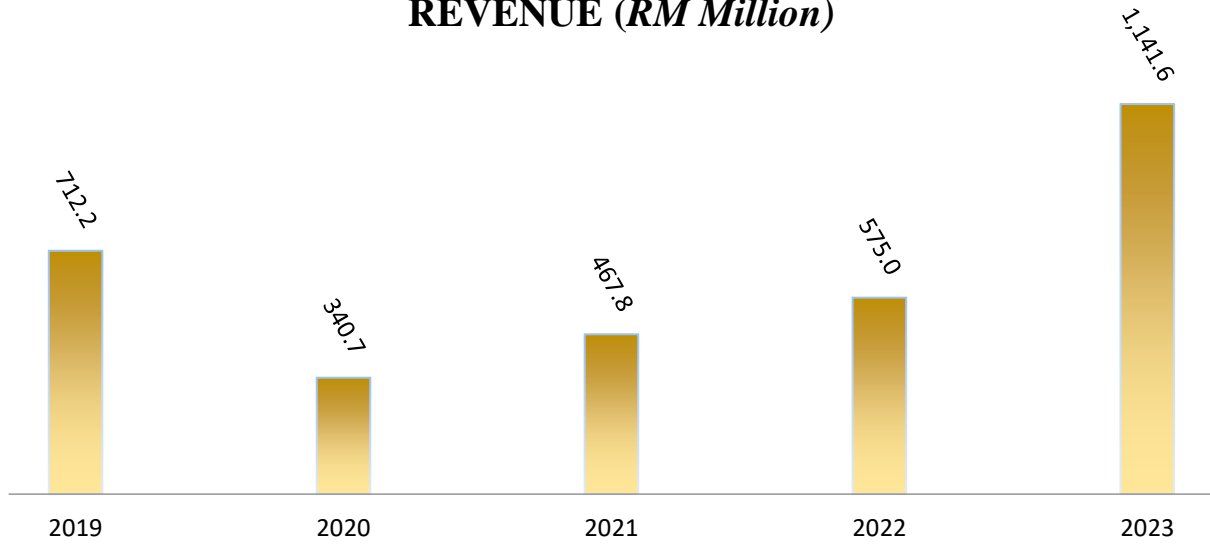
Our commitment remains steadfast, we will persistently dedicate ourselves to improving the value of our company for our shareholders in the future. Through diligence, innovation, and strategic planning, we will continue to enhance shareholder value, ensuring that our efforts yield sustainable growth and prosperity for all stakeholders.

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

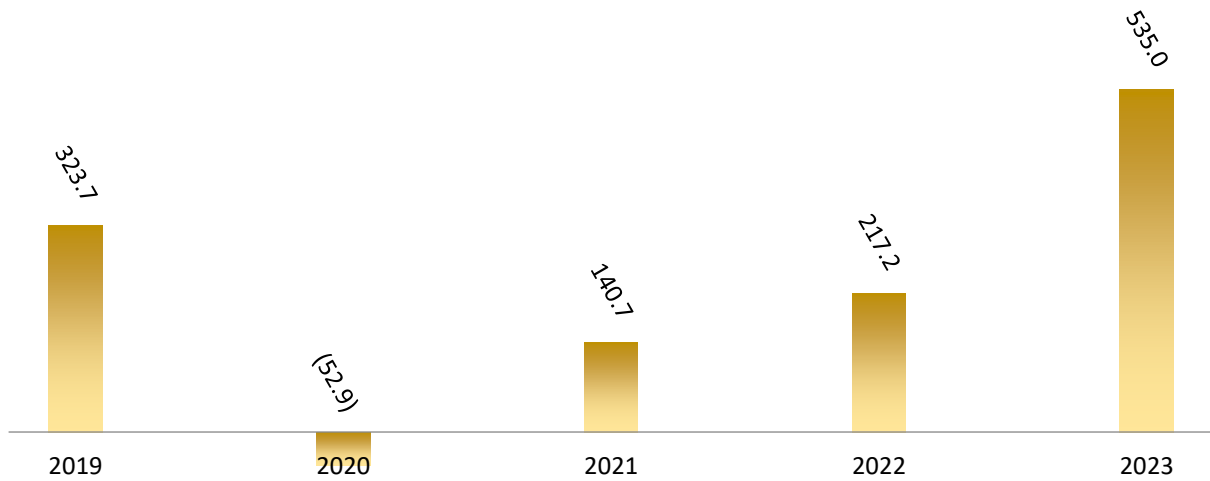
		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
INCOME STATEMENT						
Revenue	<i>RM Million</i>	<u>712.2</u>	<u>340.7</u>	<u>467.8</u>	<u>575.0</u>	<u>1,141.6</u>
Profit/(Loss) Before Taxation	<i>RM Million</i>	<u>323.7</u>	<u>(52.9)</u>	<u>140.7</u>	<u>217.2</u>	<u>535.0</u>
Profit/(Loss) Attributable to Shareholders	<i>RM Million</i>	<u>249.9</u>	<u>(64.4)</u>	<u>114.4</u>	<u>179.5</u>	<u>416.8</u>
BALANCE SHEET						
Issued and Paid Up Capital	<i>Million Unit</i>	<u>1,037.5</u>	<u>1,037.5</u>	<u>1,037.5</u>	<u>1,037.5</u>	<u>1,037.5</u>
Shareholders' Equity	<i>RM Million</i>	<u>3,065.2</u>	<u>3,000.8</u>	<u>3,116.1</u>	<u>3,295.7</u>	<u>3,712.8</u>
SHARE INFORMATION						
Basic Earnings Per Share	<i>Sen</i>	<u>24.57</u>	<u>(6.33)</u>	<u>11.25</u>	<u>17.65</u>	<u>40.98</u>
Dividend Per Share - Gross	<i>Sen</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets Per Share	<i>RM</i>	<u>3.01</u>	<u>2.95</u>	<u>3.06</u>	<u>3.24</u>	<u>3.65</u>
Return on Shareholders' Equity	<i>%</i>	<u>8%</u>	<u>-2%</u>	<u>4%</u>	<u>5%</u>	<u>11%</u>

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (Cont'd)

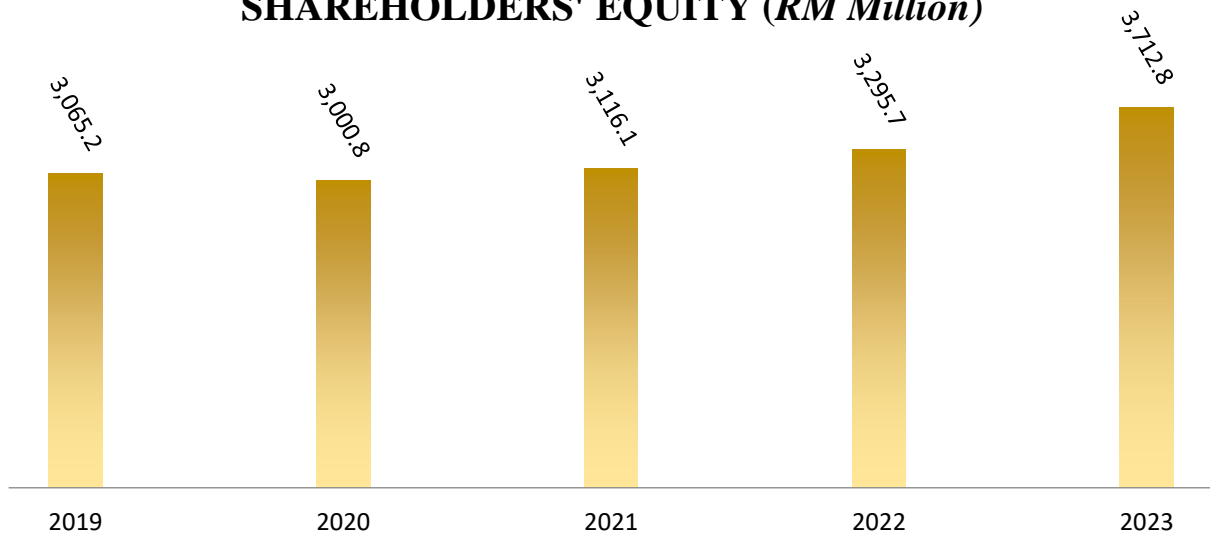
REVENUE (RM Million)



PROFIT BEFORE TAXATION (RM Million)

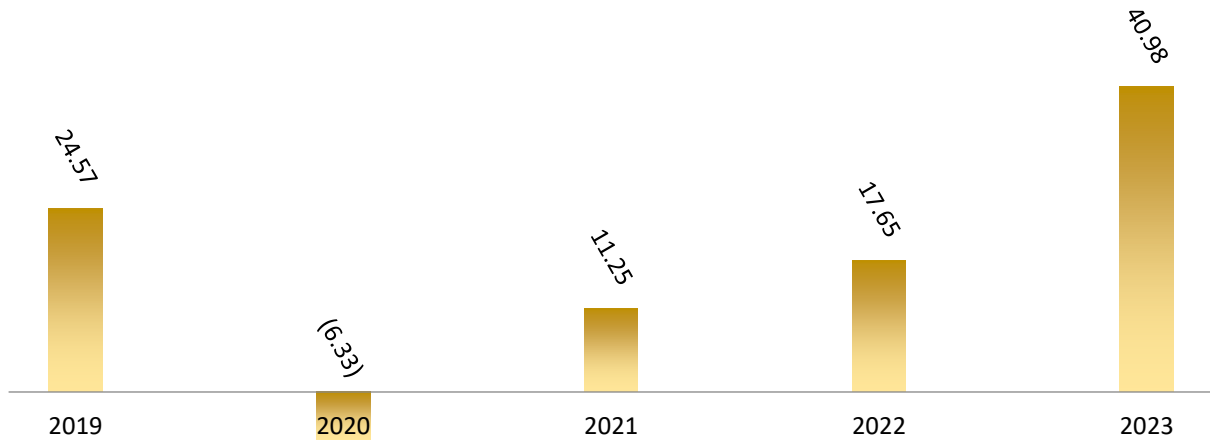


SHAREHOLDERS' EQUITY (RM Million)

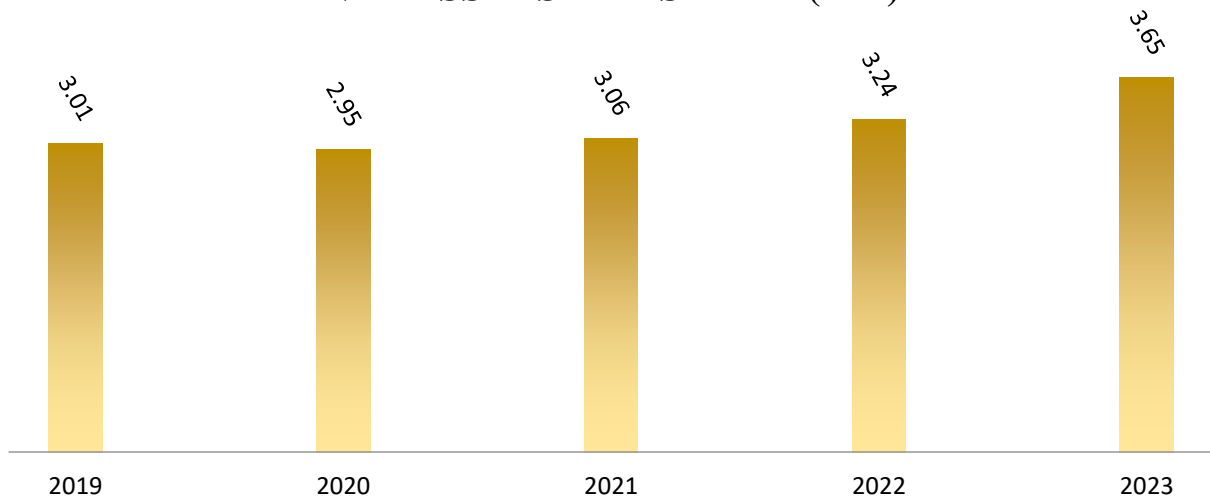


FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (Cont'd)

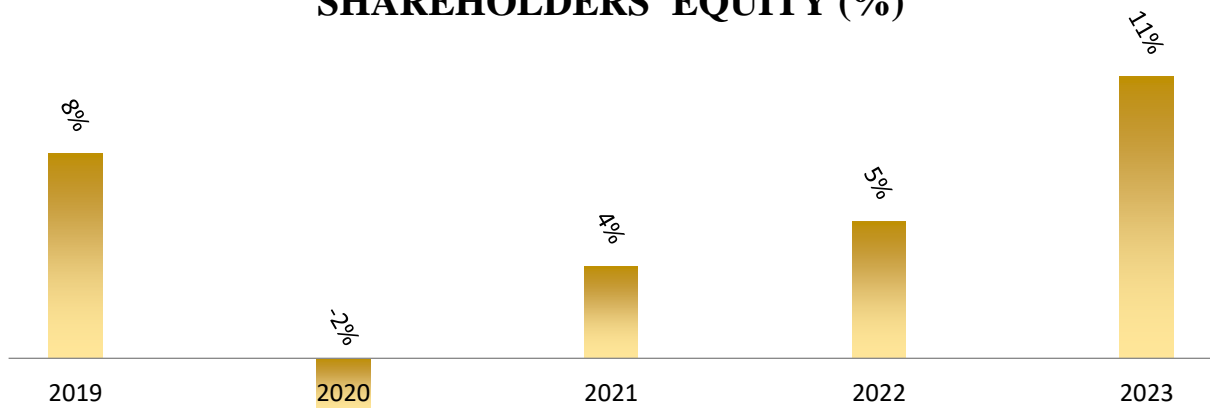
BASIC EARNINGS PER SHARE (Sen)



NET ASSETS PER SHARE (RM)



RETURN ON SHAREHOLDERS' EQUITY (%)



DIRECTOR'S PROFILE

KU HWA SENG

Executive Chairman

Ku Hwa Seng, aged 68, male, Malaysian, was appointed to the Board on 19 November 2001 as an Executive Director and was subsequently appointed as the Executive Chairman of KSL Holdings Berhad ("KSLH" or "the Company") on 24 February 2011. He joined the KSLH Group in 1981 and has since gained vast invaluable experience and built a strong business network over the past thirty (30) years in the property development industry. Presently, he is involved in the KSLH Group's business development and operations in south Johor. He oversees the day-to-day management, decision-making and operations of Johor Bahru office. He is a director of most of the subsidiary companies within the KSLH Group and also a director of several other private limited companies.

He is deemed to have certain conflict of interest with the Company by virtue of his interest in certain privately owned companies and lands, which are also involved in property development business. However, these privately owned companies are not in direct competition with the business of the Company.

Ku Hwa Seng is brother to Khoo Cheng Hai @ Ku Cheng Hai, Ku Tien Sek and Ku Wa Chong, who are the Directors and/or the substantial shareholders of the Company. He does not hold any directorships in other public companies. He has no convictions for any offences within the past five (5) years other than traffic offences, if any.

KHOO CHENG HAI @ KU CHENG HAI

Group Managing Director

Member of Risk Management Committee

Khoo Cheng Hai @ Ku Cheng Hai, aged 73, male, Malaysian, is the founder of the KSLH Group. He was appointed to the Board on 19 November 2001 as the Group Managing Director.

He is the driving force behind the KSLH Group's development, growth and expansion. He is known for his prudence, foresight and business acumen, which has helped to see the KSLH Group through two (2) recessions in the last thirty (30) years. With his vast experience, he is responsible for the KSLH Group's business development and day-to-day operations of the KSLH Group. He is a director of most of the subsidiary companies within the KSLH Group and also a director of several other private limited companies.

He is deemed to have certain conflict of interest with the Company by virtue of his interest in certain privately owned companies and lands, which are also involved in property development business. However, these privately owned companies are not in direct competition with the business of the Company.

Khoo Cheng Hai @ Ku Cheng Hai is brother to Ku Hwa Seng, Ku Tien Sek and Ku Wa Chong, who are the Directors and/or the substantial shareholders of the Company. He does not hold any directorships in other public companies. He has no convictions for any offences within the past five (5) years other than traffic offences, if any.

DIRECTOR'S PROFILE

KU TIEN SEK

Executive Director

Ku Tien Sek, aged 67, male, Malaysian, was appointed to the Board on 19 November 2001 as an Executive Director. He has been involved in the management of the KSLH Group since 1981 particularly in KSLH Group's public relations as well as the formulation of the KSLH Group's strategic plans and policies. Presently, he is involved in the KSLH Group's business development and operations in Klang Valley. He is also responsible for the development of the KSLH Group's future expansion plans. He is a director of most of the subsidiary companies within the KSLH Group and also a director of several other private limited companies.

He is deemed to have certain conflict of interest with the Company by virtue of his interest in certain privately owned companies and lands, which are also involved in property development business. However, these privately owned companies are not in direct competition with the business of the Company.

Ku Tien Sek is brother to Khoo Cheng Hai @ Ku Cheng Hai, Ku Hwa Seng and Ku Wa Chong, who are the Directors and/or the substantial shareholders of the Company. He does not hold any directorships in other public companies. He has no convictions for any offences within the past five (5) years other than traffic offences, if any.

KHOO LEE FENG

Executive Director

Khoo Lee Feng, aged 37, female, Malaysian, was appointed to the Board on 1 January 2024 as an Executive Director. She has been involved in the administration and operation of KSLH Group since 2010 and involved in management of the KSLH Group since 2011, particularly in administrative and operation role. Presently, she is involved in the KSLH Group's business development, administration and operation, contributing to the strategic direction and overall success of KLSH Group. She is a director of most of the subsidiary companies within the KSLH Group and also a director of several other private limited companies.

She is deemed to have certain conflict of interest with the Company by virtue of her interest in certain privately owned companies and holding companies, which are also directly or indirectly involved in property development business. However, these privately owned companies are not in direct competition with the business of the Company.

She is a daughter of Khoo Cheng Hai @ Ku Cheng Hai, niece of Ku Hwa Seng, Ku Tien Sek and Ku Wa Chong, who are the Directors and/or the substantial shareholders of the Company. She does not hold any directorships in other public companies. She has no convictions for any offences within the past five (5) years other than traffic offences, if any.

DIRECTOR'S PROFILE

KU EK MEI

Executive Director

Ku Ek Mei, aged 42, female, Malaysian, was appointed to the Board on 1 January 2024 as an Executive Director. She has been involved in the sales and administration of KSLH Group since 2004 and involved in management of KSLH Group since 2011, particularly in sales and growth role. Presently, she is involved in the KSLH Group's business development and administration, contributing to the sales and growth of KSLH Group. She is a director of most of the subsidiary companies within the KSLH Group and also a director of several other private limited companies.

She is deemed to have certain conflict of interest with the Company by virtue of her interest in certain privately owned companies and holding companies, which are also directly or indirectly involved in property development business. However, these privately owned companies are not in direct competition with the business of the Company.

She is a daughter of Ku Hwa Seng, niece of Khoo Cheng Hai @ Ku Cheng Hai, Ku Tien Sek and Ku Wa Chong, who are the Directors and/or the substantial shareholders of the Company. She does not hold any directorships in other public companies. She has no convictions for any offences within the past five (5) years other than traffic offences, if any.

TAN KAI SENG

Executive Director (Finance Manager)

Tan Kai Seng, aged 51, male, Malaysian, was appointed to the Board on 1 January 2024 as an Executive Director (Finance Manager). He has been involved in the accounting department of the KSLH Group since 2002. He is responsible for the accounting work and planning of the KSLH Group. He is not a director of any of the subsidiary companies within the KSLH Group.

Tan Kai Seng does not hold any directorships in other public companies. He does not have any family relationship with any Director and/or substantial shareholder of the Company or any business arrangement with the Company in which he has personal interest. He has no convictions for any offences within the past five (5) years other than traffic offences, if any.

DIRECTOR'S PROFILE

PANG AH KOW

*Independent Non-Executive Director
Chairman of Audit Committee and Risk Management Committee
Members of Nomination Committee and Remuneration Committee*

Pang Ah Kow, aged 67, male, Malaysian, was appointed to the Board on 1 December 2022 as an Independent Non-Executive Director. He is a member of the Malaysia Institute of Accountants, the Malaysia Institute of Certified Public Accountants, the Chartered Accountants Australia and New Zealand and a fellow of Fellow of the Malaysian Institute of Taxation. He holds a Bachelor of Commerce from University of Canterbury, Christchurch, New Zealand.

In 1990, he founded the audit firm Messrs. A.K. Pang & Co., which has since grown to include branches in Segamat and Kluang, Johor. Today, he remains the sole proprietor of the firm, bringing his extensive experience and expertise to his clients.

Prior to founding Messrs. A.K. Pang & Co., Pang Ah Kow worked at Messrs. Ernst & Young in Singapore, Kuala Lumpur, and Sandakan offices. Through his work in these offices, he gained a deep understanding of auditing and financial advisory services, which he has since leveraged to build a successful practice of his own.

Pang Ah Kow does not hold any directorships in other public companies. He does not have any family relationship with any Director and/or substantial shareholder of the Company or any business arrangement with the Company in which he has personal interest. He has no convictions for any offences within the past five (5) years other than traffic offences, if any.

TAN SWEE GEOK

*Independent Non-Executive Director
Chairwoman of Nomination Committee
Members of Audit Committee, Remuneration Committee and Risk Management Committee*

Tan Swee Geok, aged 68, female, Malaysian, was appointed to the Board on 1 December 2022 as an Independent Non-Executive Director. She holds a Diploma in Education, University of Malaya and Degree in Business, BA (Econ)(Hons), University of Malaya.

Since 1988, Tan Swee Geok has been a valued member of her husband's legal firm Messrs. Lee Fook Leong & Co., where she has played an integral role in the management and administration of offices in Segamat, Tangkak, Johor Bahru, Klang, and TTDI, Kuala Lumpur. In addition to her administrative responsibilities, she has also provided crucial support to the partners of the firm, particularly in the areas of corporate and conveyancing work.

Before joining Messrs. Lee Fook Leong & Co., Tan Swee Geok taught English, Commerce, and Economics at Chung Hwa High School in Seremban and Sekolah Munshi Abdullah in Labis. This experience not only gave her a strong foundation in teaching and communication skills but also instilled in her a deep appreciation for the importance of education and the impact it can have on people's lives.

Tan Swee Geok does not hold any directorships in other public companies. She does not have any family relationship with any Director and/or substantial shareholder of the Company. She is directly holding 287,392 ordinary shares of the Company, which represent 0.028% of the total issued shares of the Company. Her employer, which is also her husband's legal firm, Messrs. Lee Fook Leong & Co. provides legal services to the Company and Group in the ordinary course of business. There is no business arrangement with the Company in which she has personal interest. She has no convictions for any offences within the past five (5) years other than traffic offences, if any.

DIRECTOR'S PROFILE

WONG LEE LEE

Independent Non-Executive Director

Chairwoman of Remuneration Committee

Members of Audit Committee, Nomination Committee and Risk Management Committee

Wong Lee Lee, aged 51, female, Malaysian, was appointed to the Board on 1 December 2022 as an Independent Non-Executive Director. She is a member of Malaysian Institute of Accountants and fellow member of the Association of Chartered Certified Accountants (FCCA).

Since joining Messrs. Gow & Tan in 1996, Wong Lee Lee has made significant contributions to the firm and its clients. Over the years, she has held various positions within the firm, demonstrating her versatility and adaptability, and was appointed as Audit Partner in 2008.

With over twenty years of public practice experience, Wong Lee Lee has developed a wealth of knowledge and expertise in accountancy, auditing, taxation, and management consultancy. She has leveraged this expertise to provide invaluable guidance and support to her clients, helping them to navigate complex financial and business challenges and achieve their goals.

Wong Lee Lee does not hold any directorships in other public companies. She does not have any family relationship with any Director and/or substantial shareholder of the Company or any business arrangement with the Company in which she has personal interest. She has no convictions for any offences within the past five (5) years other than traffic offences, if any.

KEY SENIOR MANAGEMENT

TANG CHING TONG

Tang Ching Tong, aged 57, Malaysian, joined the KSL Group in year 2001 and was appointed as General Manager in year 2009. He holds an Honours Degree in Bachelor of Science with Education from University Kebangsaan Malaysia.

He has more than twenty (20) years of experiences in the property development industry. Currently he is involved in the daily business operations include planning and managerial roles in business development of the Group especially in Southern Regions.

He does not have any family relationship with any Director and/or substantial shareholder of the Company or any business arrangement with the Company in which he had personal interest. He does not hold any directorships in public companies. He has no conviction for any offence within the past five (5) years other than traffic offences, if any.

KU KENG LEONG

Ku Keng Leong, aged 47, male, Malaysian, joined the KSL Group in year 2000. He was appointed as the Executive Director in most KSL subsidiaries on 1 January 2011. Currently, he is involved in planning, daily business operations, as well as designs, implementations, co-ordinations and overseeing all projects progress in South Johor.

Ku Keng Leong graduated from Curtin University of Technology, Perth Australia with a Bachelor of Business degree majoring in International Business in 1999. He obtained his MBA in IPE Business School, Paris in January 2018.

He is the son of Ku Wa Chong, nephew of Khoo Cheng Hai @ Ku Cheng Hai, Ku Hwa Seng and Ku Tien Sek, who are the substantial shareholder and/or Directors of the Company. He does not hold any directorships in public companies. He has no conviction for any offence within the past five (5) years other than traffic offences, if any.

AUDIT COMMITTEE REPORT

A. ESTABLISHMENT AND COMPOSITION

The Audit Committee comprises the following members:-

Chairman:

Pang Ah Kow (Independent Non-Executive Director)

Members:

Tan Swee Geok (Independent Non-Executive Director)

Wong Lee Lee (Independent Non-Executive Director)

The composition of Audit Committee is in compliance with the paragraph 15.09 of Main Market Listing Requirement (“MMLR”), where the Audit Committee consist of three (3) Independent Non-Executive Director and one of the member of the Audit Committee, Pang Ah Kow is a member of Malaysian Institute of Accountants which fulfills the requirement under paragraph 15.09(1)(c)(i) and paragraph 7.1 of Practice Note 13 of MMLR.

In compliance with Malaysian Code on Corporate Governance, the chairman of the Audit Committee is not the chairman of the Board of Directors during the financial year ended 31 December 2023 and up to the date of this Report.

The profile of the members can be found presented on page 37 to 38 of this Annual Report.

B. TERMS OF REFERENCE

The terms of reference of the Committee is published on the Company’s corporate website (www.ksl.my) under “News-Others”.

C. MEETINGS

During the financial year ended 31 December 2023, the Audit Committee held five (5) meetings. Details of each member’s meeting attendances are as follows:-

Name of Directors	No. of Meetings Attended
Pang Ah Kow	5/5
Tan Swee Geok	5/5
Wong Lee Lee	5/5

The meetings were conducted with the quorum of two (2) of whom the majority of members present at the meeting were Independent Directors’ as required by the Committee’s Terms of Reference. The meetings were appropriately structured through the use of agendas, which were distributed together with the minutes of the meeting and relevant papers and reports to the members at least five (5) business days before the meeting with sufficient time allowed for review by the members for the proper discharge of its duties and responsibilities diligently and effectively in compliance with the MMLR and its terms of reference. The secretary of the Company, the appointed secretary of the Committee, attended all the meetings during the financial year.

The External Auditors, Internal Auditors, Executive Directors and Corporate Finance Manager, at the invitation of the Committee, attended the Committee meetings to present their reports/findings or required information and explanations for the proper deliberation of the matters at hand.

AUDIT COMMITTEE REPORT (Cont'd)

C. MEETINGS (Cont'd)

The Audit Committee reported to and updated the Board on significant issues and matters discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of the Committee's meetings were made available to all Board Members for review and to seek clarification and confirmation from the Audit Committee Chairman where necessary.

The Group's External Auditors attended the Committee meetings held during the financial year under review when required.

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the financial year under review. The summary of works undertaken by the Audit Committee during the financial year included the following: -

1. Reviewed the Quarterly Financial Reports

During the scheduled quarterly meetings, the Finance Director of the Group presented the draft unaudited quarterly financial results for Audit Committee's review, briefed the Committee on the contents of the draft financial statements (including the notes to the account) and answered all queries raised and clarifications sought by the Audit Committee. The review focused on key financial results and comparison to the corresponding quarter of preceding year as well as immediate preceding quarter, with the reasons for the variances provided by the Finance Director. In addition, the business prospect of the Group for the rest of the financial year was provided by the Management to the Audit Committee for discussion.

Further, the Audit Committee assessed the reasonableness of the assumptions and estimates made in the draft financial quarterly financial statements based on the updates by the Management on the operations and proposed business strategy.

The reviews of the draft financial quarterly financial statements by the Audit Committee during the financial year under review were conducted in the presence of the External Auditors with clarifications sought from them during the meetings.

The unaudited financial reports reviewed by the Audit Committee were then recommended to the Board for approval prior to announcement to Bursa Malaysia Securities Berhad ("Bursa Securities").

2. Reviewed the Company's Compliance with Regulatory, Statutory and Accounting Standards

During the quarterly Audit Committee meetings, with respect of the quarterly and annual financial statements, the Audit Committee reviewed the Company's compliance with the MMLR, accounting standards promulgated by Malaysian Accounting Standards Board and other legal and regulatory requirements.

3. Reviewed the latest changes of pronouncements issued by the accountancy, statutory and regulatory bodies.

At such quarterly meetings, the Audit Committee sought clarification of the application and impact of new and revised accounting standards with the External Auditors as necessary. The Audit Committee members also underwent briefings by professionals on the updates and changes in MMLR and proposed changes in Malaysian Code on Corporate Governance during the financial year.

AUDIT COMMITTEE REPORT (Cont'd)

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

4. Reviewed the External Auditors' Audit Plan, Scope of Work and Audit Fee

During the financial year, the External Auditors presented their audit plan to the Audit Committee for review and comment prior to the commencement of the audit to ensure the audit scope is adequate and reasonable time was allowed to ensure the audit carried out effectively and not under undue time pressure. The audit plan presented includes the audit methodology, audit workflow and audit timetable, and significant risk area. The audit plan for the financial year was discussed and clarifications sought from the External Auditors prior to approval of the said plan by the Audit Committee. During the same meeting, the audit fees and non-audit fees was presented by the External Auditors for review by Audit Committee, which was then recommended to the Board for approval.

5. Reviewed of Audited Financial Statements and Audit Results with External Auditors

Prior to announcement of final quarterly financial statements, the External Auditors presented their Audit Status Report and briefed the Audit Committee on the audit findings arising.

During the meeting, the audit findings on the significant risk areas, deficiencies in internal control and status of the audit were presented to the Audit Committee for review. The results and findings were subsequently presented to the Board by the Chairman of the Audit Committee after the review.

During the financial year, the Audit Committee recommended for the Board's approval and adoption of the audited statutory financial statements of the Company and the Group after it was satisfied that the audit had been adequately planned and were carried out in accordance with the approved auditing standards after the review with the External Auditors and the Management and it was satisfied that the presentation of the financial statements was in compliance with the statutory requirements and applicable accounting standards.

6. Private Sessions with External Auditors

For the financial year ended 31 December 2023, the Audit Committee has met with the External Auditors once without the presence of the Executive Directors and Management in order for the Audit Committee and the External Auditors to freely exchange observations and opinion between both parties as well as discuss any significant audit issues.

7. Reviewed the Independence and Objectivity of the External Auditors

During the financial year, confirmation on the independence of the External Auditors was obtained by the Audit Committee in order for the Audit Committee to review the independence and objectivity of the External Auditors.

8. Review of Internal Audit Functions

During the financial year, the Audit Committee received internal audit report presented by the outsourced Internal Auditors that contains the findings, recommendations and agreed management action plans for the internal audits conducted based on approved internal audit plan. Aside from reporting on the audit findings, the status of agreed management action plans for previous internal audit findings and the status of the approved internal audit plan was also presented to the Audit Committee. Additionally, the Audit Committee had assessed the adequacy and effectiveness of the internal audit functions through the review of the resources, experience and continuous professional development of the Internal Auditors for its adequacy.

During the financial year, the internal audit plan was presented by the outsourced Internal Auditors for the review and approval by the Audit Committee.

The oversights role of Audit Committee on Internal Audit functions is further elaborated in the Statement of Risk Management and Internal Control located on page 63 to 70 of this Annual Report.

AUDIT COMMITTEE REPORT (Cont'd)

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

9. Reviewed Related Party Transactions

During the scheduled quarterly meetings, the Finance Director reported to the Audit Committee the value of the transactions (from date of shareholders' mandate to end of the financial period) of individual recurrent related party transactions ("RRPT") as compared to the approved value of transactions per the shareholders' mandate obtained in the previous general meeting to identify RRPT exceeded or about to exceed the approved amount per the shareholders' mandate so that prompt action can be taken to resolve.

During the meeting, the Audit Committee sought confirmation from the Management that there was no new RRPT or conflict of interest situation that might arise within the Group including any transaction, procedures and course of conduct that might raise questions of management integrity.

10. Reviewed the Annual Report

During the financial year, the Audit Committee reviewed the Annual Report (which includes the Corporate Governance Statement, Audit Committee Report, Statement of Risk Management and Internal Control and Management Discussion and Analysis), and the Audited Financial Statement of the Group and recommended to the Board for approval.

E. INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm, namely NeedsBridge Advisory Sdn. Bhd. The outsourced internal audit function assists the Board and the Audit Committee in providing independent assessment on the adequacy and effectiveness of the Group's system of internal control. The outsourced internal audit function reports directly to the Audit Committee. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the Audit Committee for its reporting to the Board for ultimate approval.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board during the financial year under review. Key terms of the engagement include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the Management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team.

On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required (including adherence to The Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as "Standards")), its authorities, the reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring, as well as the quality assurance and improvement programme. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF") established by the Institute of Internal Auditors Global.

AUDIT COMMITTEE REPORT (Cont'd)

E. INTERNAL AUDIT FUNCTION (Cont'd)

The outsourced internal audit function prepared a risk-based internal audit plan and incorporated a holistic schedule of assignments to provide independent assurance on the system of risk-management and internal control as well as safeguarding of the Group's assets. The scope of review by the outsourced internal audit function, through the internal audit plan, is determined and approved by the Audit Committee with feedback from the Senior Management. In addition, the Audit Committee enhanced their oversight of the internal audit function by reviewing the resources of the outsourced internal audit function provided in terms of qualification, experience and continuous professional development of the employees of the outsourced internal audit function tabled by the outsourced internal audit function during the financial year under review. The performance, independence and objectivity of the internal audit function is formally evaluated by the Audit Committee through prescribed evaluation form adapted from Corporate Governance Guide issued by Bursa Malaysia Berhad.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the financial year under review, the outsourced internal audit function conducted scheduled internal audits in accordance with the internal audit plan approved by the Audit Committee. Areas of improvement in internal controls identified together with the risks/ potential implications, recommendations, management action plans, person in-charge as well as the target dates of implementations were presented to and discussed with the Audit Committee during the corresponding Audit Committee meetings. In addition, the outsourced internal audit function performed follow-up reviews to ascertain the status of implementation of the agreed management action plans. The results of the follow-up reviews were reported to the Audit Committee for their review and deliberation.

The internal audits conducted on the Group did not reveal any weaknesses in the internal control system that would result in any material losses, contingencies or uncertainties which are necessary to be disclosed in this Annual Report.

Please refer to the Statement on Risk Management and Internal Control from page 63 to 70 of this Annual Report for the details of the activities of the outsourced internal audit function during the financial year under review.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the income statement and cash flows of the Company and the Group for the financial year.

The Directors are of the view that, in preparing the financial statements of the Company and the Group for the year ended 31 December 2023, the Company and the Group has adopted recommended accounting policies that are consistently applied and supported by reasonable, prudent judgments and estimates. The Directors have also considered that all applicable accounting standards have been followed during the preparation of audited financial statements.

The Directors are aware of their responsibilities in ensuring that the Group keeps adequate accounting records that disclose with reasonable accuracy the financial position of the Company and the Group as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The Directors have ensured timely release of quarterly and annual financial results of the Group for the year 2023 to Bursa Securities that enable the public and investors to be well informed of the Group's constant development.

The Directors are also fully aware of their general responsibilities in taking steps which are reasonably open to them to safeguard the assets and to detect and prevent fraud and other irregularities within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of KSL Holdings Berhad (“KSL” or “the Company”) is committed to ensuring that good corporate governance practices are applied throughout the Company and its subsidiaries (“the Group”) and form the fundamental of corporate sustainability pursued by the Group for long-term shareholders’ value creation. Hence, the Board fully supports the principles and practices of good corporate governance practices (including the Intended Outcomes) as promulgated by the Malaysian Code of Corporate Governance 2021 (“MCCG”) to direct and manage the business and affairs of the Group towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.

This overview statement sets out the overview of the manner in which the Company had applied the principles set out in the MCCG and the extent of compliance with the Principles of MCCG advocated therein in accordance with paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

On the other hand, the application of each Practice set out in the MCCG during the financial year is disclosed in the Corporate Governance Report prescribed by Bursa Securities (“CG Report”) and announced together with the announcement of this Annual Report in accordance with paragraph 15.25 and Practice Note 9 of MMLR. The CG Report for the financial year under review and previous financial years are available for download from “Others” section of the “News” tab of the Company’s website at www.ksl.my as well as an announcement on the website of Bursa Securities.

The Corporate Governance Overview Statement (“CG Overview Statement”) should be read in tandem with the CG Report to provide comprehensive disclosure of the application of each principle and practice set out in the MCCG during the financial year.

Unless specified, the following disclosure statements provide an overview of the Company’s application of the Principles set out in MCCG that have been in place throughout the financial year ended 31 December 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board leadership

The Board strives to collectively lead and is responsible for the success of the Group by providing entrepreneur leadership and direction, strategic management, performance measurement and monitoring, enterprise risk management and internal control system, standards of conduct, sustainability management, critical business issues and decisions as well as management oversight. The Board acknowledges that it is the ultimate decision-making body of the Group. The Board comprises Directors who are entrepreneurs and experienced professionals in the fields of property development, hospitality, business management, education, auditing, accountancy and taxation. All these different skills are put together to enable the Board to effectively lead and control the Group. The Board is guided by the **Board Charter** approved by the Board and led by an Executive Chairman to ensure its effectiveness. Together with other Directors, he leads the Board in the discussion on the strategies and policies recommended by the Senior Management. A summary of the responsibilities of the Chairman is disclosed in Practice 1.2 of the CG Report.

The Board is responsible for the oversight and overall management of the Company. The Board fully understands their responsibilities in the Group in relation to sound and sustainable operations and optimal corporate governance framework in order to safeguard the shareholders’ value. The Board reviews and approves the Group’s charter and policies (including subsequent updates) while the Group Managing Director and Executive Directors are delegated with the authorities and responsibilities to ensure proper execution of strategies as well as effective and efficient operation throughout the Group. The authorisation procedures for key processes are stated in the Group’s policies and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership

As required under the *Board Charter*, the Board is assuming the following, amongst other roles and responsibilities, broad categories of roles and responsibilities: - (Cont'd)

- Setting the corporate values, objectives, goals and strategic plan as well as clear lines of responsibility and accountability for the Group;
- Deliberating, approving and monitoring the progress of the Company's strategy, budgets, plans and policies;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Retaining an effective Board that consists of competent individuals with appropriate specialized skills and knowledge to lead and control the Company;
- Identifying and managing principal and potential risks and ensuring proper risk management policy with appropriate governance structure and process as well as appropriate risk appetite, established based on internationally recognised risk management framework, are put in place to manage principal risks;
- Succession planning including appointing, training, fixing the compensation of and where appropriate, replacing any member of the Board, Board Committees and Senior Management;
- Maintaining an effective system of internal control to safeguard shareholder's investment and Company's assets;
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance in accordance with the laws, regulations rules, directives and guidelines;
- Establishing and maintaining ethical standards through the *Code of Conduct*, *Group Anti-Bribery and Corruption Policy* and *Whistle-Blowing Policy* which will be applicable throughout the Group;
- Promoting good corporate governance culture throughout the Group and reviewing the corporate governance standing of the Company;
- Promoting good sustainability practices throughout the Group; and
- Establishing sustainability policy and reviewing the management of material sustainability matters at frequent intervals.

The roles and responsibilities of the Board and the application of the MCCG's practice are disclosed in Practice 1.1 of the CG Report.

Aside from the core responsibilities listed above, significant matters that require deliberation and approval from the Board are clearly defined by the Board in the *Board Charter* as matters reserved for the Board for consideration and approval during the Board's meeting. The matters reserved for the Board are disclosed in Practice 2.1 of the CG Report.

The Board has delegated specific duties to its Board Committees, namely the Audit Committee ("AC"), Remuneration Committee ("RC"), Nomination Committee ("NC") and Risk Management Committee ("RMC"). These committees operate within clearly defined *Terms of Reference* approved by the Board. The relevant *Terms of Reference* are available for download from "Others" section of the "News" tab of the of Company's website at www.ksl.my.

To ensure that there is a balance of power and authority within the Board, the position of the Chairman and the Group Managing Director is separated and there is a clear division of responsibilities between the Executive Chairman and the Group Managing Director. The Executive Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the Group Managing Director is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board. A summary of the roles and responsibilities of the Chairman of the Board and the separation of the roles of Chairman and Group Managing Director is disclosed in Practice 1.2 and 1.3 of the CG Report, respectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

In compliance with MCCG, the Executive Chairman was not a member of the AC, NC, RC and RMC nor did he attend the meetings of such board committees by way of invitation during the financial year under review to enhance the independence and oversight roles of the Chairman of the Board in leading the Board of the Company. Kindly refer to Practice 1.4 of the CG Report for further details.

The Independent and Non-Executive Directors (“INED”) play a crucial role in ensuring that the strategies proposed by Management undergo thorough deliberation and examination. This ensures that the interests of all stakeholders are carefully considered during the decision-making process.

All Board members shall notify the Chairman of the Board before accepting any new directorship or significant commitments outside the Company, including an indication of the time that will be spent on the new appointment. The Chairman shall also notify the Board if he or she has any new significant commitments outside the Company.

In discharging its duties efficiently and effectively, the Board is assisted by a licensed Company Secretary and the details of the Company Secretary are disclosed in Practice 1.5 of CG Report.

i. Board Charter

The Board is guided by a formal **Board Charter** approved by the Board. The **Board Charter** sets out the composition, roles, functions, responsibilities and authorities of the Board and the Board Committees of the Company as well as the roles and responsibilities of the Chairman of the Board, the Group Managing Director, the Senior Independent Director and the Company Secretary. The Charter further defines the Board composition, specific responsibilities and matters reserved for the Board, governance structure, Board Committees, delegation of authorities, commitment by the Directors, Independent Directorship, tenure of Independent Directors, appointment and re-election of Directors, Board Committee, Board proceedings, financial reporting responsibilities, unrestricted rights to access to information and independent advice, Board evaluation and performance, Board remuneration, Directors’ training and continuing education, investor relation and shareholders’ communication policy, general meetings and attendance and code of conduct.

Further disclosure on the details of the **Board Charter** is disclosed in Practice 2.1 of CG Report.

The **Board Charter** is available for download from “Others” section of the “News” tab of the Company’s website at www.ksl.my.

ii. Code of Conduct and Whistle-Blowing Policy

The Board is fully committed to the highest standards of integrity, transparency and accountability in the conduct of the Group’s business and operations to ensure business sustainability through their conduct, individually or collectively, focusing on the key principles of serving with respecting others, avoiding conflict of interest, preserving confidentiality and privacy and business sustainability. AC is entrusted with the task of looking into ethical practices and compliance of the Group.

The Board incorporated the above key values and principles of expected conduct into the Company’s **Code of Conduct** (“The Code”) to govern the standards of ethics and good conduct expected that is applicable to all the Group’s employees, customers and vendors worldwide. The Code forms the integrity and ethical value expected from the employees which are incorporated in the Employees Handbook.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

ii. Code of Conduct and Whistle-Blowing Policy (Cont'd)

To further enhance the ethical value throughout the Group, a formal *Group Anti-Bribery and Anti-Corruption Policy* and *Conflict of Interest Framework* had been put in place by the Board to effectively manage and mitigate risk of bribery and conflict of interest situation while the *Related Party Transactions and Conflict of Interest Policy and Procedures* is established to manage related party transactions entered or to be entered in accordance with MMLRs and the reporting of related party transactions. Please refer to Practice 3.1 of CG Report for the details.

To foster an environment where integrity and ethical behaviour are maintained, the Board has put in place a formal *Whistle-Blowing Policy* to encourage employees and other interested parties to disclose concerns about illegal, unethical or improper business conduct within the Group. Please refer to Practice 3.2 of CG Report for details.

The *Code of Conduct*, *Group Anti-Bribery and Anti-Corruption Policy*, *Conflict of Interest Framework*, *Related Party Transactions and Conflict of Interest Policy and Procedures* and *Whistle-Blowing Policy* are available for download from “Others” section of the “News” tab of the Company’s website at www.ksl.my.

iii. Board’s Meetings

The Chairman of the Board, on the advice of the Company Secretary, determined the agenda of the meetings of the Board during the financial year under review and ensured that sufficient time was allocated during the meeting proceedings so that each agenda item or issue brought up were discussed or deliberated in necessary depth before decisions were made.

Board Committee meetings of the Company, including AC meetings, were not combined with the Board Meetings during the financial year under review and other directors and employees attended any particular Board Committee meeting only at such Board Committee’s invitation.

The Board meets regularly to perform its main function on the development and implementation of strategic plans, formulation of policies, overseeing the conduct and operations of the businesses of the Group, sustainability oversight, succession planning and ensuring the appropriateness of internal control and effectiveness of risk management and is mindful of the importance of business sustainability in conducting the Group’s business.

To carry out its functions and responsibilities, the Board met five (5) times during the financial year ended 31 December 2023 and the attendance of each Director at the Board Meetings is as follows: -

Director	No. of Attendance	No. of Meetings Eligible to Attend
Ku Hwa Seng	5	5
Khoo Cheng Hai @ Ku Cheng Hai	5	5
Ku Tien Sek	5	5
Pang Ah Kow	5	5
Tan Swee Geok	5	5
Wong Lee Lee	5	5

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

iii. Board's Meetings (Cont'd)

The Board plans to meet at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions are required to be made between the scheduled meetings. All meetings of the Board are duly recorded in the Board minutes by the Company Secretary. The Company Secretary also attended all the Board Meetings of the Company. The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company.

iv. Supply of Information

The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information, i.e. minutes of previous Board and individual committee meeting as well as board papers, no less than five (5) business days before the meeting to enable them to have sufficient time in obtaining a comprehensive understanding of the issues to be deliberated upon in order to arrive at a decision.

Besides direct access to management staff, external independent professional advisers are also made available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors also have accessed to the advice and services of the Company Secretary who is responsible for ensuring that the Board's procedures are adhered to.

Please refer to Practice 1.6 of CG Report for details of the Board's proceedings on meeting materials and supply of information.

v. Board Composition

The appointment and re-election of Directors of the Company and its subsidiaries are governed by *Fit and Proper Policy*, *Policy and Procedure on Nomination and Selection of Director* and *Policy on Independence Assessment of Independent Directors* (for appointment of INED). The NC shall ensure the composition of the Board is refreshed periodically. The tenure of the Directors of the Company will be reviewed by NC annually, typically in March and recommendations will be made by NC to the Board for deliberation. Recommendations for the re-appointment of Directors in the forthcoming Annual General Meeting ("AGM") will be made by the Board to the shareholders for approval during the AGM after they were satisfied that the current Board composition and the tenure of each Director were able to fulfil the current and future needs of the Group. Please refer to Practice 5.1 of the CG report for the detailed disclosure on the review of Board composition and tenure of individual Directors and that re-appointment is based on satisfactory evaluation of the Director's performance and contribution to the Board.

As of the date of this report, the Board currently has nine (9) members comprising one (1) Executive Chairman, five (5) Executive Directors (including the Group Managing Director) and three (3) INEDs. The profile of each Director is presented in this Annual Report. While the Board does not meet the requirement of at least half comprised of INEDs, current composition fulfils the requirements of MMLR 15.02(1), which mandates that at least 2 directors or 1/3 of the Board, whichever is higher, must be INEDs. Please refer to Practice 5.2 of the CG Report for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

vi. Board Diversity

It is the Board's responsibility to ensure that the diversity within the Board is preserved so that the required mix of knowledge, skills, expertise and experience are brought into the Group for business excellence while age, ethnic and gender diversity provides different viewpoints for issues under consideration. The Board is satisfied that, through the formal procedure for nomination and selection, as well as annual performance appraisal performed on the Board, the Board Committees and individual directors, the current board composition represents a mix of knowledge, skills and experience required to discharge the Board's duties and responsibilities effectively as well as no individual or small groups of individuals dominate the Board's decision-making process.

The Board supports age, ethnic and gender diversity within the Group, including the workplace. While presently the Board does not establish a formal policy on gender diversity, the Board believes that the appointment of members of the Board and Senior Management shall be based on the merit of the candidates as well as the required mix of knowledge, skills, expertise and experience to be brought into the Group, instead of purely based on gender consideration. Nonetheless, the Board is committed to appointing women directors to the Company's Board and members of Senior Management who demonstrate suitability, competence, and capability. The current composition of the Board reflects its efforts to promote gender diversity. Presently, there are four (4) female directors appointed as members of the Board of the Company, out of a total of nine (9) directors (i.e. 4/9 or 44.4%) and representation of 2 female management as Directors of the subsidiaries. At present, there was no active politician appointed as a member of the Board of the Company and its subsidiaries.

Please refer to Practice 5.5 of the CG Report for the detailed disclosure of the board diversity as well as Practice 5.9 and 5.10 of the CG Report for the detailed disclosure on the gender diversity.

vii. INED

Independence of the candidates to act as Independent Director is assessed by NC prior to their appointment based on independence assessment as well as the nomination and selection process governed by *Fit and Proper Policy*, *Policy and Procedure on Nomination and Selection of Director* and *Policy on Independence Assessment of Independent Directors* with the results of the review reported to the Board for consideration and decision.

Annually, all INEDs are subject to independence assessment by NC based on prescribed criteria concerning their independence, objectivity and disclosure of interests within the Group, as well as any external affiliations or transactions. The results of the independence assessment are then presented by NC to the Board for their evaluation of the independence and objectivity of INEDs. Based on the above assessment performed in 2023, the Board is satisfied with the level of independence and objectivity demonstrated by all INEDs, recognising their ability to bring independent and objective judgement to Board deliberations.

As at the date of this Annual Report, all INEDS (i.e. Pang Ah Kow, Wong Lee Lee and Tan Swee Geok), who were appointed as INED on 1 December 2022, had served the Board for a tenure less than nine (9) years. Please refer to Practice 5.3 of CG Report for further details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

viii. Appointment of Directors and Senior Management, Re-Election and Re-appointment of Directors

Appointment of new Directors to the Board or Board Committee is recommended to NC for consideration and approved by the Board in accordance with the nomination and selection processes practised by NC and the Board. It is the practice of the Board that highly qualified candidates with sufficient and relevant knowledge, skills and competency are sought to serve as members of the Board and the Senior Management. Additionally, the Board prioritises maintaining gender and ethnic diversity within both the Board and Senior Management, should suitable candidates with diverse backgrounds be identified.

The process and criteria for the nomination and selection practised by NC and the Board involves identification of potential candidates, evaluation of suitability of candidates based on agreed upon criteria, meeting up with candidates and background check, final deliberation by NC and recommendation to the Board. NC may seek independent professional advice, at the Company's expense, to perform its responsibilities under nomination and selection of Directors. The Board endeavours to not solely rely on recommendations from existing board members, management or major shareholders for the nomination of new director and to expand the source to include recommendation by other professionals and open search.

All Board members who are newly appointed are subject to retirement at the subsequent AGM of the Company. All Directors (including the Group Managing Director) will retire at regular intervals by rotation at least once every three years and shall be eligible for re-election.

The recommendations for re-appointment of retiring directors to shareholders during the AGM are made by NC to the Board upon satisfactory results of performance evaluation of such Directors and independence assessment (for INED).

While it is the intention of NC and the Board to have independent sources for the identification of candidates for the appointment of Directors, the identification and nomination of candidates for the appointment of three (3) new Executive Directors on 1 January 2024 were based on recommendations from existing directors and major shareholders without sourcing of candidates from independent sources.

Please refer to Practice 5.6 and 5.7 of CG Report for the details on the nomination, appointment and re-appointment process of the Directors and explanation for departure of Practice 5.6.

ix. Performance Assessment and Evaluation of Board

On an annual basis, the Company Secretary circulates to each Director the relevant evaluations and assessment forms/checklists in relation to the evaluation of the Board, Chairman of the Board, Board Committee, AC, the contribution of each Director and independence assessment of INED. Sufficient time is given to all the Directors to complete the forms and checklists in advance of the meeting in order for the Company Secretary to collate the assessment/evaluation results for NC to review and report to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

ix. Performance Assessment and Evaluation of Board (Cont'd)

The following assessments and evaluations were performed during the financial year:

1. The Board and Board Committees' performance evaluation (including the Board Chairman's role and responsibilities);
2. Individual Directors performance appraisal pursuant to Paragraph 2.20A of MMLRs;
3. Self-assessment of independence and self-declaration of interests in the Group, any corporation, partnership, business transactions and/or services with the Group, employment history and identity of person connected to him by INED;
4. Audit Committee Evaluation and Audit Committee members pursuant to Paragraph 15.20 of the MMLRs.

With the above evaluation/review processes, the Board, through NC, reviewed and assessed its required mix of skills, experience and other qualities, including core competencies which Directors should bring to the Board, and the size and composition of the Board to ensure that it has the appropriate mix of skills and competencies to lead the Group effectively.

Based on the above evaluations conducted for the financial year ended 31 December 2023, the Board, through reports by NC, were satisfied with the composition, performance and effectiveness of the Board, Board Committees and Directors (including Chairman of the Board) and that AC and its members had carried out their duties in accordance with their terms of reference in accordance with the MMLRs.

Please refer to Practice 6.1 of CG Report for the details on the performance evaluation of the Board, Board Committee, the Audit Committee, the contribution of each individual Director (including Chairman of the Board) and independence assessment of INED.

x. Directors' and Senior Management's Remuneration

The Board assumes the overall responsibility to establish and implement an effective remuneration policy for the members of the Board and Senior Management. The policy aims to attract, retain and motivate Directors and Senior Management to positively pursue the Group's medium to long-term objectives.

Presently, there is no formalised Board and Senior Management Remuneration Policies and Procedures established by the Board and published on the corporate website of the Company. In brief, the Board determines remuneration for Executive Directors and Senior Management based on their performance, service, seniority, experience, and scope of responsibilities. Meanwhile, Non-Executive Directors receive director's fees based on their knowledge, skills, competency, assigned responsibilities and contributions to the Board and its Committees, with approval from shareholders.

While RC is responsible for recommending to the Board the remuneration packages of the members of the Board, the Board as a whole determines the remuneration of the Directors. Interested Director is abstained from deliberation and approval of his remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board will abstain from voting at general meetings to approve the remunerations to be paid to such Interested Director.

Please refer to Practice 8.1 of CG Report for the breakdowns of remuneration of individual Directors (including fees, salary, bonus, benefits-in-kind and other emoluments) on named basis for the financial year ended 31 December 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

x. Directors' and Senior Management's Remuneration (Cont'd)

Disclosure on the named basis of the Senior Management's remuneration component in bands of RM50,000 is not adopted as the Board is of the opinion that the disclosure may jeopardize the personal security of the individual Senior Management and increase the risk of loss of key personnel if their remuneration packages are published publicly.

Please refer to Practice 8.2 of CG Report for the explanation of the departure in relation to disclosure on the named basis of the Senior Management's remuneration component in bands of RM50,000.

xi. Directors' Training

As per the *Board Charter*, the Board is assigned with the responsibility to ensure Directors and Senior Management enhance their knowledge and skills through attending training programs. The Board is also tasked with assessing the training needs of Directors through the formal evaluation of skills possessed by individual Directors (including members of AC) and facilitating their access to continuing education programs with a review performed by NC in identifying knowledge and skills required by the Directors to discharge their responsibilities.

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities as Directors. In addition, any newly appointed Directors will be given briefings and orientation by the Executive Directors and Senior Management on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

All the Directors have completed the Mandatory Accreditation Program prescribed by Bursa Securities and they are mindful that they should receive appropriate continuous training and attend seminars and briefings in order to broaden their perspective and to keep abreast with new developments for the furtherance of their duties. Specifically, AC members should undertake continuous professional development to keep themselves abreast of relevant developments in accounting, auditing, taxation, company secretarial and sustainability standards, practices and rules.

During the financial year ended 31 December 2023, all Directors received regular briefings and updates on the Group's business and operations and received updates on new regulations and statutory requirements. All members of the Board have attended training(s) that were organised by regulatory bodies or professional organisations. The trainings attended by individual Board members are shown in the following table: -

Director	Name of Conference/Talk/Seminar Attended or Participated	Organiser
Ku Hwa Seng	2023 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn Bhd
	Seminar Percukaaian Kebangsaan 2023	Lembaga Hasil Dalam Negeri Malaysia

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

xi. Directors' Training (Cont'd)

Director	Name of Conference/Talk/Seminar Attended or Participated	Organiser
Khoo Cheng Hai @ Ku Cheng Hai	2023 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn Bhd
	Seminar Percukaian Kebangsaan 2023	Lembaga Hasil Dalam Negeri Malaysia
Ku Tien Sek	2023 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn Bhd
	Seminar Percukaian Kebangsaan 2023	Lembaga Hasil Dalam Negeri Malaysia
Pang Ah Kow	A Comprehensive Review of Latest Developments in MFRS	Malaysian Institute of Accountants
	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	2024 Budget Seminar	Chartered Tax Institute of Malaysia
	Capital Gains Tax and Latest Development on Tax Treatment on Receipt of Foreign Dividends	Malaysian Institute of Accountants
	LHDN e-invoicing - How should Finance function transform within months?	Malaysian Institute of Accountants
Tan Swee Geok	2023 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn Bhd
	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	Seminar Percukaian Kebangsaan 2023	Lembaga Hasil Dalam Negeri Malaysia
Wong Lee Lee	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	Case Study-Based MFRS Webinar: MFRS/IFRS Technical Update 2023	Malaysian Institute of Accountants
	2024 Budget Seminar	Malaysian Institute of Accountants

xii. Board Committees

In discharging its fiduciary duties, the Board has delegated specific duties to four (4) subcommittees (i.e.; AC, NC, RC and RMC). The Committees have the authority to examine particular issues and report to the Board with their recommendation. The ultimate responsibility for the final decision on all matters lies with the entire Board.

All Committees have written *Terms of References* and the Board receives reports on their proceedings and deliberations. The Chairman of the respective Committees is to brief the Board on the matters discussed at the Committee meetings and minutes of these meetings are circulated at the Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

xii. Board Committees (Cont'd)

- **AC**

AC comprises exclusively of INEDs. The *Terms of Reference*, the number of meetings held, and activities carried out during the financial year and the attendance of each member are disclosed in the Audit Committee Report of this Annual Report.

Please refer to Practice 9.1, 9.2, 9.3, 9.4 and 9.5 of CG Report on disclosure in relation to AC.

- **NC**

NC comprises exclusively of INEDs, in compliance with MMLRs. NC is guided by written *Terms of Reference* duly approved by the Board, defining its rights, authorities and responsibilities. The NC is chaired by an INED.

NC's Terms of Reference is published in "Others" section of the "News" tab of the corporate website at www.ksl.my.

NC members and their attendance for the meetings held during the financial year ended 31 December 2023 are as follows: -

	<u>No. of Meetings Held</u>	<u>Attendance</u>
Tan Swee Geok (Chairperson)	2	2
Pang Ah Kow	2	2
Wong Lee Lee	2	2

During the financial year ended 31 December 2023, NC conducted evaluations and assessments of the performance of the Board, Chairman of the Board, Board Committees, AC (including members), the contribution by each Director and independence assessment of INEDs based on the pre-determined processes and evaluation/review criteria. NC reported the results of all evaluations and assessments to the Board for review and deliberation to enable effective actions (including training to be attended) to be formulated and implemented for the proper and effective functioning of the Board and its Committees.

Please refer to Practice 5.1, 5.2, 5.3, 5.5, 5.6, 5.7, 5.8 and 6.1 of CG Report for details on NC and its activities.

- **RC**

RC was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package for Directors and Senior Management so as to attract, retain and motivate the Directors and members of Senior Management. RC is guided by formal *Terms of Reference*. Further disclosure on RC (and its activities) and remuneration policy and procedure can be found in Practice 7.1 and 7.2 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

xii. Board Committees (Cont'd)

- **RC (Cont'd)**

RC comprises exclusively of INEDs. Their attendance records are as follows:-

	<u>No. of Meetings Held</u>	<u>Attendance</u>
Wong Lee Lee (Chairperson)	1	1
Tan Swee Geok	1	1
Pang Ah Kow	1	1

RC's Terms of Reference is published in "Others" section of the "News" tab of the corporate website at www.ksl.my.

RC held a meeting during the financial year ended 31 December 2023 to review the service contract of Executive Directors, proposed Directors' fees for Non-Executive Directors, proposed remuneration package of Executive Directors (with performance assessment results reported by NC) with such recommended Directors' fees and remuneration packages were reported to the Board for approval and/or recommendation to the shareholders for approval, if applicable.

- **RMC**

RMC was formed on 26 February 2014 to provide oversight, direction and counsel to the Group risk management process and to assist the Board in identifying, mitigating and monitoring critical risks highlighted by business units. RMC comprises the Group Managing Director and three (3) INEDs, in compliance with the Step-Up practice recommended by MCCG:

Risk Management Committee	<u>No. of Meetings Held</u>	<u>Attendance</u>
Pang Ah Kow (Chairperson)	1	1
Wong Lee Lee	1	1
Tan Swee Geok	1	1
Khoo Cheng Hai @ Ku Cheng Hai	1	1

RMC's Terms of Reference is published in "Others" section of the "News" tab of the corporate website at www.ksl.my.

During the financial year under review, RMC met once to review and assess the adequacy and effectiveness of the risk management structure, risk policies, processes and relevant support system. Besides, RMC also reviewed, assessed and deliberated risk profile presented with responses and strategies formulated to the key strategic and operational risks deliberated and reported to the Board on the results of its review.

Further disclosure on the risk management activities during the financial year can be found in Practice 10.1, 10.2 and 10.3 of CG Report and Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

1.1 Board leadership (Cont'd)

xiii. Sustainability Oversight and Management

In order to promote sustainability of the Group's businesses, one of the business strategies adopted by the Board is to ensure the sustainability aspects of the businesses undertaken are well taken care of. The Group upheld the principle to maintain effective sustainability management continuously in order to contribute positively to the socio-economic development of the communities, to promote environmentally friendly business practices and to uphold good social practices.

One of the key responsibilities of the Board of the Company is to establish sustainability policy and to review the management of material sustainability matters on predetermined intervals as well as to promote good sustainability practices throughout the Group. The sustainability management of the Group is governed by the *Sustainability Policy* established by the Board. Formal governance structure, stakeholders' engagement and process to identify, assess, formulate and monitor responses to material sustainability issues are prescribed in such policy with the assessment results and responses fed into the risk management process of the Group for continuous monitoring. As an important communication with stakeholders of the Group, the Sustainability Report was published along with the Annual Report for the financial year under review.

Please refer to Practice 4.1, 4.2, 4.3, 4.4 and 4.5 of the CG Report and the Sustainability Statement for the governance structure and process employed as well as the identification, assessment, management and reporting of sustainability matters during the financial year under review.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

AC is tasked with the oversight role on the effectiveness of Audit and Risk Management. The composition and *Terms of Reference of AC*, the number of meetings held, attendance, and activities carried out during the financial year under review are available in the Audit Committee Report of this Annual Report and Practice 9.1, 9.2, 9.3, 9.4 and 9.5 of CG Report.

i. Relationship with Auditors

The Group maintains a close and transparent relationship with its external auditors and internal audit function in seeking professional advice and ensuring compliance with the Group's policies and procedures, approved accounting standards as well as the relevant regulations in Malaysia.

The roles and responsibilities of the AC in relation to the external auditors and internal audit function are prescribed in the *Terms of Reference of AC*.

The engagement of the external auditors is governed by the engagement letter with terms of engagement (which includes, amongst others, the scope of coverage, the responsibilities of the external auditors, confidentiality, independence and the proposed fees) reviewed by AC and its recommendation to the Board. Furthermore, the external auditors of the Group confirmed to AC their independence throughout the audit engagement and that they are not aware of any relationship between the Group and them that may reasonably impair their independence.

AC met with the external auditors twice during the financial year under review to discuss their audit plans, audit findings, financial statements and other special matters that require AC's attention. In addition, AC met privately with the external auditors once without the presence of the Executive Directors and the Management to encourage free flow of information and views and for the external auditors to freely express their opinions without undue pressure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

i. Relationship with Auditors (Cont'd)

AC had also considered the nature of other non-audit services provided during the year by the external auditors and the quantum of the fees as tabulated in the table below and was satisfied that the provision of these services did not in any way compromise their independence.

The audit and non-audit fees incurred for services rendered by the external auditors and their affiliated firms and companies to the Company and its subsidiaries for the financial year were as follows:

	Company	Group	Description
Audit Fees (RM)	25,000	315,000	
Non-Audit Fees (RM)	5,000	5,000	Review of Statement on Risk Management and Internal Control

The oversight roles of AC in relation to the internal audit function are detailed in Practice 11.1 and 11.2 of CG Report as well as the Audit Committee Report and Statement on Risk Management and Internal Control of this Annual Report, respectively.

ii. Risk Management

The Board recognises the importance of Risk Management in pursuing its Company's objective and has in place a formal *Group Risk Management Policy*. The details of the *Group Risk Management Policy* and risk management process are disclosed in Practice 10.1 and 10.2 of CG Report and the Statement on Risk Management and Internal Control of this Annual Report.

iii. Internal Control and Internal Audit Function

The Board recognises the importance of having a sound internal control system for good corporate governance. As such, the internal audit function is established to review the adequacy and integrity of the internal control system in managing the principal risks of the Group. The internal audit function is outsourced to a professional firm to assist AC in reviewing the state of internal control of the Group and to highlight areas for management and operational improvements.

The state of the internal control system and internal audit function of the Group are explained in greater detail in the Statement on Risk Management and Internal Control of this Annual Report and Practice 11.1 and 11.2 of CG Report.

iv. Uphold Integrity in Financial Reporting

The Directors strive to ensure that a balanced, clear and meaningful assessment of the financial positions and prospects of the Group is made in all disclosures to shareholders, investors and regulatory authorities.

All financial statements, both annual financial statements to shareholders and the quarterly announcement of financial results were reviewed by AC and approved by the Board to ensure accuracy, adequacy and completeness of information, as well as compliance with relevant accounting standards and regulations prior to its public release or submission to the regulatory authorities.

The Board, through the review by AC and in consultation with the Management and the external auditors, had presented a fair and meaningful assessment of the Group's financial performance and position.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

iv. Uphold Integrity in Financial Reporting (Cont'd)

A summary of the works of AC in the discharge of its functions and duties in relation to financial reporting during the financial year is set out in the Audit Committee Report of this Annual Report.

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

i. Corporate Disclosure and Stakeholders Communication

The core communication channel with the stakeholders employed by the Company is via the announcements made in Bursa Securities. All announcements to be made in Bursa Securities are to be approved by the Board, prior to its release. The Board is observing all disclosure requirements as laid down by MMLRs and Capital Markets and Services Act 2007. The Board has adopted a practice for the disclosure of material information of the Group with assurance that communications to the relevant stakeholders are timely, factual, accurate, and complete. All material events and information are to be disseminated publicly and transparently on a timely basis to ensure fair and equitable access by all stakeholders without selective disclosure.

Additionally, the Annual Report is another main communication tool between the Company and its stakeholders. The Annual Report communicates comprehensive information on the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are governed by the MMLRs. To further improve the accessibility of the Directors to the shareholders for their understanding of the businesses of the Group and their investment decisions, it is the requirement of the *Board Charter* that all Directors are to attend general meetings.

To facilitate communication with the stakeholders and promote transparency and thoroughness in public dissemination of material information, the Company's corporate website incorporates an investor relations function by way of a dedicated "News" section which provides all relevant information of the Company and is accessible by the public via www.ksl.my. The "News" section enhances the investor relations function by including all announcements made by the Company, annual reports of the Company, press releases, the *Board Charter* and policies as well as *Terms of Reference of relevant Board Committees, Constitution, Group Anti-Bribery and Anti-Corruption Policy* and *Whistle-Blowing Policy* established and implemented by the Board for the public to access.

Please refer to Practice 12.1 of CG Report on further disclosure of stakeholders' communication.

ii. Encourage Shareholders Participation at General Meetings

The general meetings are the principal forum for dialogue with shareholders. The shareholders are given the opportunity and are encouraged to participate in general meetings of the Company. The *Board Charter* includes the requirement that notice for AGM shall be given to shareholders at least 28 days prior to the meeting. Please refer to Practice 13.1 of the CG Report for further disclosure on the distribution and content of the Notice of general meeting.

Shareholder are allowed to appoint a proxy who may not be a member of the Company and no qualification of proxy is imposed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

ii. Encourage Shareholders Participation at General Meetings (Cont'd)

To promote greater participation from shareholders at the general meeting, the Group hosted its 23rd AGM through live streaming and online remote voting. Adequate time is given during general meetings to encourage and allow the shareholders to seek clarification or ask questions on pertinent and relevant matters. All Directors and the Company Secretary were physically present at the broadcast venue of the 23rd AGM held during the financial year under review. Additionally, external auditors participated virtually at the 23rd AGM to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting.

In addition to the above, the Company also welcomes requests for meetings and interviews with professionals from the investment community and is always willing to meet up with institutional investors when required.

iii. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is to be voted by poll. All resolutions put forth for shareholders' approval at the 23rd AGM are voted by way of poll voting.

iv. Leverage on Information Technology for General Meetings

The Group conducted its 23rd AGM in a fully virtual platform on 25 May 2023. The virtual general meeting allows shareholders to exercise their right to participate, pose questions and vote at the general meeting safely and remotely via Remote Participation and Voting Facilities ("RPV"). The virtual approach enhances shareholder participation.

The poll administration and RPV facility service were provided by a reputable professional firm in Malaysia with extensive experience in poll administering services and comprehensive RPV facility in terms of functionality and performance. The administrative guide for attending the 23rd AGM was issued and published in the Annual Report and the RPV facility so that the shareholders were guided on steps required before the date of meeting and during the meeting. The shareholders were able to participate and interact with the Board actively in the general meeting via live streaming of general meeting proceeding on their devices and submission of their questions via the query box of the RPV facility to the Board during the meeting. Sufficient time was allocated for the shareholders to pose questions to the Board and all pertinent questions relevant to the agendas of the general meeting were answered by the Board via the live streaming broadcast before the poll voting started.

All pertinent questions raised by the shareholders prior to the date of general meeting and during the general meeting and the corresponding answers provided by the Board during the 23rd AGM were compiled and recorded in the "Annual General Meeting Q&A Session". The minutes of 23rd AGM together with the "Annual General Meeting Q&A Session" was uploaded to the Company's corporate website within 30 business days following the meeting, which took place on 25 May 2023.

The details of the features and activities of the virtual general meeting and RPV facility are disclosed in Practice 13.3, 13.4 and 13.5 of CG Report while the detail of publication of minutes of general meeting is disclosed in Practice 13.6 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Key Focus Areas and Future Priorities

The key focus areas of the Board were to enhance the independent elements within the Board. Firstly, through revision of the “Independent Director” definition, following paragraph 1.01 of the enhanced MMLR whereby tenure of the INED is limited to a cumulative period of twelve (12) years. Secondly, upon completion of the nine (9) years, the INED may continue to serve the Board as a Non-Independent Director or subject to the approval of shareholders through a two-tier voting process should the director to continue be retained as an INED beyond 9 years pursuant to Practice 5.3 of MCCG. Additionally, the Board is committed to complying with Practice 5.2 of MCCG whereby at least half of the members of the Board comprise INEDs if suitable candidates are available.

In the short term, the Board's priority is to update the tenure limit for INEDs to 12 years in both the Constitution and Board Charter. Additionally, the Board aims to include the requirement of shareholder approval through a two-tier voting process if it intends to retain an INED beyond 9 years in the Board Charter. Furthermore, the Board intends to update the Board Charter to reflect a cooling-off period of at least three years for a former partner of the external audit firm (currently, two years for a former audit partner per the Board Charter).

In the medium term, it is the Board's priority to formalise and/or update the Group's corporate governance practices into relevant Board's policies and procedures in line with the MCCG and MMLRs (including its amendments). This includes establishing the Board and Senior Management Remuneration Policies and Procedures, Board and Senior Management Diversity Policy, Policy and Procedure to Assess the Suitability and Independence of External Auditors and Corporate Disclosure Policy. Additionally, sustainability oversight and performance will be incorporated as part of the board evaluation process and criteria.

In the long term, the Board aims to comply with the requirement that the identification and nomination of candidates for the appointment of new members of the Board, especially appointment of INED, come from independent sources, apart from recommendations from existing directors, management or major shareholders.

Additional Compliance Statement

- **Material Contracts or Loan Involving the Interests of the Directors, Chief Executive or Major Shareholders**

Except recurrent related party transactions as disclosed below, there was no other material contract or loan subsisting at the financial year ended 31 December 2023 or entered into since the end of financial year by the Company and its subsidiaries which involve the interests of Director, Chief Executive who is not a Director or major shareholders.

- **Recurrent Related Party Transactions**

The recurrent related party transactions entered into by the Group during the financial year under review which are disclosed in Note 30 to the Financial Statements on pages 202 to 203 of this Annual Report.

- **Employee Share Scheme**

The Company did not establish any employee share scheme and there was no subsisting employee share scheme during the financial year under review.

- **Utilisation of Proceeds**

The Company did not implement any fund-raising exercise during the financial year ended 31 December 2023.

The Board reviewed and approved this Statement on 17 April 2024.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”) in relation to the requirement to prepare statement on the state of risk management and internal control of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) and the Malaysian Code on Corporate Governance 2021 (“MCCG”), the Board of Directors (“the Board”) of KSL Holdings Berhad (“KSL” or “the Company”) (collectively with its subsidiaries, “the Group”) is pleased to present the statement on the state of the risk management and internal control of the Group for the financial year ended 31 December 2023. The scope of this Statement includes the Company and its wholly owned subsidiaries.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound governance, risk management and internal control system and for reviewing their adequacy and effectiveness so as to achieve the Group’s business objectives and strategies, as well as to safeguard all its stakeholders’ interests and protecting the Group’s assets. The Board establishes the risk appetite of the Group based on the corporate objectives, strategies, external environment, business nature and corporate lifecycle. The Board is committed to the establishment and maintenance of an appropriate control environment that is embedded into the corporate culture, processes and strategies of the Group. The Board delegates the duty of identification, assessment and management of key business risks to the Risk and Sustainability Management Committee (“RSMC”) while the oversight roles are delegated to the Risk Management Committee (for risk management) and Audit Committee (for internal control system). The Risk Management Committee and Audit Committee are assigned with the duty, through its Terms of Reference approved by the Board, to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control system of the Group respectively. Through the Risk Management Committee and Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Risk Management Committee and Audit Committee by the Management, the internal audit function and the external auditors.

The system of internal control covers, inter-alia, control environment, risk assessment, control activities, information and communication as well as monitoring activities. However, in view of the limitations that are inherent in any system of internal control, the system of internal control is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

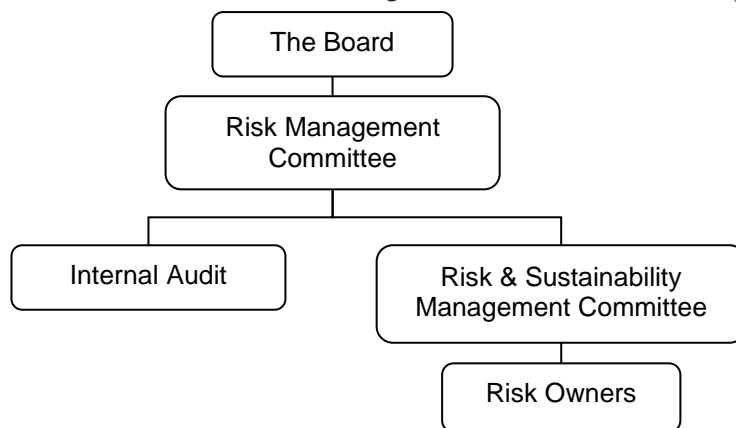
RISK MANAGEMENT

The Board recognises risk management as an essential part of internal control system and acknowledges that a sound risk management system is critical in the pursuit of its strategic objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. As Second Line roles, the Board has put in place a structured Group Risk Management Policy, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all levels of the Group and to manage key business risks faced by the Group adequately and effectively. The duties for the identification, evaluation and management of the key business risks are delegated to RSMC, led by the Executive Chairman. The Group Risk Management Policy is established with reference to ISO 31000:2018 - Risk Management Guidelines.

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

RISK MANAGEMENT (Cont'd)

The Group Risk Management Policy established lays down the objectives and processes defined by the Board with formalised governance structure of the risk management activities of the Group established as follows:



Clear roles and responsibilities of the Board, Risk Management Committee, RSMC, Risk Owners, Key Risk and Sustainability Officer and internal audit function are defined in the Group Risk Management Policy. In particular, the roles and responsibilities of the RSMC in relation to the risk management are as follows:-

- implement the risk management policy as approved by the Board;
- implement the risk management process which includes the identification of key risks and devising appropriate action plan(s) in cases where existing controls are ineffective, inadequate or non-existence and communicate methodology to the risk owners;
- ensure that risk strategies adopted are aligned with the Group's organisational strategies (e.g. vision/mission, corporate strategies/ goals, etc.), risk management policy and process, as well as risk appetite/ tolerance;
- continuous review and update of the Key Risk Profiles of the Group due to changes in internal business processes, business strategies or external environment and determination of management action plan, if required;
- update the Board, through the Risk Management Committee, on changes to the Key Risk Profiles on periodical basis (at least on annual basis) or when appropriate (due to significant change to the internal business processes, business strategies or external environment) and the course of action to be taken by Management in managing the changes; and
- to perform risk identification and assessment in relation to major asset/ business acquisition or divestment or business diversification or business consolidation and to report the results of the assessment to the Board for strategic decision making.

Apart from the duty to monitor the implementation and compliance with approved risk policies and processes of the Group and that significant risks identified are being responded to appropriately, the Risk Management Committee is entrusted the duty to review and assess the adequacy and effectiveness of the risk management strategies, governance structure and processes, risk monitoring and responses and to report to the Board on the results of its oversight roles and recommendations.

In addition, the Risk Owners (i.e. the Heads of Departments/Divisions) are designated as Risk Owners within their areas of expertise and delegated with operational responsibilities with the following roles and responsibilities:

- manage the risks of the business processes under his/her control;
- continuously identify risks and evaluate existing controls. If controls deemed ineffective, inadequate or non-existent, to establish and implement controls to reduce the likelihood and/or impact;
- to report to RSMC the emergence of new business risks or change in the existing business risks on a timely manner and assist RSMC with the development of the management action plans and implement these action plans;

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

RISK MANAGEMENT (Cont'd)

- d. assist RSMC with the half-yearly update of the changes in the Key Risks Register, management action plans and the status of these plans; and
- e. ensure that staffs working under him/her understand the risk exposure of the relevant process under his/her duty and the importance of the related controls.

Systematic risk management process is stipulated in the Policy, whereby each step of the risk identification, risk assessment, control identification, risk treatment and control activities are laid down for application by the RSMC and the Risk Owners. Risk identified includes sustainability matters identified during sustainability assessment process. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board based on the risk appetite acceptable by the Board.

Based on the risk management process, key risk registers are compiled by RSMC with the participation of the Risk Owners, with relevant key risks identified rated based on the agreed upon risk rating. The key risk registers are used for the identification of high residual risks which is above the risk appetite of the Group that require the Management and the Board's immediate attention and risk response(s) as well as for future risk monitoring. As an important risk monitoring mechanism, RSMC is scheduled to review the key risk registers of key operating subsidiaries and assessment of emerging risks identified at strategic and operational level on annual basis or on more frequent basis if circumstances required and to report to the Risk Management Committee on the results of the review and assessment.

During the financial year under review, the Risk Management Committee met once to review and assess the adequacy and effectiveness of the risk management structure, risk policies, processes and relevant support system. Besides, the Risk Management Committee also reviewed, assessed and deliberated risk profile presented with responses and strategies formulated to the key strategic and operational risks deliberated and reported to the Board on the results of its review.

At strategic level, business plans, business strategies and investment proposals with risks consideration are formulated by the Executive Chairman, Group Managing Director and/or Senior Management and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite approved by the Board. In addition, specific strategic and key operational risks are highlighted and deliberated by Audit Committee, Risk Management Committee and/or the Board during the review of the financial performance of the Group in the scheduled meetings.

As First Line roles, respective Risk Owners (i.e. the Heads of Departments/Divisions) are responsible for managing the risks under their responsibilities. Risk Owners are responsible for effective and efficient operational monitoring and management by way of maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. Changes in key risks or emergence of new key risks are identified through daily operational management and controls, as well as review of financial and operational reports by respective levels of Management that are generated by internal management information system and supplemented by external data and information collected. Respective Risk Owners are responsible to assess the changes to the existing and emerging risks, and to formulate and implement effective controls to manage these risks. Critical and material risks are highlighted to the Senior Management or the RSMC for final decision on the formulation and implementation of effective internal controls and its reporting to the Audit Committee, the Risk Management Committee and/or the Board.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycles based on the internal audit plan approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

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

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control systems are made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component explained as follows:-

- **Board of Directors/Board Committees**

The role, functions, composition, operation and processes of the Board are guided by a formal Board Charter whereby roles and responsibilities of the Board, the Chairman and the Group Managing Director are specified to preserve the independence of the Board from the Management.

Board Committees (i.e. Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective. Potential business plans and business strategies are proposed by the Senior Management for the Board's review and approval, after taking into consideration the risks and responses thereto.

- **Integrity and Ethical Value**

The tone from the top on integrity and ethical value are enshrined in the formal Code of Conduct established and approved by the Board. This formal code forms the foundation of integrity and ethical value for the Group. Integrity and ethical value expected from the employees are incorporated in the Employees Handbook whereby the ethical behaviours and proper conduct expected from employees in performing their duties and responsibilities assigned are established and stated therein.

To further enhance the ethical value throughout the Group, formal Conflict of Interest Framework as well as Related Party Transaction and Conflict of Interest Policy and Procedures were established and approved by the Board for implementation by the Management to reduce and manage the risk of conflict of interest within the Group.

As the Group is committed in conducting all business dealings in a responsible, transparent and ethical manner with integrity, a formal Group Anti-Bribery and Anti-Corruption Policy had been put in place by the Management to prevent the risk of bribery and conflict of interest within the Group.

A formal Whistle-Blowing Policy is established and approved by the Board to provide a channel for employees and other stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, without fear of reprisals.

Compliance of Code of Conduct and Anti-Bribery and Anti-Corruption Policy are monitored via control activity monitoring mechanism implemented with non-compliances detected in a timely manner and investigated with appropriate corrective action, including but not limited to disciplinary actions, taken to rectify non-compliance.

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

INTERNAL CONTROL SYSTEM (Cont'd)

- **Organisation Structure, Accountability and Authorisation**

The Group has a well-defined organisation structure in place with clear lines of reporting and accountability. The Group is committed to employing suitably qualified employees so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staffs to ensure operational efficiency. The authorisation requirements for key processes are incorporated in the design of the relevant forms as well as stated in the Group's policies and procedures.

- **Risk Assessment and Control Activities**

Risk assessment is performed by Risk Owners at scheduled intervals or when there is change in internal and/or business context in accordance with the Group Risk Management Policy. Internal controls, as risk responses, are formulated and put in place to mitigate risks that are identified to a level acceptable by the Board.

The Group has documented policies and procedures that are regularly reviewed and updated to ensure its relevance to support the Group's business activities in achieving the Group's business objectives.

- **Human Resource Policy**

Comprehensive guidelines on the human resource management and Employee Handbook are put in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skill and experience (which are enhanced by continuous trainings thereafter) in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluation which forms the basis of increments and promotions are carried out for all levels of employees to identify performance gaps, training needs and to assist in talent development. On-the-job trainings are provided to employees too to upgrade their knowledge and skill sets.

- **Information and Communication**

At operational level, clear reporting lines are established across the Group and operation reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group and for timely decision making and execution in pursuit of the business objectives. Matters that require attention from the Board and the Senior Management are highlighted for review, deliberation and decision on a timely basis.

The Group puts in place effective and efficient information and communication infrastructures and communication channels (i.e. computerised systems, secured intranet, electronic mail system and modern telecommunication) so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders. Apart from that, relevant financial and management reports are generated for different levels of management and employee for their review and decision making. The management and board meetings are held for effective two-way communication of information at different level of Management and the Board.

Communication of policies and procedures of the Group are conducted or disseminated via written form, information boards, electronic mail system and in-house trainings.

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

INTERNAL CONTROL SYSTEM (Cont'd)

- **Monitoring and Review**

As Executive Directors are closely and directly involved in daily operations of the Group, regular reviews of operational data including development progress, operational performance of hotels and malls, marketing and financial data are performed by the Executive Directors. In addition, the quarterly financial performance review which contains key financial results and comparison against previous corresponding financial results are presented to the Board for their review.

Periodical management meetings are held to discuss and review financial and operational performance of key divisions/departments of the Group. The monitoring of compliance with relevant laws and regulations are further enhanced by the review of specific areas of safety, health and environment carried out by independent consultants engaged by the Group and the enforcement bodies.

Apart from the above, operational and financial performance report are also presented by the Senior Management during the Board's meeting for the Board to assess the operational performance and future prospect of the Group as well as the external environment faced by the Group ahead.

Furthermore, internal audits are carried out by the outsourced internal audit function (which reports directly to the Audit Committee) based on the key risk areas identified. The outsourced internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes, and highlights potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimise the risks. The results of the internal audits carried out are reported to the Audit Committee.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The review of the adequacy and effectiveness of the Group's risk management and internal control system is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd, who, through the Audit Committee, provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control.

To uphold the professional firm's independence and objectivity, the outsourced internal audit function is reporting directly to the Audit Committee. The outsourced internal audit function is not permitted to act on behalf of the Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The internal audits are carried out by the outsourced internal audit function, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. the Mission, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as "Standards") established by the Institute of Internal Auditors Global. The engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global, and a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor accredited by Institute of Internal Auditors, the engagement director is required to declare his conformance to the Standards to Institute of Internal Auditors during his renewal as Certified Internal Auditor.

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

INTERNAL AUDIT FUNCTION AND ACTIVITIES (Cont'd)

The audit engagement of the outsourced internal audit function is governed by the engagement letter, whereby key terms include the purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, management's responsibilities, the authority accorded to the outsourced internal audit function, limitations of scope of work, confidentiality, proposed fees, and the engagement team. The audit engagement is also governed by the Group's Internal Audit Charter, which was established and approved by the Board. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by the AC and for its reporting to the Board for ultimate approval. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) assistant manager and assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the director.

Risk-based internal audit plan in respect of the financial year ended 31 December 2023 was drafted by the outsourced internal audit function, after taking into consideration the existing and emerging key business risks identified in the key risk registers of the Group, the Senior Management's opinion and previous internal audits performed. It was reviewed and approved by the Audit Committee prior to execution. Each internal audit cycle within the internal audit plan is specific with regard to audit objective, key risks to be assessed and scope of the internal control review.

As Third Line roles, the internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk and control structures as well as control processes. The outsourced internal audit function shall provide recommendations formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided as well as observations of the functioning of processes against the results of interviews and/or documented standard operating procedures and/or process flows. Thereafter, testing of controls are performed for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance with predetermined formulation, subject to the availability of financial data, nature of testing and verification of the samples.

During financial year ended 31 December 2023, in accordance with the internal audit plan (and any amendments thereof) approved by the Audit Committee, the outsourced internal audit function has conducted internal control reviews for project management and sales and marketing management of KSL Residences 2 at Kangkar Tebrau, Johor Bahru, as well as front office and housekeeping management for the hotel operations of its key operating subsidiary based in Malaysia.

Upon the completion of the individual internal audit fieldwork during the financial year, the internal audit reports were presented to the Audit Committee during its scheduled meetings. During the presentation, the internal audit observations, priority level, risk/potential implications, internal audit recommendations, management responses/ action plans, person-in-charge and the dates of implementation were presented to and deliberated with the members of the Audit Committee. This enables the Audit Committee to form an opinion on the adequacy and/or effectiveness of the governance, risk and control of the business processes under review.

Apart from the above, progress follow ups were performed by the outsourced internal audit function on the management action plans that were not implemented in the previous internal audit fieldworks, by way of verification via physical observation or through verification of sample provided by person-in-charge to substantiate the implementation of the management action plans. The updates on the implementation progress of the management action plans were presented via the Action Plan Progress Follow Up Report tabled at subsequent Audit Committee meeting for review and deliberation.

In addition, during the scheduled Audit Committee meeting, the outsourced internal audit function reported its staff strength, qualification, experience as well as continuous professional education for the Audit Committee's review.

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

INTERNAL AUDIT FUNCTION AND ACTIVITIES (Cont'd)

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2023 was amounted to RM 51,423.

ASSURANCE PROVIDED BY EXECUTIVE CHAIRMAN AND FINANCE DIRECTOR

In line with the Guidelines, the Executive Chairman, being highest ranking executive in the Company and the Group Managing Director, being the person primarily responsible for the management of the financial affairs of the Company, have provided assurance to the Board stating that the Group's risk management and internal control system have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

OPINION AND CONCLUSION

Based on the review of the risk management results and process, results of the internal audit activities as well as the monitoring and review mechanism stipulated above, coupled with the assurance provided by the Executive Chairman and the Group Managing Director, the Board is of the opinion that the risk management and internal control system are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

The Board is committed towards maintaining an adequate and effective governance, risk management and internal control system throughout the Group and, where necessary, to put in place appropriate plans to further enhance the Group's governance, risk management and internal control system. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to achieve its business objectives in the current and challenging business environment.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with 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. Based on their review, nothing has come to their attention that causes them to believe this Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies and Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance 2021 to be set out, nor is it factually incorrect.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) of KSL Holdings Berhad (“KSL Group”) recognises the imperative of embracing sustainable business practices to fortify resilience in managing complex challenges and navigating the dynamic market landscapes. Despite swift changes in the business and operating environments, sustainability remains integral to our business strategy. We emphasise meeting customer expectations while minimising environmental impact and fostering a better quality of life for the present and future generations. Our dedication to creating sustainable value spans the entire business value chain, as we continuously enhance core business principles and operations.

Committed to promoting good sustainability practices, the Board ensures ongoing updates on sustainability progress and fosters transparent engagement with stakeholders of the Company and its subsidiaries (“the Group”) through transparent sustainability reporting. The Group acknowledges the pivotal role of stakeholder engagement in ensuring the businesses pursued by the Group is sustainable in the long term. Through this Sustainability Statement, the Group provides stakeholders insights into our approach to creating sustainable long-term value and the progress in fulfilling these commitments. Continuous efforts are dedicated by the Board in managing and formulating business operating strategies and corporate culture that are aligned with the Sustainable Development Goals (“SDGs”) established by the United Nations in promoting prosperity while safeguarding the environment.

The Board acknowledges its responsibility to generate economic value by maximising profits and shareholder’s value while also creating social value as a global citizen. In addition to financial performance, we prioritise upholding high standards of business conduct across governance, economic, environmental, and social aspects. These standards are vital for the Group's endurance in a competitive, challenging, and evolving business environment, ensuring value creation for a wide array of stakeholders in a sustainable manner. It is, therefore, the underlying value of the Group to achieve optimum equilibrium between short-term financial performance, as well as its long-term business sustainability and value creation, to meet corporate objectives and stakeholders’ expectations.

In addition, we are mindful of our role as a responsible corporate citizen in securing a sustainable future for us and the communities we live in and interact with in an era where climate change, water scarcity, food insecurity, poverty and public health are ever-increasing global issues. The Board has devoted towards embracing good sustainability practices, by continuously integrating such practices into its working environment, business processes and strategy making processes in developing sustainable businesses that bring positive impact to the economy, environment, and the greater community. The Group remains committed to accountability and transparency in sustainability performance.

Major global crises, such as the ongoing trade tensions between major economic powers, energy crisis and inflationary pressure have caused significant disruption affecting almost all sectors of economies across the globe and further exacerbated the interrelated challenges relating to poverty, inequality, carbon emissions, education, health, economic growth and finance. Despite facing multitude global challenges, we remain committed to pragmatic principles and sustainable practices. Our long-term sustainability strategy integrates economic, governance, environmental, and social considerations, enabling us to navigate through challenging times while upholding high standards of governance, promoting responsible business practices, managing environmental impacts, ensuring a safe and healthy workplace, and meeting the social needs of our community.

KSL Group is honoured to present our Sustainability Statement for the financial year ended 31 December 2023. The Sustainability Statement underscores our commitment towards sustainability by addressing key sustainability matters relevant to the Group’s nature and business operations, with the ultimate aim of creating more value for our businesses, society and stakeholders. The Sustainability Statement has been prepared pursuant to paragraphs 6.1, 6.2, 6.3 and 6.5 of Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). In particular, the management of material sustainability matters is disclosed, in all material aspects, in accordance with Part III of Practice Note 9 of MMLR and the Sustainability Reporting Guide issued by Bursa Securities (“the Guide”) on the content of the Sustainability Statement.

SUSTAINABILITY STATEMENT (Cont'd)

INTRODUCTION (Cont'd)

Overall, KSL Group remains dedicated to striving for excellence in sustainability and being a responsible corporate citizen. It is important to reaffirm our unwavering commitment to sustainability and to express gratitude for the opportunity to share our progress and commitments with stakeholders. In an era where global issues such as social capitalism, climate change, ocean conservation, water scarcity, food insecurity, poverty, and public health continue to escalate, we are committed to integrating sustainability practices into our working environment, culture, and business processes. We look forward to the continued journey of sustainability, guided by our values, principles, and the collective efforts of our stakeholders. Together, we strive to build a more resilient, equitable, and sustainable future for generations to come.

SCOPE OF THE STATEMENT

This Sustainability Statement covers all business operations of the Group, encompassing property development and property investment, within Malaysia, the sole geographical location the Group's operations. The contents of this Statement primarily encompass sustainability performance and activities carried out during the financial year ended 31 December 2023 and up to the date of this Statement, focusing on the Group's economic, environmental, and social management and performance across all its business operations in Malaysia. In accordance with sustainability requirements, the Statement delineates stakeholder engagement, materiality assessment, sustainability achievements, and information on significant economic, environmental, and social impacts for assessing the Group's management and performance.

The disclosures of the corporate governance practices and compliance with relevant provisions and requirements per the MMLR of Bursa Securities and the Malaysia Code on Corporate Governance 2021 ("MCCG 2021") are made in the Corporate Governance Report and Corporate Governance Overview Statement within the Annual Report.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

VALUES AND ASPIRATIONS

As a leading property player aspiring to rank among the top ten property developers in Malaysia, KSL Group is dedicated to delivering unparalleled value and benefits to customers and investors. We envision ourselves as a lifestyle and boutique-centric developer, offering a range of home designs set within a relaxed and tranquil environment that embodies the ideal lifestyle. Our developments prioritise nearby conveniences, facilities, amenities, and accessibility to ensure a seamless living experience.

KSL Group leverages its innovative and pristine design ethos to elevate living standards and deliver a premium urban lifestyle experience. Our commitment to quality and excellence drives the expansion of our luxury living business. With a focus on building high-quality homes, we create residential spaces nestled within progressive environments, fostering engaging and holistic communities. We aspire to meet current market trends, needs, and expectations by continually striving for innovation and excellence. Our aspirations focus on the following:

- Creativity, innovation, lifestyle and functionality are the main elements in providing a niche and exclusive development to its buyers.
- Sharing of common values in creating a quality lifestyle and eco-friendly living environment for its residents.
- Creation of a holistic community which spurs socioeconomic growth as a whole.

SUSTAINABILITY STATEMENT (Cont'd)

VALUES AND ASPIRATIONS (Cont'd)

- Earning loyalty from customers by providing incessant value for money with good product quality and eminent services in the industry whilst delivering innovative and excellent products that provide customer satisfaction.
- Developing an exhilarating concept that exhibits style, elegance and distinct design, creating an invigorating environment, leveraging on the best technological, innovative and creative methods at hand.
- Cultivating better investor relations with stakeholders in sustaining business growth, accountability and profitability in providing continuous growth and development.
- Creating a good and cohesive working environment between employers and employees to provide the best results and successful outcome.

SUSTAINABILITY PRINCIPLES

The Board, as the highest governance body within the Group, assumes ultimate accountability for integrating sustainability throughout the organisation, encompassing sustainability-related strategy and performance. The Group is steadfast in its commitment to advancing sustainability, consistently integrating it into the working environment, business processes, and strategic decision-making. The Group endeavours to meet the interests of various stakeholders while pursuing strategic objectives by upholding the accountability, integrity and transparency in its sustainability performance, guided by the following principles instilled by the Board:

- Observing and complying with all relevant legislation, regulations, recommended trade practice and code of practice applicable and relevant to the Group;
- Considering sustainability matters and integrating these considerations into the Group's business operations and when making and implementing business strategies;
- Managing sustainability matters in a structured and systematic manner, whereby sustainability matters are embedded throughout the Group and to be documented, continuously assessed and managed with reporting to the Board on scheduled interval or as and when the materiality of the sustainability matters requires such reporting;
- Continually promoting, training and communicating with all employees, suppliers, business partners and other relevant stakeholders to ensure that they are aware of, and are committed to, implementing and measuring sustainability activities as part of the Group's or their strategy, taking into consideration economic, environmental, social and governance aspects;
- Continuously engaging and communicating with all relevant stakeholders for the identification, assessment and management of material sustainable issues; and
- Striving to improve the Group's sustainability performance over time.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY POLICY

The Board of the KSL Group maintains its unwavering commitment to the 2030 Agenda for Sustainable Development, as set forth by the United Nations. Guided by the 17 Sustainable Development Goals (SDGs), also known as the Global Goals, established by the United Nations, the Sustainability Policy of the KSL Group encompasses a broad spectrum of social and economic development issues. These include but are not limited to poverty alleviation, hunger eradication, promoting health and education, combating climate change, fostering gender equality, ensuring access to clean water and sanitation, advancing renewable energy, safeguarding the environment, and promoting social justice.

The 17 SDGs are intricately integrated, recognizing that actions in one area inevitably impact outcomes in others. Development efforts must therefore carefully balance social, economic, and environmental sustainability. These SDGs represent a universal call to action, aimed at creating a comprehensively sustainable world by 2030. Their objectives encompass ending poverty, improving health and education, reducing inequality and injustice, and addressing the urgent challenges of climate change and environmental protection.

Although global challenges such as the Russia–Ukraine conflict persist, the Group remains dedicated to driving accountable and sustainable business practices throughout its operations. Striking a balance between managing financial performance and positively impacting social and environmental concerns, the Group upholds a commitment to exemplary governance across its business operations.



Formalising a robust Sustainability Policy further solidifies the Group's commitment to achieving equilibrium between industry leadership and meeting stakeholders' commercial expectations. This policy encompasses three core pillars:

➤ Sustainable Economic Policy

- To ensure economic interest of all relevant stakeholders are preserved in all significant business operations and strategic business decisions.
- To promote the economic development of the communities where the significant business operations are carried out or when making business strategy decision or when implementing business strategies.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY POLICY (Cont'd)

➤ Sustainable Environment Policy (Cont'd)

- To comply with all guidelines and regulations relating to the preservation of environmental aspects in relevant jurisdiction where the Group is operating.
- Comply with good environment practice in the business conducts and implement appropriate measures to reduce the impact on the environmental aspect arising from activities of the Group.
- To avoid contamination and improve the quality of environmental management.
- To reduce carbon footprint through product designs that is energy-efficient, optimise manufacturing efficiency and through investment in energy-efficient production machinery.
- To conserve the consumption of water, electricity and other natural resources in the business operations.
- To implement “Reuse, Reduce and Recycle” policy across the Group and along the internal value chain.
- To ensure all materials, where possible, are sourced from sustainable, renewable or recycled means and assess and monitor external value chain partners to make sure the Group’s environment objectives and procedures are compiled.
- To protect, and proactively manage our impact on biodiversity in the ecosystems over which the Group is operating.

➤ Sustainable Social Policy

- To ensure that all stakeholders should receive fair treatment and do not engage in or support discrimination based on race, nationality, religion, disability, gender, age, sexual orientation, union membership and political body.
- To ensure that the Group’s and the suppliers’/subcontractors’ human resources are with the right to not be discriminated against, not to be enslaved, to be treated with dignity, to have the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay and the right to freedom of opinion and expression.
- To ensure that the Group, the suppliers/subcontractor to not allow an individual under the age of 18 to be employed at the workplaces of the Group accordance with applicable laws and regulations.
- To provide a safe and healthy workplace for all of its human resources, customers, suppliers, subcontractors, business partners and the public at large and all the relevant stakeholders have the right to work in a safe and healthy environment, consistent with the Occupational Safety and Health Act and any other applicable legislation.
- To prohibit agreements or other coordinated activities with competitors, customers or suppliers that limit competition, abuse of a dominant position, monopolisation or attempted monopolisation and concentrations between companies that may substantially lessen competition.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY POLICY (Cont'd)

➤ Sustainable Social Policy (Cont'd)

- To conduct its business in an open, honest and ethical manner with conflict-of-interest situation properly addressed and to adopt a zero-tolerance approach to all forms of bribery and corruption. To ensure that all level of employees, suppliers/subcontractors, customers, business partners and other stakeholders do not engage in corrupt practice, take unfair advantage of any other person, including without limitation, participating in illegal practices (for example, misleading and deceptive conduct, misrepresentation and undue influence, as well as conduct which are legal but unethical).
- To promote development of the local communities through direct support of local communities, charitable donations and support of non-profit agencies in the communities in which the Group is operating. To nurture long term relationship with the local communities and to provide safe and healthier environment for the local communities.
- To preserve and respect local heritage and customs of the local communities.
- To work with the local authorities and government bodies for the development of conducive environment for stakeholders.
- To uphold the quality, safety and health of our products and services with expected standard of legitimacy and integrity.
- To uphold the highest standard in the preserving confidentiality and privacy of information collected by us in the course of the Group's business and to ensure employees, customers and business partners receives such information to observe the confidentiality and privacy of such information.

These policies underscore the Group's commitment to holistic sustainability, encompassing economic prosperity, environmental stewardship, and social responsibility, thereby contributing to the realisation of the SDGs and fostering long-term value creation for all stakeholders.

GOVERNANCE STRUCTURE AND PROCESS

The Board asserts its overarching responsibility for integrating recommended sustainable economic, environmental, and social practices throughout the Group, ensuring that business strategies are developed with sustainability considerations in mind and sustainability performance are monitored from time to time. The governance structure pertaining to the Group's sustainability management is guided by the Guide and Toolkit: Governance issued by Bursa Securities, with necessary adaptations based on the nature and scale of the businesses of the Group.

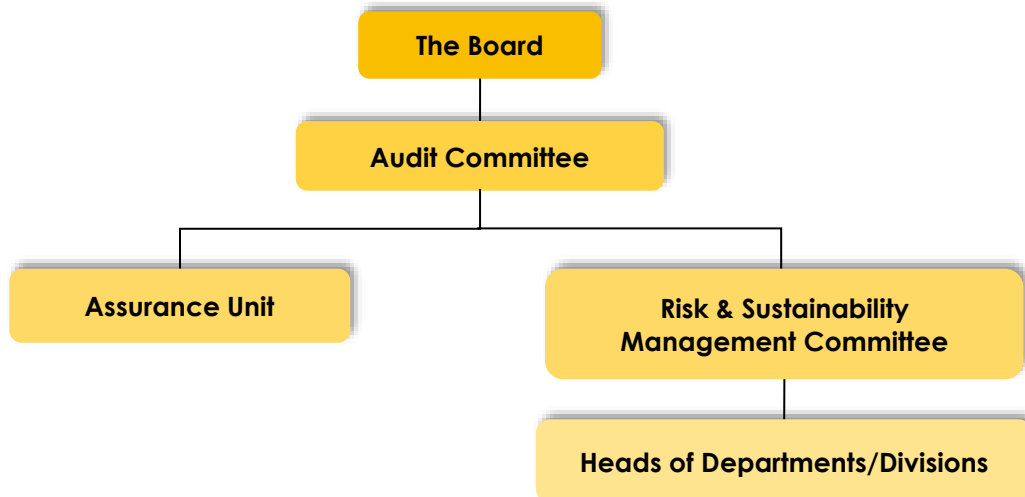
Effective governance is pivotal for the Group to operate in an accountable and sustainable manner. The Group's commitment to sustainable business practices permeates all levels of its organisation. At the leadership level, the Board, Executive Directors, and Management recognise the importance of comprehending and implementing sustainable economic, environmental, and social practices across the organisation.

To embed the commitment to sustainable economic, environmental, and social practices throughout the Group, the Board has established a formal structure to ensure accountability, oversight and review in the identification, management and reporting of sustainability matters and performance. This structure is essential for aligning the execution of sustainability initiatives across the organisation with the Board's sustainability and business strategies, with reporting at predetermined intervals. It enables the Group to be able to act on timely with the sustainability risks and opportunities applicable to the Group. The Risk and Sustainability Management Committee is delegated with the responsibilities for identifying, managing, and reporting sustainability matters and performance.

SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE STRUCTURE AND PROCESS (Cont'd)

The Board has formalised sustainability principles, policies, and processes through the establishment of a Sustainability Policy. Additionally, a formal governance structure for the identification, management, and reporting of sustainability matters and performance of the Group has been established based on the Group's existing geographical scope, scale, and nature of business operations, particularly in property development and investment in Malaysia.



The governance structure clearly delineates the roles and responsibilities of the Board, the Audit Committee, the Risk and Sustainability Management Committee, Heads of Departments/Divisions, Key Risk and Sustainability Officers, and the Assurance Unit. The Board holds ultimate accountability for sustainability management and performance within the Group, while the Audit Committee oversees sustainability management and performance for reporting to the Board.

In addition, the Audit Committee is responsible to review adequacy and effectiveness of the Group's sustainability governance structure, the process and results of identification, assessment, management and monitoring of sustainability matters as well as to determine the adequacy of the response and the current standing of the material sustainability matters and reporting the review results and recommendations to the Board for decision. The Audit Committee is required to oversee the overall management of stakeholders too to ensure the concerns and needs of all relevant stakeholders are taken into consideration throughout the development of the Group's business strategies and operations.

The Risk and Sustainability Management Committee, chaired by the Executive Chairman of the Company, is delegated with the following duties:

- a. Implement the sustainability strategy and management policy as approved by the Board;
- b. Lead and implement the process of sustainability matters identification, assessment and management and devising appropriate action plan in cases where sustainability issues are not adequately or effectively addressed and communicate proposed action plans to the Heads of Departments/Divisions;
- c. To conduct periodic review of all sustainability matters of the Group (at least on an annual basis) and determine the adequacy of the response and the current standing of the sustainability matters and to report the review results (including material sustainability matters) and recommendations to the Audit Committee;
- d. To manage stakeholder engagement for input for assessment and communication of results of review and response;

SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE STRUCTURE AND PROCESS (Cont'd)

- e. To implement the material sustainability matters' indicator and the target and performance monitoring thereof and the preparation of sustainability disclosures as required by laws and/or rules, and to report to the Audit Committee for review;
- f. To oversee the Heads of Departments/Divisions in the implementation of systems of sustainability management;
- g. To update the Audit Committee on changes to the material sustainability matters on periodical basis (at least on annual basis) respectively or when appropriate (due to change in external environment or internally) and the course of action to be taken by management in managing the changes; and
- h. To ensure relevant sustainability trainings are provided for appropriate level of employees to cultivate a positive attitude and promote correct approach toward sustainability management.

As for the Heads of Departments/Divisions, they are primarily responsible for managing sustainability matters within their respective business processes and assisting the Risk and Sustainability Management Committee with the implementation of the process of sustainability matters identification, assessment, management and monitoring of all sustainability matters.

On the other hand, the Assurance Unit is responsible to review the Group's governance structure and sustainability management processes, as well as the Group's system of sustainability management implemented by the Risk and Sustainability Management Committee and Heads of Departments/Divisions in order to determine its adequacy and effectiveness for subsequent reporting to the Audit Committee. Besides, the Assurance Unit is required to review the compliance of the controls implemented by the Risk and Sustainability Management Committee and Heads of Departments/Divisions in managing sustainability matters, as well as the accuracy and reliability of sustainability disclosures as required by laws and/or rules for reporting to Audit Committee.

The sustainability matters management process is established by the Board in compliance with the Guide and Toolkit: Materiality Assessment issued by Bursa Securities, with necessary adaptations based on the nature and scale of the businesses of the Group, in alignment with the business strategies promoted by the Board.

STAKEHOLDER ENGAGEMENT

The Board recognises the crucial contribution and support of both internal and external stakeholders to the realisation of the Group's missions and long-term business sustainability and excellence. Maintaining robust communication, understanding, and relationships with stakeholders through various platforms, continuous dialogue and sharing of information is paramount to ensuring the success and sustained growth of our business. The Group acknowledges and highly values its employees, customers, and business partners. By understanding their interests and needs, the Group believes it can cultivate lasting and mutually beneficial relationships. These relationships serve to not only boost morale and enhance reputation but also drive business performance, facilitating the delivery of sustainable value to stakeholders.

In pursuit of a sustainable strategy, the Board is committed to continuous engagement with internal and external stakeholders who are dependent on and/or influenced by the activities undertaken by the Group. The Board is dedicated to ensuring that these engagements encompass all internal and external stakeholders across the value chain. Through both formal and informal channels, the Board aims to proactively respond to the concerns and views of respective stakeholder groups. This ongoing and active engagement enables the Board to identify risks and opportunities in the Group's business operations. It also provides an opportunity to validate sustainable matters identified by the Group's Management during such engagements.

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

During the financial year under review with regard to the sustainability assessment, management and monitoring process, the Risk and Sustainability Management Committee utilised a combination of informal channels (such as meetings and face-to-face communication) employed by Heads of Departments/Divisions and Executive Directors, along with formal channels of communication (such as employees' performance appraisal) to engage with stakeholders. In addition, during the financial year under review and up to the date of this Statement, the Group has not entered into any collective agreements with trade unions in Malaysia that remain effective. Furthermore, the Group does not have any intention to engage in collective agreements with trade unions in Malaysia.

The Board acknowledges that the stakeholder engagement engaged by the Risk and Sustainability Management Committee can be further enhanced by employing the preferred level of engagement to each stakeholder's profile at the preferred frequency as determined by the Board. This approach ensures that key topics and concerns of respective stakeholder groups are communicated in a timely and reliable manner to the appropriate governance body of the Group to respond to such topics and concerns raised. The Group's stakeholder engagement process is guided by the Guide and Toolkit: Stakeholder Engagement issued by Bursa Securities, with necessary adaptations based on the nature and scale of the businesses of the Group.

The Board has determined, through stakeholder mapping and profiling exercises conducted by the Risk and Sustainability Management Committee and reported to them, that the following stakeholders are dependent on and have influence over the Group within the context of its business operations and the industries in which the Group participates:

PROPERTY DEVELOPMENT			
STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Board of Directors	<ul style="list-style-type: none"> To ensure business strategy take into consideration of sustainable practices 	<ul style="list-style-type: none"> Committee meetings Board of Directors meeting 	<ul style="list-style-type: none"> Quarterly
Suppliers	<ul style="list-style-type: none"> To ensure sustainable supply of quality services and materials 	<ul style="list-style-type: none"> Supplier's evaluation and appraisal Meetings Conflict of Interest Policy Code of Conduct 	<ul style="list-style-type: none"> Ongoing
Customers	<ul style="list-style-type: none"> To improve customer's satisfaction 	<ul style="list-style-type: none"> Customer's Feedback Form Defect Form Face-to-face meetings Meetings Electronic mail system Social media and printed medium 	<ul style="list-style-type: none"> Ongoing
Financial Institutions	<ul style="list-style-type: none"> To ensure continuous financial support from financial institutions 	<ul style="list-style-type: none"> Annual report Press release Public announcements Face-to-face meetings 	<ul style="list-style-type: none"> Annually Ongoing

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

PROPERTY DEVELOPMENT			
STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Government and Regulators	<ul style="list-style-type: none"> To ensure full compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Official submission Official letter Public dialogue involving government officials Public announcements Telephone conversation Face-to-face meetings Electronic mail system 	<ul style="list-style-type: none"> Ongoing
Media	<ul style="list-style-type: none"> To minimise instances of inaccurate reporting 	<ul style="list-style-type: none"> Press conference/ release Face-to-face interview/ visit 	<ul style="list-style-type: none"> Ongoing
Local Society	<ul style="list-style-type: none"> To improve the acceptance of local communities of the business 	<ul style="list-style-type: none"> Corporate social responsibility programme Face-to-face meetings Press release 	<ul style="list-style-type: none"> Ongoing
Industry Peers	<ul style="list-style-type: none"> To ensure business practice is in line with the policy 	<ul style="list-style-type: none"> Participation in trade associations Newsletters and meetings 	<ul style="list-style-type: none"> Ongoing
Investor	<ul style="list-style-type: none"> To ensure continuous financial support from investors 	<ul style="list-style-type: none"> Annual report Annual general meeting Shareholders' dialogue Press release and public announcements 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Employees	<ul style="list-style-type: none"> To retain competent employees 	<ul style="list-style-type: none"> Employees' survey Employees' dialogue Annual appraisal Memorandum Electronic mail system 	<ul style="list-style-type: none"> Annually Ongoing

PROPERTY INVESTMENT			
STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Investor	<ul style="list-style-type: none"> To ensure continuous financial support from investors 	<ul style="list-style-type: none"> Annual report Annual general meeting Shareholders' dialogue Press release and public announcements 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Employees	<ul style="list-style-type: none"> To retain competent employees and contractors 	<ul style="list-style-type: none"> Employees' survey Employees' dialogue Annual appraisal Memorandum Electronic mail system 	<ul style="list-style-type: none"> Annually Ongoing

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)

PROPERTY INVESTMENT			
STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Board of Directors	<ul style="list-style-type: none"> To align business strategy with sustainable practices 	<ul style="list-style-type: none"> Committee meetings Board of Directors meeting 	<ul style="list-style-type: none"> Quarterly
Suppliers	<ul style="list-style-type: none"> To ensure sustainable supply of quality services and materials 	<ul style="list-style-type: none"> Supplier's evaluation and appraisal Meetings Conflict of Interest Policy Code of Conduct 	<ul style="list-style-type: none"> Ongoing
Customers	<ul style="list-style-type: none"> To improve customer's satisfaction 	<ul style="list-style-type: none"> Customer's Feedback Form Face-to-face meetings Electronic mail system Social media and printed medium 	<ul style="list-style-type: none"> Ongoing
Financial Institutions	<ul style="list-style-type: none"> To ensure continuous financial support from financial institutions 	<ul style="list-style-type: none"> Annual report Press release Public announcements Face-to-face meetings 	<ul style="list-style-type: none"> Annually Ongoing
Government and Regulators	<ul style="list-style-type: none"> To ensure full compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Official submission Official letter Public dialogue involving government officials Public announcements Telephone conversation Face-to-face meetings Electronic mail system 	<ul style="list-style-type: none"> Ongoing
Media	<ul style="list-style-type: none"> To minimise instances of inaccurate reporting 	<ul style="list-style-type: none"> Press conference/ release Face-to-face interview/ visit 	<ul style="list-style-type: none"> Ongoing
Local Society	<ul style="list-style-type: none"> To improve the acceptance of local communities of the business 	<ul style="list-style-type: none"> Corporate social responsibility programme Face-to-face meetings Press release 	<ul style="list-style-type: none"> Ongoing
Industry Peers	<ul style="list-style-type: none"> To ensure business practice is in line with the policy 	<ul style="list-style-type: none"> Participation in trade associations Newsletters and meetings 	<ul style="list-style-type: none"> Ongoing

Subsequent to the stakeholder groups identification with respective engagement methods proposed, stakeholders prioritisation exercise was conducted for both the property development and property investment segments. This exercise aimed to rank respective stakeholder groups' influence over and/or dependence on the Group based on their influence over and dependence rating criteria and scale approved by the Board. The results of the stakeholders prioritisation exercise for both property development and property investment segments are tabulated in the Stakeholder Prioritisation Matrix below, along with the recommended levels of engagement:

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (Cont'd)



SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY MANAGEMENT ACTIVITY

The Group has undertaken the following activities in relation to the identification, management and reporting of sustainability matters and performance:

- Identification of the internal and external stakeholders for property development segment and property investment segment that have influence over and dependence on the Group through Stakeholder's Mapping and with individual Stakeholder Profile established for each identified stakeholder.
- Internal and external stakeholders for both property development segment and property investment segment identified by the Risk and Sustainability Management Committee were assessed and prioritised for its degree of influence over and dependence on the Group, utilising the agreed-upon criteria and rating scale approved by the Board via the Stakeholder Prioritisation exercise.
- The Risk and Sustainability Management Committee performed identification of the sustainability matters through internal sources and informal stakeholder engagements. Relevant internal and external stakeholders were directly communicated by Heads of Departments/Divisions and Executive Directors. The sustainability matters identified were categorised by the Risk and Sustainable Management Committee into the relevant sustainable categories for assessment purposes by way of Sustainability Matters Listing.
- The Risk and Sustainability Management Committee performed the internal materiality assessments, by using predetermined criteria and rating scale approved by the Board, in order to prioritise the sustainability matters for assessment by internal and external stakeholders and to determine the significance of the sustainability matters from the Group's perspective.
- Subsequently, the Risk and Sustainability Management Committee assessed the degree of significance of sustainable matters in influencing the assessment and decision-making of internal and external stakeholders. This was achieved through informal stakeholders' engagements, through direct communication with relevant internal and external stakeholders by Heads of Departments/Divisions and Executive Directors.
- The results of the Stakeholder Prioritisation exercise, internal materiality assessment and degree of significance of sustainable matters to influence on the assessment and decision by internal and external stakeholders were utilised by the Risk and Sustainability Management Committee to prioritise sustainability matters and identification of material sustainable matters. An identified sustainability matter is considered as material by the Risk and Sustainability Management Committee if it exceeded the material threshold established by the Board.

MATERIAL SUSTAINABILITY MATTERS

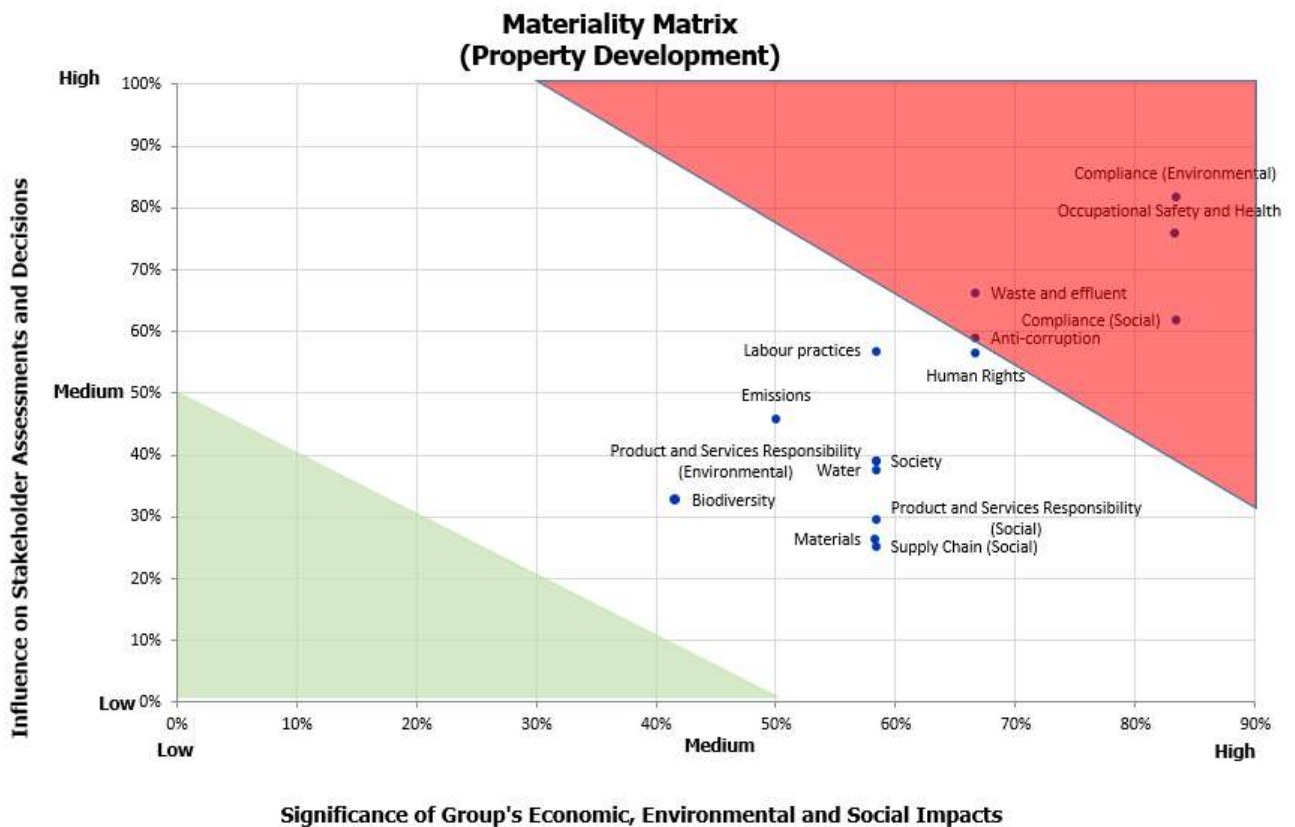
The Group's material sustainability matters are identified through a comprehensive materiality assessment process. This process involves identifying and prioritising Economic, Environmental, and Social ("EES") matters that are relevant and crucial for the Group's long-term sustainability, through structured process and assessment mechanism as approved by the Board, and guided by the Guide Toolkit: Materiality Assessment issued by Bursa Securities with necessary adaptations based on the nature and scale of the businesses of the Group. It focuses on sustainability context, materiality, completeness, and stakeholder inclusiveness, involving a cycle of identification, prioritisation, validation, and review.

SUSTAINABILITY STATEMENT (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (Cont'd)

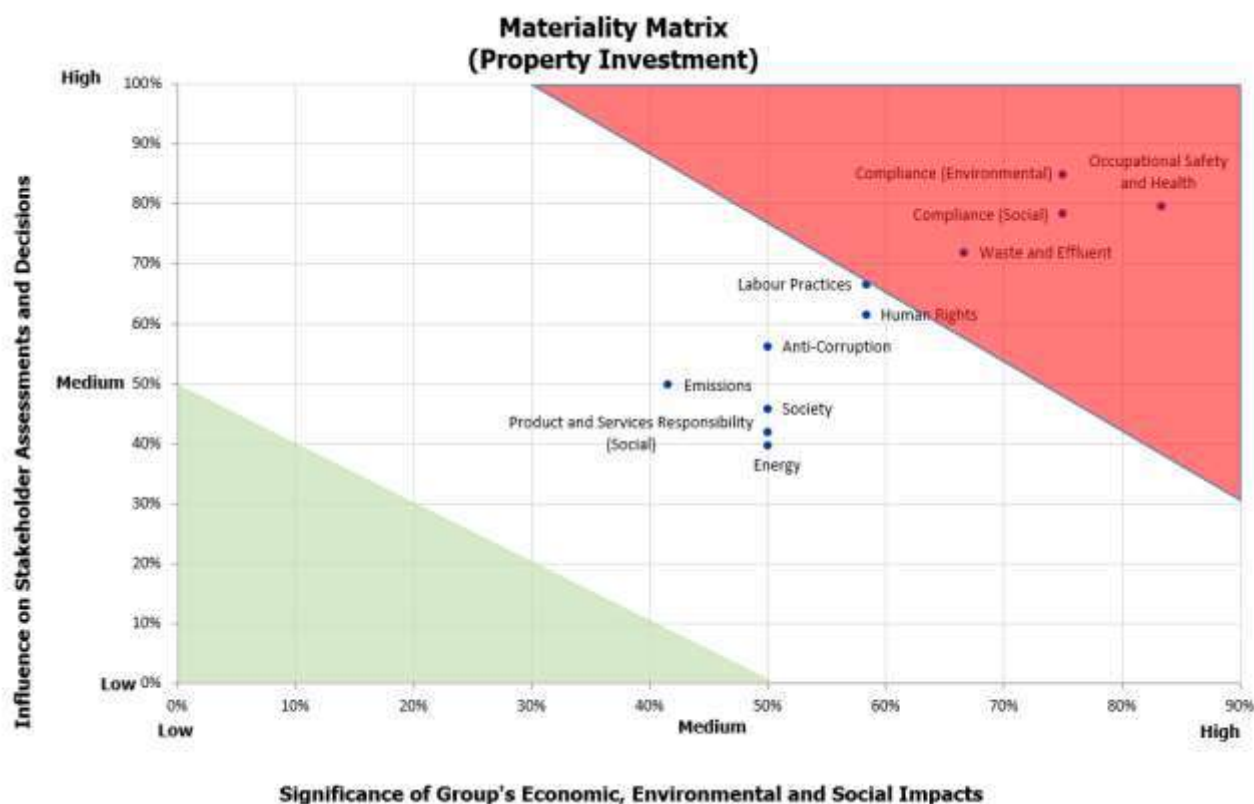
Following this process, a list of material sustainability issues was identified and compiled through the sustainability matters assessment and prioritisation exercise undertaken by the Risk and Sustainability Management Committee. These issues reflect critical sustainable considerations pertinent to the Group's operations and geographical scope, as well as the expectations and concerns of stakeholder groups. The sustainability matters are rated as “Material”, “Low and Medium” and “Not Material”, through material matrix, in respect of its significance from the Management’s perspective on the impact as well as all significant stakeholders’ perspectives in terms of its influence on the respective stakeholders’ assessments and decisions.

The final list of sustainability matters, along with details of their identification and assessment for both property development segment and property investment segment, were reviewed by the Audit Committee and reported to the Board for approval to ensure effective sustainability management and monitoring. The assessment results of material sustainability matters for both property development segment and property investment segment are tabulated in the following Materiality Matrices: -







SUSTAINABILITY STATEMENT (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (Cont'd)










The following sustainability matters identified for both property development and property investment segments are considered material by the Management of the Group as well as the stakeholder groups:

Property Development				
		Aspect Boundary		
Sustainability Matters	Definition	Internal Stakeholders	External Stakeholders	Relevant SDG Goals
Compliance (Environmental)	Compliance identifies the adherence of an organisation's activities to relevant laws and guidelines	Investors, Board of Directors, Employees, Financial Institutions	Local Society, Customers, Media, government & regulators	 
Occupational Safety and Health (Social)	Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers and stakeholders	Investors, Board of Directors, Employees, Financial Institutions	Government & Regulators, Customers, Media, Industry Peers	 











SUSTAINABILITY STATEMENT (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Property Development				
		Aspect Boundary		
Sustainability Matters	Definition	Internal Stakeholders	External Stakeholders	Relevant SDG Goals
Waste and Effluent (Environmental)	Waste and effluent discharged from operations into public areas	Investors, Board of Directors, Employees, Financial Institutions	Local Society, Customers, Media, Government & Regulators	    
Compliance (Social)	The adherence of an organisation's activities to relevant laws and guidelines	Investors, Board of Directors, Employees, Financial Institutions	Government & Regulators, Local Society, Customers, Media, Industry Peers	
Anti-corruption (Social)	Abuse of entrusted power for private gain. This theme discusses activities that promote transparency and guard against various forms of corruption	Investors, Board of Directors, Financial Institutions	Government & Regulators, Customers, Media, Industry Peers	

SUSTAINABILITY STATEMENT (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Property Investment				
Sustainability Matters	Definition	Aspect Boundary		Relevant SDG Goals
		Internal Stakeholders	External Stakeholders	
Occupational Safety and Health (Social)	Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers and stakeholders	Investors, Board of Directors, Employees, Financial Institutions	Government & Regulators, Customers, Media, Industry Peers	 
Compliance (Environmental)	Compliance identifies the adherence of an organisation's activities to relevant laws and guidelines	Investors, Board of Directors, Employees, Financial Institutions	Local Society, Customers, Media, Government & Regulators	 
Compliance (Social)	The adherence of an organisation's activities to relevant laws and guidelines	Investors, Board of Directors, Employees, Financial Institutions	Government & Regulators, Local Society, Customers, Media, Industry Peers	
Waste and Effluent (Environmental)	Waste and effluent discharged from operations into public areas	Investors, Board of Directors, Employees, Financial Institutions	Local Society, Customers, Media, Government & Regulators	    

SUSTAINABILITY STATEMENT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (SOCIAL)

Health and safety stand as paramount concerns for the Group. As a socially responsible business, the Group recognises that the long-term sustainability hinged heavily on the safety and well-being of our employees and, to a significant extent, the stakeholders. A safe and healthy workplace is not merely a fundamental right of the employees, but also crucial for stakeholders such as customers, suppliers, tenants, and contractors. Therefore, as a socially responsible business, prioritising occupational safety and health is essential in steering towards the Group's long-term sustainability objectives.

Consequently, the Group is dedicated to providing and maintaining a productive, vibrant, yet safe and healthy workplace and learning environment for all employees and relevant stakeholders to the extent reasonably practicable. This commitment aims to minimise the risk of accidents, injuries, and exposure to health hazards. Therefore, the emphasis on occupational safety and health remains one of the Group's top priorities in the daily business operations and working environment.

➤ Property Development

The Group places greatest importance to the aspect of safety and health, particularly given the heightened risks present in the property development industry, where construction sites pose greater hazards than many other workplaces. We underscore the importance of ensuring safe workplaces and environments and routinely review and assess our work conditions to ensure compliance with relevant safety and health legislation and requirements. All employees, contractors, consultants and visitors are obligated to adhere to the safety and health policies, rules and regulations at all construction sites.

For each project, a Safety and Health Committee is established to oversee the safety and health management in compliance with the Occupational Safety and Health Act 1994 and Occupational Safety and Health (Safety and Health Committee) Regulations 1996. This committee operates under the guidance of various policies, including the Safety and Health Policy, Site Safety and Health Information (Do's and Don't's), Environmental Policy, Housekeeping Standard Practice, Occupational Safety and Health – Penalty/Compound Policy, and Job Safety Analysis, all of which are established by the Safety and Health Committee.

To ensure the attainment of safety and health objectives and minimise industrial accidents, the Group employs qualified Safety and Health Officers and Supervisors who oversee the adherence to safety and health rules and regulations established by the Management at construction sites, promoting a safe and healthy environment. Site managers and Safety and Health Supervisors conduct regular inspections of construction sites to ensure compliance with safety guidelines, promptly addressing any non-compliance or hazards. They also raise concerns and incidents of non-compliance, ensuring swift corrective actions. These measures align with the Occupational Safety and Health Act 1994 and Occupational Safety and Health (Safety and Health Officer) Order 1997, fostering a culture of safety and health in our construction operations.

Scheduled meetings are conducted by the Safety and Health Committee at predetermined interval to facilitate effective communication with employees, contractors and subcontractors involved. These meetings aim to discuss ways to perform tasks more safely and address any safety and health-related concerns or site improvements. Additionally, any unsafe actions or conditions identified are reported and resolved promptly with corrective actions. Emphasis is placed on raising awareness of safety and health measures among all site personnel, ensuring they are competent to uphold and implement the safety and health measures during the execution of their duties and responsibilities.

SUSTAINABILITY STATEMENT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (SOCIAL) (Cont'd)

➤ Property Development (Cont'd)

Besides, the Group enforces strict compliance by requiring all employees who need access to construction sites, as well as employees of contractors and subcontractors working on the Group's construction sites, to be registered with the Construction Industry Development Board ("CIDB") and possess valid Green Cards. This adherence to the Green Card requirement ensures that all personnel entering construction sites undergo compulsory safety training as required by CIDB and equipped himself/herself with the necessary safety and health awareness and knowledge to ensure the undertaking of safe construction activities.

Relevant awareness and knowledge to maintain a set of good safety and health standard are disseminated through safety toolbox briefings conducted by the Safety and Health Supervisor to both new and existing construction personnel on a daily basis. These briefings cover essential safety and health issues related to the tasks at hand, identifying any deficiencies and outlining necessary corrective actions to be taken. This proactive communication ensures that all construction personnel are well-informed and equipped to prioritise safety measures during their work activities.

The Group has diligently identified and implemented various safety and health measures to mitigate potential health and safety risks at construction sites, prioritising the well-being of our employees as well as contractors, subcontractors and visitors. As part of these efforts, every construction site is encircled by protective hoarding before the commencement of construction works, ensuring that the public is shielded from ongoing construction activities. This proactive approach aims to prevent unnecessary work-related injuries and promote a safe environment for all involved.

Furthermore, all personnel are required to report to the security personnel for access to the work sites, ensuring that only authorised and qualified personnel are granted entry to the work sites. To bolster safety measures, prominent safety notices and indicators are strategically placed throughout the work areas to ensure that health and safety in the workplaces are not being compromised. Besides, the safety and health of construction sites are further bolstered by ad-hoc visits and inspections conducted by the Department of Occupational Safety and Health ("DOSH"). A logbook is maintained at respective construction sites, documenting observations and remarks on safety and health concerns noted by DOSH officers.

In addition to the safety measures implemented as aforesaid, the operation of construction equipment and scaffolds adheres to the guidelines outlined in the Factories and Machinery Act 1967 and the Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986. Regular inspections, servicing, and maintenance of construction equipment and scaffolds are carried out by competent personnel or qualified vendors at a predetermined interval to ensure their safe operation. Furthermore, fogging and mosquito prevention activities are regularly conducted at construction sites to mitigate the risk of breeding *Aedes aegypti* mosquitoes, contributing to a safer and healthier working environment for all personnel.

➤ Property Investment

Property investment segment of the Group encompasses various properties, including KSL Hot Spring Resort located at Taman Daya, Johor Bahru, KSL Hotel and Resort, D'Esplanade Apartment and KSL City Mall located at the heart of Johor Bahru city centre, as well as KSL Esplanade Hotel and KSL Esplanade Mall situated in Klang, Selangor. While the former operates solely as a resort, the remaining operate as integrated resorts and malls open to the public.

SUSTAINABILITY STATEMENT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (SOCIAL) (Cont'd)

➤ Property Investment (Cont'd)

Safety and health are paramount concerns for these properties, viewed as crucial elements in fostering sustainable business growth. The Group's commitment to safety and health of employees is communicated through a Safety and Health Policy established by the Safety and Health Committee. This committee plays a vital role in managing and monitoring safety and health standards in the resorts and malls by formulating safety and health rules and regulations to be strictly complied with by all stakeholders, including employees, tenants, contractors, subcontractors, suppliers and customers.

The Group strives to provide a safe and healthy environment for all stakeholders involved in its property investment operations and ensure safe practices are adopted and upheld in all aspects of the property investment's business operations. Regular inspections on the compliance with safety and health rules and regulations in resorts and malls are conducted by representatives of the Safety and Health Committee, with swift corrective and preventive actions implemented for any identified non-compliance incidents.

Safety notices or signboards and indicators are strategically placed in hazard-prone locations throughout the resorts and mall to effectively convey safety messages and highlight potential hazards to all stakeholders, including customers, employees, tenants, suppliers, visitors, contractors, and subcontractors. The Safety and Health Committee regularly monitors compliance with relevant regulations, such as the Occupational Safety and Health Act 1994 and the Factories and Machinery Act 1967, conducting periodic assessments to identify any non-compliance issues or high-risk areas. Prompt action is taken to address identified concerns, ensuring the safety and well-being of all individuals involved.

Furthermore, the Group places great importance on the maintenance and inspection of public facilities and equipment installed within the resorts and mall premises. Lifts, escalators, travelators, glass fences/panels, handrails, panic buttons in car parks, swimming pools, onsen facilities, water theme park facilities, and gym equipment are required to undergo routine inspections by the Group's internal safety and maintenance team, as well as qualified vendors. These inspections are conducted at predetermined intervals to ensure that all facilities and equipment are in optimal condition, thereby promoting safe usage and preserving the well-being of all users.

Fire preventive equipment and systems are installed, maintained, and regularly tested to ensure their functionality is not compromised, thereby ensuring the safety of the malls and resorts. Fire certificates issued by the Fire and Rescue Department of Malaysia for the malls and resorts are obtained and renewed annually after inspections performed by the authority bodies to ensure the Group's strict compliance with the life safety, fire prevention, fire protection and fire-fighting requirements of the Fire Services Act and related regulations. An emergency response team is also established and equipped with the knowledge of basic safety and emergency responses to handle any unfortunate incidents.

Our priority is to provide a safe and secure environment for customers, tenants, employees, and other stakeholders. Given that hotels and resorts, as well as shopping malls are susceptible to safety and security risks as publicly accessible destination, security guards are employed and stationed at important safety control points in the malls and resorts, including car park areas, to ensure the general safety of the public within the building is safeguarded. Regular patrols of the car parks are conducted by our internal security teams, and panic buttons are installed at appropriate designated locations for public usage during emergencies. Strategic locations within the malls and resorts are also monitored by the internal security team through a closed-circuit television system connected to the surveillance control room.

SUSTAINABILITY STATEMENT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (SOCIAL) (Cont'd)

➤ Property Investment (Cont'd)

Furthermore, door access controls are installed at restricted areas to prevent unauthorised access, with guests required to use electronic card access for entry to authorised floors of hotel rooms assigned. Clear escape route plans and emergency exit signboards are prominently displayed at strategic locations throughout the premises, including every room and function room. Emergency exit doors, strategically positioned throughout the malls and resorts, remain unlocked at all times and are kept clear from any obstructions, in compliance with the safety regulations and requirements, serving to facilitate swift evacuation during emergencies.

Last but not least, all employees involved in handling food in areas such as cafeterias, kitchens, banquet halls and etc. are required to attend food handling training and adhere to proper standard operating procedures in the workplaces at all times. Additionally, they are required to receive typhoid vaccination on an annual basis in compliance with the regulations mandated by the relevant authority bodies.

On overall, at KSL Group, our dedication to safety and well-being extends to all stakeholders. We prioritise safety as a fundamental aspect of our operations, going beyond mere compliance to foster a culture where safety is everyone's responsibility. In addition to implementing various safety measures as aforementioned, relevant safety and health trainings are provided to employees to equip them with the necessary knowledge and skills to uphold safety protocols and procedures relevant to their roles. By empowering our workforce with the necessary tools and resources, we ensure that safety remains a top priority in all aspects of our business operations.

For both the property development and property investment businesses of the Group in Malaysia, the Group is committed to maintaining a flawless safety record. Our target is to achieve zero major incidents by adhering strictly to regulatory requirements set by relevant authorities. Through stringent controls implemented across both segments of businesses, we are proud to report that there were no major incidents occurred and reported, nor has the Group faced any significant legal actions or fines or monetary sanction imposed related to occupational safety and health aspects during the financial year under review. Furthermore, there were no work-related fatalities arising from occupational health and safety incidents during the financial year under review.

Despite Covid-19 having transitioned into the endemic phase, the Group has remained vigilant in monitoring and ensuring necessary precautionary steps and health and safety measures, preventing the risk of its recurrence or the occurrence of any other health crises that could adversely impact the lives of our workforce, contractors, tenants, customers and other stakeholders, while ensuring the continued business continuity of the Group. Simultaneously, we prioritise ensuring the uninterrupted continuity of our business operations.

WASTE AND EFFLUENT, COMPLIANCE (ENVIRONMENTAL)

In pursuit of sustainable development, the Group is mindful of conducting businesses and operations in an environmentally responsible manner to positively impact society and the environment. Aligned with our commitment to creating a quality lifestyle and eco-friendly living environment for residents and other related stakeholders, we strive to continually enhance our environmental performance in order to exist in harmony with our mother nature. The waste and effluent management are integral aspects of our environmental stewardship efforts.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE AND EFFLUENT, COMPLIANCE (ENVIRONMENTAL) (Cont'd)

As an accountable group of companies engaged in property development and property investment activities, the Group is committed to adhering to the environmental laws and regulations, such as the Environmental Quality Act and its regulations, in the jurisdictions where we operate. The Group has been mindful and remained dedicated to protecting and enhancing the environment surrounding the Group's operations by minimising the environmental footprint arising from our business operations. This commitment serves to benefit future generations and fosters harmony with our natural surroundings.

➤ Property Development

For property development activities undertaken by the Group, the compliance with environmental related laws and regulations is overseen by the Executive Directors and Senior Management, whereby relevant environmental preservation practices are formulated for adherence by employees, contractors and subcontractors.

For every housing development project covering 50 hectares or more, an Environmental Impact Assessment is required to be performed during the feasibility study stage, in accordance with the Environmental Impact Assessment Guideline. This assessment is conducted with the assistance of an approved Environmental Impact Assessment consultant. The construction works are allowed to be commenced upon approval from the Director General of Environmental and Ministry of Natural Resources and Environment, along with any other relevant government authorities. The project team is required to closely monitor the development works performed by employees, contractors and subcontractors to ensure compliance with the approved Environmental Impact Assessment parameters.

Open burning is strictly prohibited at all times on all construction sites, and routine site inspections are conducted by the Site Supervisor as well as the Safety and Health Officer/ Safety and Health Supervisor to ensure stringent compliance with all regulatory standards set by local authorities and the government. Besides, measures are taken to mitigate noise pollution, with the noise level at construction sites monitored by Site Supervisors and Managers to ensure it remains within the acceptable recommended levels for residential areas in sub-urban and urban areas. Construction activities are not allowed to be conducted during night time unless approval is obtained from local authorities for works with low noise levels that do not disrupt the quality of life for nearby residents.

As part of the Group's efforts to minimise the impacts of its activities on the environment, all construction waste generated from respective construction sites is reused and recycled to the greatest extent possible. Any construction waste that cannot be reused and recycled are obliged to be disposed of in compliance with the relevant environmental laws and regulations. Illegal dumping of waste, regardless of hazardous or non-hazardous, is strictly disallowed by the Group. The usage of pesticides is in compliance with the Pesticides (Highly Toxic Pesticides) Regulations 1996.

It is the Group's policy to establish adequately sized silt traps and other forms of sediment retention and control facilities at each construction site as part of its environmental protection efforts. The scheduled wastes, mandated under Environmental Quality (Scheduled Waste) Regulation 2005, generated from the construction activities are monitored by the Project Department and being disposed of to the approved scheduled waste operators in Malaysia in accordance with the regulation. Storm water collection is also implemented at every construction site, primarily use for site cleaning purposes. Besides, rainwater harvesting tanks are constructed and installed for every high-rise and residential project to retain rainwater for future usage.

For most of the development projects introduced by the Group, especially high-rise projects, careful consideration and planning is given to the design and orientation of home units to allow natural sunlight to penetrate each unit and provide adequate air ventilation, creating a cool and airy living environment. This design approach not only enhances living comfort but also reduces the need for electric lighting, contributing to energy savings.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE AND EFFLUENT, COMPLIANCE (ENVIRONMENTAL) (Cont'd)

➤ Property Development (Cont'd)

In the commitment to environmental stewardship and the well-being of present and future generations, the Group supports recycling. These efforts focus on reducing the consumption of raw materials in construction without compromising the quality of houses built, minimising water pollution, and lowering energy consumption. Recycle bins are strategically allocated alongside development projects to facilitate the sorting and recycling of materials, contributing to a greener and healthier environment.

➤ Property Investment

As for property investment activities, the responsibility of managing and monitoring environmental compliance is entrusted to the Executive Directors and the Safety and Health Committee. Relevant policies and procedures are established to ensure stringent compliance to the applicable regulations and requirements governing the Group's business activities.

To facilitate effective implementation of environmental management, all employees, suppliers or contractors are required to adhere to the Group's policies and procedures in relation to hazardous materials as well as other environmental preservation related activities. All hazardous materials are required to be securely stored in designated storage rooms separate from food storage and preparation areas, with access restricted to authorised personnel only.

Necessary trainings and awareness briefings are required to be provided by suppliers to the relevant staffs of the Group for ensuring proper handling procedures of the hazardous materials. They serve to minimise wastage, spillage, and the occurrence of unnecessary incidents resulting from mishandling of such hazardous materials. Stickers indicating the hazardous nature of chemicals or materials are also provided by suppliers to the authorised staffs and to be affixed to the packaging of such hazardous chemicals or materials. This serves as a constant reminder of the potential threats involved and reinforces the importance of careful handling.

The Group places a strong emphasis on its environmental commitment through the implementation of the "Reduce, Reuse, and Recycle" policy, aimed at minimising waste, optimising resource usage, and promoting material recycling, to the extent possible. Particularly in the area of food waste reduction, the Board prioritises effective material planning and utilisation processes. Daily monitoring of food consumption by management enables better planning for food preparation and reduces unnecessary food wastage. Additionally, the food wastes generated are weighed and recorded by the management in order to comprehend and analyse further on more possible approaches or strategies to reduce the generation of such wastages. In the event the disposal of food and general wastes is inevitable, the management ensures that such waste is handled responsibly through authorised landfill operators.

The Group's adoption of digitalisation in some of the operational processes not only enhances productivity and efficiency but also aligns with its environmental initiatives by reducing paper consumption. This shift enables faster and more convenient communication both within the Group and with external stakeholders. To illustrate further on this, invoices are only printed by the front office of the hotels and resorts upon request from guests. Besides, hotel room price checking, bookings, and confirmations are handled directly through the website and email communications.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE AND EFFLUENT, COMPLIANCE (ENVIRONMENTAL) (Cont'd)

➤ Property Investment (Cont'd)

Recyclable items or materials are also gathered and sent for recycle processing by the Group in endorsing the recycle aspect of the Group's "3Rs" (reduce, reuse and recycle) initiative. One of the approaches taken by the Group is the reuse of hotel room card keys, which are re-coded by front office staff after each guest stay instead of being disposed of. Furthermore, the Group ensures that effluent discharged from its operations complies with the relevant laws and regulations by treating it appropriately before discharge. These efforts demonstrate the Group's commitment to environmental sustainability while maintaining operational efficiency.

To further promote environmental awareness among guests, the hotels and resorts provide printed green cards with environmental reminders in every room. These cards encourage guests to participate in environmental protection efforts and reduce their environmental footprint during their stay. Specifically, guests are reminded to place the card on the bed only if they require a change of bed linen or to place used towels on the floor or in the tub only if they require new ones. This conscientious action aligns with the Group's commitment to environmental stewardship by conserving resources, such as detergents and water, which would otherwise be expended during unnecessary laundering of linens and towels.

Furthermore, all dry amenities provided by the hotels and resorts are crafted from biodegradable plastics, ensuring they decompose naturally in the environment. Notably, KSL Esplanade Hotel provides hair and body shampoos in refillable form, conveniently stored in containers/ bottles already placed in the bathrooms of every hotel room. We have also transitioned away from providing bottles of mineral water in hotel rooms. Instead, we now refill drinking water into glass bottles placed in every hotel room for our guests' enjoyment and convenience while ensuring the safety and hygiene of our drinking water as well as the compliance of the drinking water filtration system. These initiatives underscore our commitment to environmental responsibility and reducing single-use plastic waste.

To prioritise energy conservation, the temperature of the air conditioning in each hotel room is set and controlled within the range of 22 to 24 degrees Celsius in minimising the energy consumption without compromising guest comfort. Besides, our commitment to water conservation is also exemplified through the installation of dual flush toilets across our offices, malls, hotels and resorts, contributing to environmental sustainability and simultaneously reducing the operational expenses.

Additionally, it is worth noting that the KSL Hotel and Resort at Johor Bahru is equipped with solar water heating system to generate and supply hot water throughout the premises. Furthermore, on-site retention storage system is maintained in KSL Hotel and Resort at Johor Bahru, whereby the water is recycled for the usage of toilet flushing and gardening in order to reduce water usage. Meanwhile, a rainwater harvesting tank has been constructed and installed in the Group's new hotel and resort, namely KSL Hot Spring Resort at Taman Daya, Johor, in collecting and utilising the harvested rainwater.

In striving for a sustainable environment and financial benefits through a reduction in energy consumption, the Group has invested in solar energy generation, whereby solar panels have been installed on the roofs of KSL Esplanade Mall premises, harnessing renewable energy to power the facility. Besides, KSL Esplanade Mall also features several car parks equipped with EV charging stations, catering to the needs of customers who drive electric vehicles. This initiative supports the transition towards sustainable mobility and demonstrates the Group's dedication to environmental stewardship and innovation in energy management.

For both the property development and property investment businesses of the Group in Malaysia, there were no incidences of non-compliance, penalties or fines taken against the Group in relation to waste, effluent and environmental related aspects during the financial year under review. Proactive measures were taken to ensure that all environmental factors remained within the regulatory requirements of our operations.

SUSTAINABILITY STATEMENT (Cont'd)

WASTE AND EFFLUENT, COMPLIANCE (ENVIRONMENTAL) (Cont'd)

KSL Group – Annual Consumption	YEAR 2023
Total Energy Consumption (Megawatt)	56,258
Total Water Consumption (Megalitre)	650

WORKFORCE, DIVERSITY, LABOUR PRACTICES AND COMPLIANCE (SOCIAL)

In our commitment to uphold social values throughout our value chain, the Group recognises the paramount importance of prioritising our workforce's well-being and fostering a culture of inclusivity and diversity. Our employees are not only valuable assets but also key differentiators in driving sustainable growth and ensuring the success of our business operations, particularly amidst post-pandemic changes. Their efforts, commitment, and contributions critically affect our ability to operate with competency in delivering our goals and targets set. Therefore, we strive to provide them with a safe, sustainable working environment and equal access to benefits, resources, and opportunities for skill development.

We embrace workplace diversity and advocate for a culture that respects and leverages the diverse ethnicities and cultures of our country. This includes recognising and accommodating the needs of various ethnic groups within our businesses and operations. Fair treatment and equitable opportunities for all stakeholders, regardless of race, religion, nationality, age, marital status, or any other protected characteristic, are fundamental principles guiding our practices. Upholding these principles not only enhances employee motivation and performance but also fosters continuous improvement across our organisation.

As a socially responsible entity, the Group is dedicated to observing strict compliance with the applicable laws and regulations governing labour practices, such as the Federal Constitution, Employment Act and Regulations, Minimum Wages Order, Competition Act, Personal Data Protection Act, Minimum Retirement Age Act, Children and Young Persons Act and Workers' Minimum Standards of Housing and Amenities Act, among others. This dedication ensures that our workforce is treated fairly and ethically, further reinforcing our commitment to social responsibility and sustainable business practices.

Human resources administration, guided by the Employee Handbook and related memorandums, policies and procedures issued by the Senior Management for group-wide execution, ensures fair treatment and employment practices for all legitimate employees. Our commitment to equality extends to various aspects of employment, including wages, work hours, overtime, leave entitlements, medical benefits, terminations, non-discrimination, access to complaint mechanisms and other established protection policies. The Group also strictly enforces the prohibition of illegal employment in the workplace, including suppliers, contractors, and subcontractors.

Furthermore, the Group respects and embraces the principle that every individual has an equal right and voice to driving and strengthening the sustainable growth of the organisation. The Group has always been committed to providing a good workplace culture and working environment that is free from any forms of harassment, humiliation and intimidation in any nature. All forms of judgements and discriminations are forbidden in the workplace, whether based on race, ethnicity, religion, nationality, gender, colour, age, marital status, pregnancy and maternity status, indigenous status, social origin, sexual orientation and disability.

Our non-discrimination practice, outlined in the Code of Conduct and Ethics and the Employee Handbook, underscores our dedication to providing equal opportunities for all employees across recruitment, salary increments, promotions, and retention. Fair treatment and equitable opportunities are fundamental principles guiding our human resource processes, ensuring every individual has an equal voice and right to contribute to our collective success. We maintain a zero-tolerance policy towards discrimination and brutality, reaffirming our dedication to upholding a fair and inclusive workplace environment.

SUSTAINABILITY STATEMENT (Cont'd)

WORKFORCE, DIVERSITY, LABOUR PRACTICES AND COMPLIANCE (SOCIAL) (Cont'd)

Recognising the integral role of our employees in driving sustainable growth and competitive advantage, KSL Group places a strong emphasis on human capital development and workforce resilience. We believe that fostering an inclusive and progressive culture, where diversity is embraced, contributes to creating an innovative and resilient workforce. By embracing diversity across age, gender, ethnicity, and industry experience, we encourage open-minded dialogues, broaden our positive influence, and harness unique insights and perspectives essential for strengthening our businesses.

In addition, we value transparency in employee benefits and entitlements, as outlined in the Employee Handbook and human resource policies. These guidelines ensure that rewards and compensation are administered with clarity and consistency, guided by approved career scales with relevant salary ranges outlined therein. This commitment aligns with our broader efforts to foster a performance-based culture that not only recognises but also rewards employees based on their contributions to achieving our growth targets.

This commitment is further manifested through the annual performance appraisal process, which serves as a vital mechanism for fostering effective communication and feedback between management and employees. Through these appraisals, we provide a platform for two-way communication, facilitating dialogue on past performance, future expectations, and addressing employee concerns that may arise. By nurturing a culture of open dialogue and transparency, we aim to create a collaborative and productive work environment. This commitment underscores our dedication to cultivating a workplace culture built on mutual respect, trust, and empowerment, ultimately driving our organisation towards greater success and sustainability.

Investing in our employees' development remains a top priority for the Group. We offer induction programs and continuous on-the-job trainings aimed at equipping employees with the necessary knowledge and skills for their roles. Additionally, external training opportunities are provided to enhance their technical knowledge and soft skills, preparing employees for long-term career growth within the Group. Our commitment to fair compensation and rewards, guided by performance-based assessments, ensures that employees are motivated and engaged in achieving our growth objectives. By investing in our employees' development and well-being, we not only foster a skilled and motivated workforce but also drive the long-term success and sustainability of the Group.

Given the challenging working environments inherent in our property development operations, we are unwavering in our commitment to ensuring fair treatment and equal opportunities for all employees. This dedication extends to maintaining parity in benefits and allowances, aimed at cultivating a workforce of talented and motivated individuals who drive performance and contribute to the growth of our business operations. Our commitment to fostering a supportive and inclusive workplace is evident in our workforce breakdown for the year 2023. This breakdown serves as a testament to our ongoing efforts to promote diversity and equality within the Group, reflecting our steadfast dedication to creating an environment where every individual feels valued, respected, and empowered to succeed.

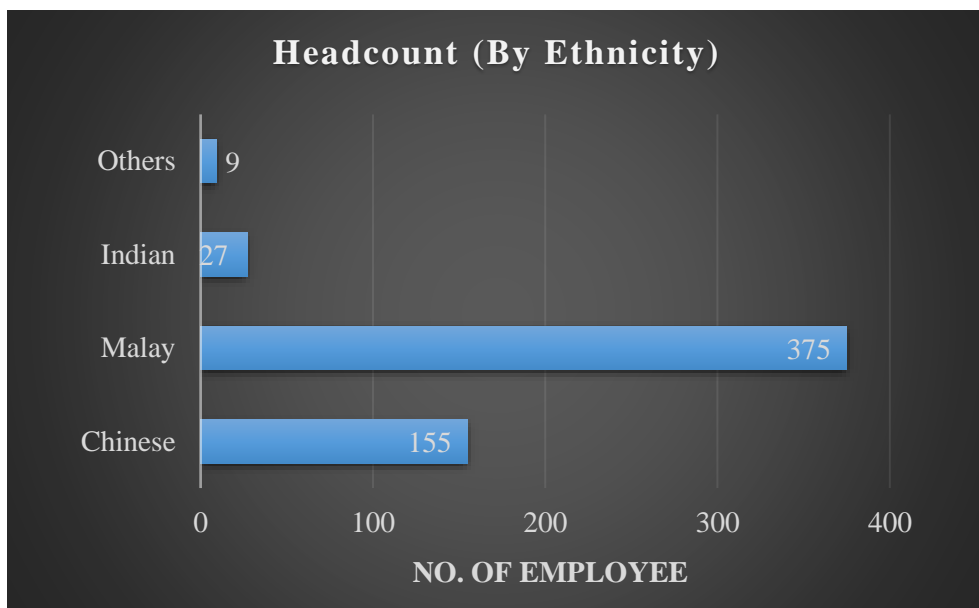
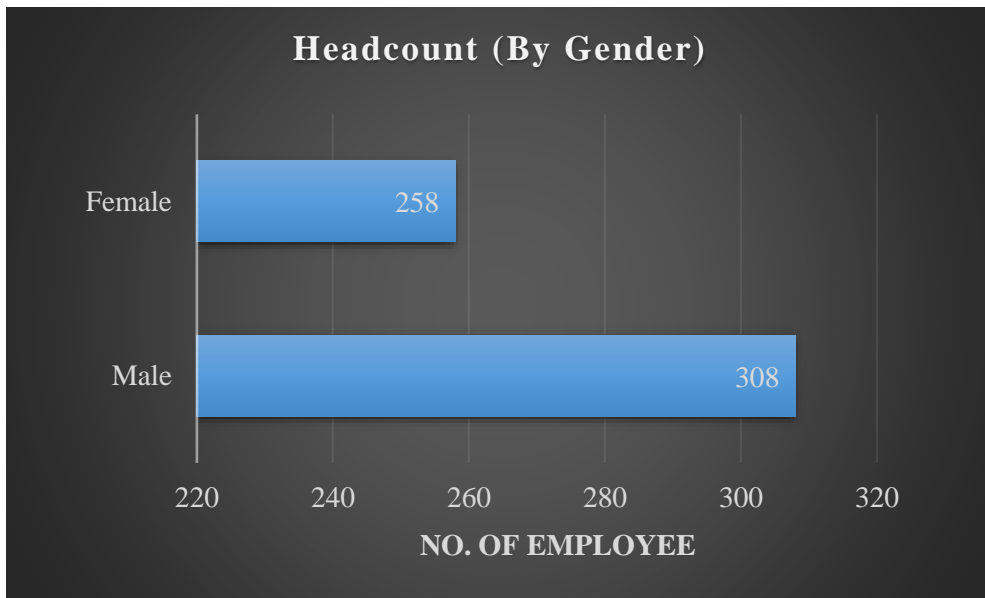
For both the property development and property investment businesses of the Group in Malaysia, the Group committed to comply strictly with all applicable laws and regulations and undertake efforts to assess the anticipated social impact of our activities. During the financial year under review, there were no major legal actions taken against the Group, nor any fines or monetary sanctions imposed in relation to the social aspects. Additionally, we are proud to report zero incidents of human rights violations and discrimination, including forced labour and child labour. This underscores our unwavering commitment to upholding ethical standards and promoting social responsibility in all aspects of our operations.

SUSTAINABILITY STATEMENT (Cont'd)

WORKFORCE, DIVERSITY, LABOUR PRACTICES AND COMPLIANCE (SOCIAL) (Cont'd)

KSL Group (Geographical Location)	Johor		Klang Valley		Total	
No. of Employees	Male	Female	Male	Female	Male	Female
Permanent ¹	208	178	100	80	308	258

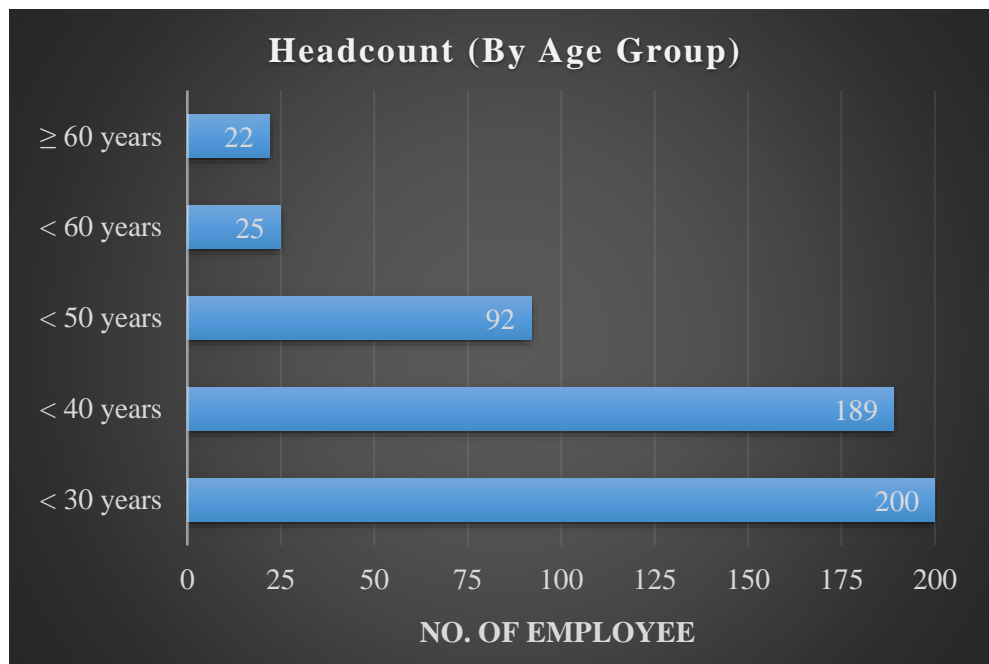
KSL Group (Business Segment)	Property Development		Property Investment		Total	
No. of Employees	Male	Female	Male	Female	Male	Female
Permanent ¹	110	111	198	147	308	258



¹ Exclude members of the Board of Directors

SUSTAINABILITY STATEMENT (Cont'd)

WORKFORCE, DIVERSITY, LABOUR PRACTICES AND COMPLIANCE (SOCIAL) (Cont'd)



ANTI-CORRUPTION

The Group places a significant emphasis on conducting businesses in responsible and transparent manner, recognising the paramount importance of upholding high standards of professionalism and integrity in all business dealings with our business associates, which include but not limited to, the customers, tenants, suppliers, contractors, subcontractors, agents and consultants. Upholding integrity is a core value at the heart of the Group's operations, and we consistently go above and beyond to combat corruption and bribery practices both within the Group and across the entire value chain.

In compliance with the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by Paragraph 15.29 of the Bursa Securities' Main Market Listing Requirements ("Listing Requirements"), the Group continuously embark on initiatives to ensure that adequate measures are in place to serves as a defence mechanism, aligning with the TRUST principle outlined in the Guidelines on Adequate Procedures issued by the Prime Minister's Department.

To demonstrate an adequate level of top-level commitment and ensure the Group's adherence to a zero-tolerance policy towards all forms of gratification and relevant anti-bribery and corruption laws and regulations, the Board has established and adopted a Group Anti-Bribery and Anti-Corruption Policy. This policy provides clear guidelines and parameters aimed at preventing any corrupt activities involving the Group's Directors, employees, business associates, and all other parties associated with the Group's operations while they are engaged in work or services for or on behalf of the Group. The Group Anti-Bribery and Anti-Corruption Policy also serves to ensure strict compliance with all preventive measures and relevant laws in force.

The core principle in relation to anti-bribery and corruption within the Group is embedded in the Code of Conduct and Ethics as well as the Conflict of Interest Framework, which have been approved by the Board. Additionally, the ethical requirements, misconduct guidelines, gift policy, conflicts of interest and anti-fraud policy are outlined in the Human Resource Procedures and Employee Handbook too to guide the ethical conduct and behaviours of employees. These documents explicitly outline the Board's expectations for every employee, Director as well as business associates to adhere strictly to the principles of good business practices and maintain a high standard of personal conduct and integrity.

SUSTAINABILITY STATEMENT (Cont'd)

ANTI-CORRUPTION (Cont'd)

Furthermore, the Group continuously conducts awareness programs for all new and existing employees to reinforce awareness of anti-bribery and anti-corruption measures, and to continuously foster integrity and ethical behaviour. It is expected that every employee comprehends and adheres to the laws, rules, and regulations relevant to their roles and responsibilities. To ensure the effectiveness of the governance culture within the Group, the Group Anti-Bribery and Anti-Corruption Policy, along with the Code of Conduct and Ethics, are regularly reviewed.

In addition, the Group has put in place a Whistle-blowing Policy, which has been approved by the Board and administered by the Audit Committee Chairman and Senior Independent Director, to uphold the Group's principles and code of conduct. A proper channel for whistle blowing is established to encourage all stakeholders, including but not limited to, employees, customers, suppliers, government bodies and financial institutions, to raise genuine concerns about possible improprieties related to financial reporting, compliance and other malpractices at the earliest opportunity. Reports can be made confidentially, without fear of reprisal, harassment, victimisation, or retaliation, and the interests of whistle-blowers are safeguarded, unless prohibited by law. It underscores the Group's commitment to accountability and ethical conduct.

Aligned with the government's policies and efforts to combat bribery and corruption, the Group is dedicated to upholding the highest standards of integrity and accountability while exercising proper care and judgement in discharging daily business activities, prioritising adherence to ethical principles. Appropriate due diligence is required to be practiced in assessing integrity of the business dealings undertaken to the risk of bribery and corruption allegations. During the financial year under review, the Group has undertaken a corruption-related risk assessment covering all its operations, both in the property development and property investment businesses in Malaysia.

Throughout the three (3) financial years from year 2021 to year 2023, the Group has recorded zero incidents of bribery and corruption reported through the whistleblowing channel. Furthermore, for both property development and property investment businesses in Malaysia, there were no legal actions taken against the Group nor any fine or monetary sanction imposed on the Group in relation to bribery or corruption practices during the financial year under review. Nevertheless, the Group remains steadfast in fostering a culture of compliance and ethical behaviour to uphold its track record of zero reported incidents, ensuring professional, ethical, and honourable conduct across the organisation.

KSL Group	YEAR 2023	TARGET
Percentage of Operations Assessed for Corruption-Related Risk (%)	100%	100%
% Employees Received Training on Anti-Corruption		
- Management	100%	100%
- Executive	100%	100%

KSL Group	YEAR 2023	YEAR 2022	YEAR 2021	TARGET
No. of Confirmed Corruption Incidents	0	0	0	Zero tolerance

SUSTAINABILITY STATEMENT (Cont'd)

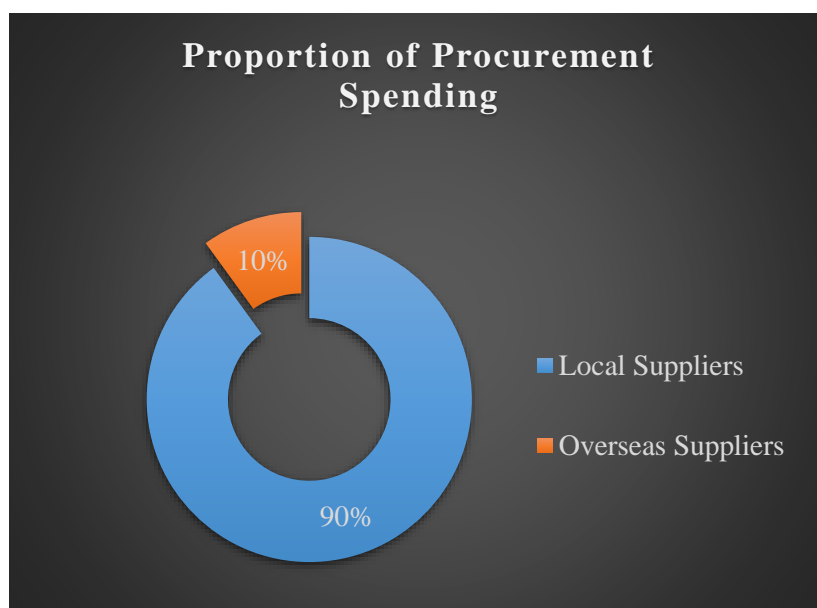
SUPPLY CHAIN MANEGEMENT

The Group places a strong emphasis on responsible supply chain management as part of its commitment to social sustainability. A key aspect of this approach is the deliberate sourcing strategy, which prioritises local suppliers for the majority of materials, products, hotel supplies and food supplies. Local contractors and suppliers are also given priority for projects, with a focus on sourcing local products, materials, and subcontractors whenever feasible. This strategic decision underscores the Group's dedication to quality, reliability, and fostering positive socio-economic impacts within the communities where it operates.

Notwithstanding that, KSL Group is diligent in its supplier selection process, mindful of the potential risks inherent in the supply chain, including supply disruption, cost volatility, threats to brand reputation, and compliance challenges with local laws and regulations. This proactive approach ensures that suppliers undergo thorough evaluation, considering not only their capabilities but also their capacity to effectively mitigate and manage these risks. Moreover, the Group fosters open communication channels with suppliers to address any emerging risks promptly and collaboratively. As a result, KSL Group maintains a robust and resilient supply chain, capable of adapting to evolving challenges while upholding its commitment to quality, reliability, and social responsibility.

By sourcing from local suppliers, as reasonably feasible, the Group contributes to the economic growth and vitality of the communities where it operates. The increased spending on local suppliers results in more revenue circulating within the local economy, which in turn supporting local businesses, creating job opportunities, and fostering overall community development. Furthermore, by establishing strong partnerships with local suppliers, the Group promotes collaboration and mutual support within the community. This collaborative approach strengthens relationships and builds trust, leading to more sustainable and resilient supply chain practices.

The Group's commitment to sourcing from local suppliers aligns with its broader goals of social responsibility and sustainability. By supporting local economies and communities through its procurement practices, the Group aims to create positive social impacts while ensuring the long-term viability of its supply chain operations. Overall, the Group's deliberate sourcing strategy reflects its dedication to responsible business practices and making meaningful contributions to the communities it serves.



SUSTAINABILITY STATEMENT (Cont'd)

DATA PRIVACY AND SECURITY

Our commitment to data privacy and security underscores our adherence to professional ethics and integrity. Central to our operations is the safeguarding of sensitive information pertaining to all stakeholders, including employees, suppliers, customers and tenants, in line with the principles of confidentiality and trust. Through strict compliance with the Personal Data Protection Act (“PDPA”) and stringent security measures, we ensure the security and confidentiality of data across our operations. Additionally, a Privacy Policy is in place to collect and manage the confidential personal data collected in compliance with the Personal Data Protection Act 2010.

We are pleased to report that, during the financial year under review, no substantiated complaints regarding breaches of customer privacy or incidents of confidential data loss were received by the Group. This accomplishment reflects our unwavering dedication to maintaining the highest standards of data protection and security. By prioritising data privacy, we not only fulfill legal obligations but also demonstrate our respect for individual privacy rights and our commitment to ethical business practices.

In addition to regularly reviewing and updating our protocols to adapt to evolving threats and regulatory requirements, the Group also provides employee training and awareness programs to ensure that all personnel are proficient in handling sensitive data responsibly and capable of effectively mitigating potential risks. Our proactive stance on data privacy underscores our dedication to upholding the highest standards of ethical conduct in all facets of our operations, thereby fostering trust and confidence among our stakeholders.

COMMUNITY COMMITMENTS

The Group places a strong emphasis on corporate social responsibility (“CSR”) and actively invests in the communities where it operates to show its gratitude and appreciation for its success and growth. Under the pillars of "Greening Environment, Good Education, and Best of Health," we strive to generate positive and sustainable value for both the community and economic growth through effective utilisation and application of the Group’s capabilities and resources as well as sharing of financial resources with local community for their developments. Despite the challenging global economic landscape, the Group remains steadfast in its dedication to investing in community programs and other CSR initiatives to contribute to local community development.

Constructing quality and affordable houses for the community to buy and own has always been our Group’s policy. Over the years, in response to the voice to provide houses at prices not to burden further on the public, our Group has helped hundreds and thousands of people to have their own houses at an affordable price. We will continue to strive to provide affordable opportunities to people to have their own shelters over their heads which is also in line with the Government’s objective of increasing homeownership opportunities and alleviating the housing burden on the public.

Throughout the financial year, the Group has supported various community initiatives through corporate donations. Our philanthropic efforts extend to organisations dedicated to social welfare and healthcare, including non-profits like Pertubuhan Hemodialisis Muhibbah Segamat and Resource and Education for Autistic Children (“REACH”) Segamat, where our donations help to ensure they have the resources needed to fulfil their missions and contributing to the noble causes.

Our commitment to community support extends beyond monetary aid. We actively engage with the communities where we operate by participating in locally organised events and initiatives. We prioritise direct involvement, believing it to be essential in giving back to the community meaningfully. An example of this is our participation in a charitable event organised by the Johor Bahru local council (Majlis Bandaraya Johor Bahru) during the year, where we donated pillows to the flood victims, demonstrating our sincere dedication to supporting those in need within our community.

SUSTAINABILITY STATEMENT (Cont'd)

COMMUNITY COMMITMENTS (Cont'd)



In conjunction with the Christmas season of giving, throughout December until Christmas Eve in 2023, KSL Esplanade Hotel dedicated itself to spreading joy and generosity through its "A Gift For Giving" initiative as part of its CSR program, collaborating with the Good Samaritan Home in Klang and Persatuan Rumah KIDS. The aim was to create lasting memories and bring joy to less fortunate children during the Christmas season. Guests were encouraged to participate by selecting a wish from the christmas tree set up in the hotel lobby and making a contribution. Each contribution was then used to purchase gifts, at least at the equivalent value of the contribution made, matching the children's wishes. In addition to guest contributions, KSL Esplanade Hotel also donated gifts to support the children in both homes, reflecting its commitment to community welfare during the festive season.



SUSTAINABILITY STATEMENT (Cont'd)

COMMUNITY COMMITMENTS (Cont'd)



SUSTAINABILITY STATEMENT (Cont'd)

COMMUNITY COMMITMENTS (Cont'd)



Education has always been a priority for the Group, recognising it as a cornerstone of economic growth. Over the years, we have consistently contributed to the education of young children, firmly believing that it serves as the bedrock for societal progress. By promoting education and literacy in future generations, we empower individuals to lead well-informed lives, ultimately enhancing their quality of life and contributing to sustainable development. Committed to excellence in our business operations, we continue to play a pivotal role in fostering responsible and sustainable growth that benefits not only our employees but also the wider community.

In addition to excelling in our business operations, we understand the importance of social responsibility. This includes not only providing financial and non-financial support to local communities and those in need but also sharing our knowledge base for the benefit of future generations and community development. Through internship programs, we offer students opportunities to work with us during their semester breaks, allowing them to gain valuable experience and develop the skills needed for future employment. These programs not only help students build confidence and skill sets but also serve as a source of new recruits for our business operations and expansion efforts.

The Group also actively promotes community participation and enhances local well-being by providing part-time job opportunities in our food and beverage and banquet operations. This practice not only benefits the individuals involved but also boosts the financial capacity of the local community, particularly during challenging economic times.

Our commitment to excellence extends beyond business performance to fostering long-term relationships with the communities where we operate. We remain dedicated to our vision of delivering the best to our customers and stakeholders while upholding our values of responsibility and innovation, ultimately contributing to sustainable business growth and positive societal impact.

SUSTAINABILITY STATEMENT (Cont'd)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	FYE 2023	Target
Anti-Corruption			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			100%
- Management	Percentage	100%	
- Executive	Percentage	100%	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Community/Society			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	109,561.00	N/A
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	16	N/A
Diversity			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			N/A
<i>Age Group by Employee Category</i>			
- Management Under 30	Percentage	0%	
- Management Between 30 - 50	Percentage	15%	
- Management Above 50	Percentage	85%	
- Executive Under 30	Percentage	10%	
- Executive Between 30 - 50	Percentage	40%	
- Executive Above 50	Percentage	50%	
<i>Gender Group by Employee Category</i>			
- Management Male	Percentage	56%	
- Management Female	Percentage	44%	
- Executive Male	Percentage	72%	
- Executive Female	Percentage	28%	
Bursa C3(b) Percentage of directors by gender and age group			N/A
- Male	Percentage	56%	
- Female	Percentage	44%	
- Under 30	Percentage	0%	
- Between 30-50	Percentage	22%	
- Above 50	Percentage	78%	
Energy Management			
Bursa C4(a) Total energy consumption	Megawatt	56,258.00	N/A
Water			
Bursa C9(a) Total volume of water used	Megalitres	650.000000	N/A

SUSTAINABILITY STATEMENT (Cont'd)

PERFORMANCE DATA TABLE (Cont'd)

Indicator	Measurement Unit	FYE 2023	Target
Health and Safety			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	20	30
Labour Practices and Standards			
Bursa C6(a) Total hours of training by employee category			120
- Management	Hours	80	
- Executive	Hours	15	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20%	N/A
Bursa C6(c) Total number of employee turnover by employee category			N/A
- Management	Number	0	
- Executive	Number	20	
- Non-Executive/Technical Staff	Number	15	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Supply Chain Management			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90%	N/A
Data Privacy and Security			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0

LIST OF MAJOR PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2023

No.	Lot No.	Description	Land Area (sq. ft.)	Existing Use	Tenure	Approximate Age (Year)	Net carrying amount as at 31.12.2023 (RM)	Date of Last Revaluation or if none, Date of Acquisition
01.	PTB 22817 Mukim of Johor Bahru District of Johor Bahru Johor Darul Takzim	Commercial complex	295,515	KSL City Mall	Freehold	11	421,910,000	29.12.2023
02.	PT 143339 Mukim of Klang District of Klang Selangor Darul Ehsan	Commercial complex	788,000	KSL Esplanade Mall	Freehold	1	338,164,228	31.12.2023
03.	Lot 113158, 113159, 113162, Lot 113164, 113165, 55044, Lot 55054, 55056 & 63409 Mukim of Pulau District of Johor Bahru Johor Darul Takzim	Land held for development	8,208,099	Taman Pulai Bestari	Freehold	-	218,456,025	20.03.2018
04.	Lot 6412 & Lot 6415 Mukim of Klang District of Klang Selangor Darul Ehsan	Land held for development	6,373,555	Bandar Bestari	Freehold	-	187,128,001	01.11.2007
05.	Lot 2437 Mukim of Terbrau District of Johor Bahru Johor Darul Takzim	Land held for development	9,060,253	Taman Bestari Indah	Freehold	-	169,033,690	27.02.2002
06.	PTD 163673 - 163674 Mukim of Terbrau District of Johor Bahru Johor Darul Takzim	Land held for development	5,137,998	Vacant Land	Leasehold	-	140,630,138	12.03.2018
07.	Lot 18973 - 19011, Lot 19013 - 19040, Lot 19048 - 19054, Lot 19062 - 19063, Lot 19105 - 19113, Lot 19041 - 19047, Lot 19055 - 19061, Lot 19064 - 19104, Lot 19114 - 19136 Mukim Simpang Kanan District of Batu Pahat Johor Darul Takzim	On-going mix development	12,945,196	Bukit Banang	Freehold	-	114,420,457	30.01.2015
08.	Lot 84133 Mukim of Terbrau District of Johor Bahru Johor Darul Takzim	Subdivided land	3,233,903	Taman Kempas Indah	Freehold	-	79,361,649	16.08.2002
09.	PTD 113647 PTD 113648 Mukim of Pulau District of Johor Bahru Johor Darul Takzim	Land held for development	400,055	KSL Residensi @ Kangkar Tebrau	Freehold	-	60,786,867	10.08.2006
10.	Lot 6199 & Lot 5170 Mukim of Johor Bahru District of Johor Bahru Johor Darul Takzim	Subdivided land	525,443	Vacant Land	Freehold	-	53,000,000	23.09.2014

STATEMENT OF SHAREHOLDINGS AS AT 25 MARCH 2024

Total number of issued shares	:	1,037,508,399
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	640	10.005	24,872	0.003
100 - 1,000	782	12.224	406,237	0.040
1,001 - 10,000	2,791	43.630	14,651,738	1.440
10,001 - 100,000	1,805	28.216	58,830,911	5.784
100,001 to less than 5% of issued shares	375	5.862	327,700,570	32.215
5% and above of issued shares	4	0.063	615,601,671	60.518
Total	6,397	100.000	1,017,215,999	100.000

* excluding a total of 20,292,400 ordinary shares bought back and retained as treasury shares.

THIRTY LARGEST SHAREHOLDERS

No.	Shareholders	Number of Shares	Percentage of Shares (%)
1.	PREMIERE SECTOR SDN BHD	323,546,642	31.81
2.	KHOO CHENG HAI @ KU CHENG HAI	108,394,051	10.66
3.	KU HWA SENG	104,889,521	10.31
4.	KU TIEN SEK	78,771,457	7.74
5.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD.	49,338,898	4.85
6.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD.	47,065,200	4.63
7.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD	42,689,086	4.20
8.	GORGEOUS HORIZON SDN BHD	23,129,200	2.27
9.	KU WA CHONG	9,249,879	0.91
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING	5,300,000	0.52
11.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	4,600,000	0.45
12.	KHOO KENG GHIAP	3,967,680	0.39
13.	KU WA CHONG	3,129,196	0.31
14.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING	3,025,000	0.30

STATEMENT OF SHAREHOLDINGS AS AT 25 MARCH 2024 (Cont'd)

THIRTY LARGEST SHAREHOLDERS (Cont'd)

No.	Shareholders	Number of Shares	Percentage of Shares (%)
15.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	2,936,900	0.29
16.	LTK (MELAKA) SDN BHD	2,662,915	0.26
17.	LIM SOON HUAT	2,651,782	0.26
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY LEK HENG	2,610,400	0.26
19.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	2,367,000	0.23
20.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD	2,024,370	0.20
21.	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	1,900,000	0.19
22.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHU YONG	1,851,500	0.18
23.	IPG CAPITAL SDN.BHD.	1,793,500	0.18
24.	SUSY DING	1,600,000	0.16
25.	LIM SIEW LEE	1,555,847	0.15
26.	GOH CHEAH HONG	1,554,940	0.15
27.	TAN CHEIK EAIK	1,526,939	0.15
28.	LIEW WAI KIAT	1,411,859	0.14
29.	TEKAD MAJU SDN. BHD.	1,400,000	0.14
30.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD	1,393,700	0.14

SUBSTANTIAL SHAREHOLDERS

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

No.	Substantial Shareholders	Direct Interest		Deemed Interest	
		Number of Shares	% of Shares	Number of Shares	% of Shares
1.	PREMIERE SECTOR SDN BHD	323,546,642	31.81	-	-
2.	KHOO CHENG HAI @ KU CHENG HAI	108,394,051	10.66	351,496,922 ⁽²⁾	34.56
3.	KU HWA SENG	104,889,521	10.31	346,675,842 ⁽²⁾	34.08
4.	KU TIEN SEK	78,771,457	7.74	323,546,642 ⁽¹⁾	31.81

Notes:

(1) Deemed interested through shareholdings by virtue of Section 8 of the Companies Act 2016.

(2) Deemed interested pursuant to Section 8 and Section 59 (11) (c) of the Companies Act 2016.

STATEMENT OF SHAREHOLDINGS AS AT 25 MARCH 2024 (Cont'd)

LIST OF DIRECTORS' SHAREHOLDINGS

No.	Directors	Direct Interest		Deemed Interest	
		Number of Shares	% of Shares	Number of Shares	% of Shares
1.	KHOO CHENG HAI @ KU CHENG HAI	108,394,051	10.66	351,496,922 ⁽²⁾	34.56
2.	KU HWA SENG	104,889,521	10.31	346,675,842 ⁽²⁾	34.08
3.	KU TIEN SEK	78,771,457	7.74	323,546,642 ⁽¹⁾	31.81
4.	PANG AH KOW	-	-	-	-
5.	TAN SWEE GEOK	287,392	0.03	-	-
6.	WONG LEE LEE	-	-	-	-
7.	KU EK MEI	-	-	23,129,200 ⁽¹⁾	2.27
8.	KHOO LEE FENG	853,400	0.08	23,129,200 ⁽¹⁾	2.27
9.	TAN KAI SENG	-	-	-	-

Notes:

(1) Deemed interested through shareholdings by virtue of Section 8 of the Companies Act 2016.

(2) Deemed interested pursuant to Section 8 and Section 59 (11) (c) of the Companies Act 2016.

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2023

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DIRECTORS' REPORT

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 31 December 2023.

Principal Activities

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries which are principally engaged in property development and hotel operations. The details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Profit for the year attributable to owners of the Company	<u>416,840,113</u>	<u>107,560,780</u>
Attributable to:		
Owner of the company	416,893,872	107,560,780
Non- controlling interest	<u>(53,759)</u>	<u>-</u>
	<u>416,840,113</u>	<u>107,560,780</u>

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors do not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issue of shares or debentures by the Company during the financial year.

DIRECTORS' REPORT (Cont'd)

Share Buy Back

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year.

As at 31 December 2023, the Company held 20,292,400 issued ordinary shares as treasury shares out of its total issued and paid-up share capital of 1,037,508,399 shares. Such treasury shares are held at a carrying amount of RM24,776,017. Further information is disclosed in Note 14 to the financial statements.

Options Granted Over Unissued Shares

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

Directors

The Directors of the Company in office during the financial year until the date of this report are:

Khoo Cheng Hai @ Ku Cheng Hai
Ku Hwa Seng
Ku Tien Sek
Pang Ah Kow
Tan Swee Geok
Wong Lee Lee
Khoo Lee Feng (Appointed on 1 January 2024)
Ku Ek Mei (Appointed on 1 January 2024)
Tan Kai Seng (Appointed on 1 January 2024)

The name of the directors of the Company's subsidiaries in office during the financial year and up to the date of this report other than those named above are as follows:

Ku Wa Chong
Khoo Keng Ghiap
Ku Keng Leong
Ku Keng Yaw

DIRECTORS' REPORT (Cont'd)

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

Company	<-----Number of ordinary shares----->			
	At 1 January 2023	Additions	Disposal	At 31 December 2023
Direct interest				
Khoo Cheng Hai @ Ku Cheng Hai	108,394,051	-	-	108,394,051
Ku Hwa Seng	104,889,521	-	-	104,889,521
Ku Tien Sek	78,771,457	-	-	78,771,457
Tan Swee Geok	287,392	-	-	287,392
Indirect interest (+)				
Khoo Cheng Hai @ Ku Cheng Hai	4,821,080	-	-	4,821,080
Deemed interest (#)				
Khoo Cheng Hai @ Ku Cheng Hai	323,546,642	-	-	323,546,642
Ku Hwa Seng	323,546,642	-	-	323,546,642
Ku Tien Sek	323,546,642	-	-	323,546,642
Deemed interest (*)				
Khoo Cheng Hai @ Ku Cheng Hai	23,129,200	-	-	23,129,200
Ku Hwa Seng	23,129,200	-	-	23,129,200

+ By virtue of his children's direct shareholding

Held through Premiere Sector Sdn. Bhd.

* Held through Gorgeous Horizon Sdn. Bhd. by their children

By virtue of their interests in the shares of the Company, Khoo Cheng Hai @ Ku Cheng Hai, Ku Hwa Seng, Ku Tien Sek, Khoo Lee Feng and Ku Ek Mei are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year hold any shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than certain directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business, other than as disclosed in Note 31 to the financial statements.

The details of the directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group 2023 RM	Company 2023 RM
Directors' remuneration:		
- fee	90,000	90,000
- salary and other emoluments	32,284,000	195,000
- contribution to state plans	5,206,120	34,200
- other personnel costs	8,764	2,228
	<u>37,588,884</u>	<u>321,428</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

DIRECTORS' REPORT (Cont'd)

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off bad debts inadequate to any substantial extent or it necessary to make any allowance for doubtful debts in the financial statements of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

DIRECTORS' REPORT (Cont'd)

Other Statutory Information (Cont'd)

- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Auditor's Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are RM315,000 and RM25,000 respectively.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant Events

The details of the significant events are disclosed in Note 31 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 32 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2024.

KHOO CHENG HAI @ KU CHENG HAI

KU HWA SENG

KUALA LUMPUR

KSL HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

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

We, KHOO CHENG HAI @ KU CHENG HAI and KU HWA SENG, being two of the directors of KSL HOLDINGS BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2024.

KHOO CHENG HAI @ KU CHENG HAI

KU HWA SENG

KUALA LUMPUR

KSL HOLDINGS BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

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

I, KHOO CHENG HAI @ KU CHENG HAI, being the Director primarily responsible for the financial management of KSL HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala)
Lumpur in the Federal Territory)
on 17 April 2024.)

KHOO CHENG HAI @ KU CHENG HAI

Before me,

No.W790

ZAINUL ABIDIN BIN AHMAD

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD

[Registration No.: 200001008827 (511433 - P)]

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KSL HOLDINGS BERHAD (“the Company”), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 129 to 206.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD (Cont'd)

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

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 for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Key audit matter	How we addressed the key audit matter
<p><u>Revenue and cost recognition for property development activities</u></p> <p>The Group recognises revenue from ongoing property development projects in the statement of profit or loss by using the stage completion method. The stage of completion is measured by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the property development projects.</p> <p>The Group recognised revenue of RM234,751,002 from property development activities, recognised over time, during the financial year ended 31 December 2023.</p> <p>Given the nature of property development projects, we focused on this area as significant estimates and judgements are required in:</p> <ul style="list-style-type: none"> • measuring stage of completion • determining the extent of property development costs incurred to date; and • estimating total property development costs. 	<ul style="list-style-type: none"> • We checked the revenue recognised, on a sampling basis, by agreeing the computation to the contracted selling prices of the property units multiplied with their respective stage of completion of respective development. • We recomputed the stage of completion percentages by calculating the proportion of property development costs incurred for work performed to date to the estimated total property development costs. • We evaluated variances between actual costs incurred and budgeted property development costs to assess whether total estimated costs to completion have been properly estimated and updated to reflect current conditions. • We agreed, on a sampling basis, the costs incurred to supporting documentation such as the sub - contractors' claim certificates which have been approved by the project architects, and invoices from vendors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD (Cont'd)

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How we addressed the key audit matter
<p><u>Revenue and cost recognition for property development activities (Cont'd)</u></p> <p>Refer to Note 9(ii), 19 and 20 to the financial statements.</p>	<ul style="list-style-type: none"> We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation.
<p><u>Valuation of investment properties</u></p> <p>Referring to Note 6 to the financial statements, as at 31 December 2023, the Group's investment properties, which are carried at fair value, amounted to approximately RM1,037,774,012.</p> <p>Significant judgement is required by the directors in determining the fair value of the properties and for the purpose of our audit, we identified the valuation for investment properties as representing a key audit matter due to the significance of estimation uncertainty, coupled with the fact that a small percentage difference in individual property valuation assumptions, when aggregated, could result in material misstatement.</p> <p>The valuations were carried out annually by third party independent valuers engaged by the Group, and the models used to determine the fair values depend on the nature of the properties.</p> <p>Under the profits method, the valuers take into account specific current information of the property such as the current tenancy agreements and rental income earned by the assets. They then apply assumptions in relation to rates of return, based on available market data and transactions, to arrive at a range of valuation outcomes, from which they derive a point estimate.</p>	<p><u>External valuations</u></p> <p>It was evident from our discussions with management and the valuers and from our review of the valuation reports, that we noted the valuers have considered factors related to each property's individual characteristics and its overall quality, geographical location and desirability as a whole in arriving to fair value. There was no evidence of management bias or influence on the valuers.</p> <p>We assessed the competence, capability and objectivity of the independent valuers, and verified their professional qualifications. In addition, we discussed the scope of their work with management to determine that there were no matters that would have affected their independence and objectivity or imposed scope limitations upon them. We have also considered other engagements which might exist between the Group and the valuers. We found no evidence to suggest that the objectivity of any valuers in their performance of the valuations was compromised.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KSL HOLDINGS BERHAD (Cont'd)**

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How we addressed the key audit matter
<p><u>Valuation of investment properties (Cont'd)</u></p> <p>Under the comparison approach, the valuation is based on assumption, amongst others, comparable historical transaction and factoring adjustments to comparable transactions including location, size, condition, accessibility, design and market knowledge, and estimated rental value per square foot.</p>	<p><u>Assumptions</u></p> <p>Valuation of properties using the comparison approach was made by reference to similar transactions with adjustments made for relevant differences in order to arrive at a common basis for comparison. We compared the fair values of a few samples of the properties with the average values of several similar properties in and around the area. We found the comparisons to be within a reasonable range.</p> <p>For valuation of certain properties using the profits method, we tested a selection of data inputs underpinning the investment property valuation including rental income, tenancy schedules and estimated expenses, against appropriate supporting documentation. We found that the models used and discount rate for the various properties were appropriate.</p>

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD (Cont'd)

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional 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 the Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD (Cont'd)

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KSL HOLDINGS BERHAD (Cont'd)

[Registration No.: 200001008827 (511433 - P)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM YANG YUE
Approved Number: 03544/12/2024 J
Chartered Accountant

KUALA LUMPUR

17 April 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	237,426,984	201,057,252	2	2
Intangible asset	5	462,850	-	-	-
Investment properties	6	1,037,774,012	960,463,953	-	-
Investment in subsidiaries	7	-	-	1,228,781,958	1,227,681,955
Other investment	8	1,904,906	1,682,352	-	-
Inventories	9	1,192,401,334	1,116,566,915	-	-
Deferred tax assets	18	605,046	-	-	-
		<u>2,470,575,132</u>	<u>2,279,770,472</u>	<u>1,228,781,960</u>	<u>1,227,681,957</u>
Current assets					
Inventories	9	724,843,266	792,494,297	-	-
Trade and other receivables	10	263,685,563	144,078,221	-	-
Contract assets	11	76,124,134	51,716,023	-	-
Current tax assets		1,303,020	14,843,140	702,217	1,031,117
Amount due by subsidiaries	12	-	-	273,034,797	166,544,143
Cash and bank balances	13	527,183,307	302,538,960	122,050	175,316
		<u>1,593,139,290</u>	<u>1,305,670,641</u>	<u>273,859,064</u>	<u>167,750,576</u>
Total assets		<u>4,063,714,422</u>	<u>3,585,441,113</u>	<u>1,502,641,024</u>	<u>1,395,432,533</u>

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

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY					
Share capital	14	699,234,524	699,234,524	699,234,524	699,234,524
Treasury shares	14	(24,776,017)	(24,776,017)	(24,776,017)	(24,776,017)
Reserves	15	<u>3,038,077,395</u>	<u>2,621,183,523</u>	<u>745,776,428</u>	<u>638,215,648</u>
Equity attributable to owner of the Company		3,712,535,902	3,295,642,030	1,420,234,935	1,312,674,155
Non-controlling interests		<u>246,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>3,712,782,143</u>	<u>3,295,642,030</u>	<u>1,420,234,935</u>	<u>1,312,674,155</u>
LIABILITIES					
Non-current liabilities					
Other payables	16	31,936,084	22,585,284	-	-
Loan and borrowings	17	27,687,232	48,012,580	-	-
Deferred tax liabilities	18	<u>60,342,933</u>	<u>57,110,238</u>	<u>-</u>	<u>-</u>
		<u>119,966,249</u>	<u>127,708,102</u>	<u>-</u>	<u>-</u>

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

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current liabilities					
Trade and other payables	16	188,579,221	139,525,825	175,369	57,783
Contract liabilities	11	2,284,244	286,832	-	-
Loan and borrowings	17	20,325,348	20,325,348	-	-
Current tax liabilities		19,777,217	1,952,976	-	-
Amount due to subsidiaries	12	-	-	82,230,720	82,700,595
		<u>230,966,030</u>	<u>162,090,981</u>	<u>82,406,089</u>	<u>82,758,378</u>
Total liabilities		<u>350,932,279</u>	<u>289,799,083</u>	<u>82,406,089</u>	<u>82,758,378</u>
Total equity and liabilities		<u>4,063,714,422</u>	<u>3,585,441,113</u>	<u>1,502,641,024</u>	<u>1,395,432,533</u>

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

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	19	1,141,637,648	574,999,572	104,887,000	48,336,900
Cost of sales	20	(489,878,766)	(268,947,187)	-	-
Gross profit		651,758,882	306,052,385	104,887,000	48,336,900
Add: Other income	21	72,148,011	65,017,932	6,774,627	2,607,669
Less: Distribution expenses		(56,632,451)	(33,808,337)	(5,346)	(5,323)
Less: Administrative expenses		(128,155,616)	(116,037,418)	(581,056)	(1,117,928)
Less: Finance costs	22	(4,163,724)	(4,057,235)	(2,451,485)	(957,218)
Profit before tax	23	534,955,102	217,167,327	108,623,740	48,864,100
Income tax expenses	24	(118,114,989)	(37,652,375)	(1,062,960)	(401,862)
Profit for the year		416,840,113	179,514,952	107,560,780	48,462,238
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>416,840,113</u>	<u>179,514,952</u>	<u>107,560,780</u>	<u>48,462,238</u>
Profit for the financial year, representing total comprehensive income for the financial year attributable to:					
Owners of the parent		416,893,872	179,514,952	107,560,780	48,462,238
Non-controlling interest		(53,759)	-	-	-
Net profit for the financial year		<u>416,840,113</u>	<u>179,514,952</u>	<u>107,560,780</u>	<u>48,462,238</u>
Earnings per ordinary share(sen):					
Basic	25	<u>40.98</u>	<u>17.65</u>		

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<-----Non-distributable----->			Distributable Retained earnings RM	Total RM
	Share capital RM	Treasury shares RM	Revaluation reserves RM		
Group 2022					
At 1 January 2022	699,234,524	(24,776,017)	17,013,146	2,424,655,425	3,116,127,078
Realisation of revaluation surplus	-	-	(318,345)	318,345	-
Profit/Total comprehensive income for the year	-	-	-	179,514,952	179,514,952
At 31 December 2022	<u>699,234,524</u>	<u>(24,776,017)</u>	<u>16,694,801</u>	<u>2,604,488,722</u>	<u>3,295,642,030</u>

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	<-----Non-distributable----->			Distributable	Total RM	Non- Controlling Interests RM	Total Equity RM
	Share capital RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM			
Group 2023							
At 1 January 2023	699,234,524	(24,776,017)	16,694,801	2,604,488,722	3,295,642,030	-	3,295,642,030
Realisation of revaluation surplus	-	-	(4,610)	4,610	-	-	-
Profit/Total comprehensive income for the year				416,893,872	416,893,872	(53,759)	416,840,113
<i>Transaction with owners:</i>							
Incorporation of new subsidiary company	-	-	-	-	-	30	30
Increase of share capital of a subsidiary company	-	-	-	-	-	299,970	299,970
	-	-	-	-	-	300,000	300,000
At 31 December 2023	<u>699,234,524</u>	<u>(24,776,017)</u>	<u>16,690,191</u>	<u>3,021,387,204</u>	<u>3,712,535,902</u>	<u>246,241</u>	<u>3,712,782,143</u>

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	<-----Non-distributable-----> Share capital RM	Treasury shares RM	Distributable Retained earnings RM	Total RM
Company				
2022				
At 1 January 2022	699,234,524	(24,776,017)	589,753,410	1,264,211,917
Profit/Total comprehensive income for the year	-	-	48,462,238	48,462,238
At 31 December 2022	<u>699,234,524</u>	<u>(24,776,017)</u>	<u>638,215,648</u>	<u>1,312,674,155</u>
2023				
At 1 January 2023	699,234,524	(24,776,017)	638,215,648	1,312,674,155
Profit/Total comprehensive income for the year	-	-	107,560,780	107,560,780
At 31 December 2023	<u>699,234,524</u>	<u>(24,776,017)</u>	<u>745,776,428</u>	<u>1,420,234,935</u>

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from/ (used in) operating activities				
Profit before taxation	534,955,102	217,167,327	108,623,740	48,864,100
Adjustments for:				
Amortisation of intangible assets	35,150	-	-	-
Bad debts written off	295,333	-	-	-
Depreciation of property, plant and equipment	10,014,517	10,248,314	-	-
Fair value adjustment of investment properties	(44,389,336)	(45,497,848)	-	-
Gain on fair value of equity instrument	(222,554)	(199,593)	-	-
Net (gain)/loss on disposal of property, plant and equipment	(51,174)	13,162	-	-
Interest expenses	2,806,427	3,234,549	2,449,027	954,727
Interest income	(13,441,763)	(5,994,465)	(6,774,627)	(2,607,669)
Property, plant and equipment written off	1,800	1,075,296	-	-
Operating profit before working capital changes	490,003,502	180,046,742	104,298,140	47,211,158
Changes in working capital:				
Inventories:				
- Land held for property development	(75,834,419)	(17,936,326)	-	-
- Property development cost	9,945,811	15,762,127	-	-
- Completed projects	57,968,959	(18,546,030)	-	-
- Other inventories	(263,739)	(197,411)	-	-
Contract assets and liabilities	(22,410,699)	(6,030,009)	-	-
Trade and other receivables	(119,902,675)	43,898,223	-	1,055
Trade and other payables	58,401,994	37,730,247	117,586	(110,366)
Amount due by/(to) subsidiaries	-	-	(106,960,529)	(48,060,297)
Net cash generated from/(used in) operations carried forward	397,908,734	234,727,563	(2,544,803)	(958,450)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net cash generated from/(used in) operations brought forward	397,908,734	234,727,563	(2,544,803)	(958,450)
Tax paid	<u>(84,122,979)</u>	<u>(46,101,600)</u>	<u>(734,060)</u>	<u>(376,300)</u>
Net cash generated from/(used in) operating activities	<u>313,785,755</u>	<u>188,625,963</u>	<u>(3,278,863)</u>	<u>(1,334,750)</u>
Cash flows (used in)/from investing activities				
Additional equity interest in subsidiary companies	-	-	(1,100,003)	(299,997)
Addition of investment properties	(32,920,723)	(29,256,224)	-	-
Purchase of property, plant and equipment	(47,928,019)	(72,478,069)	-	-
Purchase of intangible assets	(498,000)	-	-	-
Proceeds from disposal of property, plant and equipment	1,593,144	371,456	-	-
Shares issued by a newly incorporated subsidiary to non-controlling interest				
- Incorporation of subsidiary	30	-	-	-
- Increase of share capital	299,970	-	-	-
Net cash inflow from acquiring new subsidiary company	2,202	-	-	-
Interest received	<u>13,441,763</u>	<u>5,994,465</u>	<u>6,774,627</u>	<u>2,607,669</u>
Net cash (used in)/generated from investing activities	<u>(66,009,633)</u>	<u>(95,368,372)</u>	<u>5,674,624</u>	<u>2,307,672</u>

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows used in financing activities				
Interest paid	(2,806,427)	(3,234,549)	(2,449,027)	(954,727)
Repayment of revolving credit	-	(20,000,000)	-	-
Repayment of term loans	(20,325,348)	(20,325,348)	-	-
Net cash used in financing activities	<u>(23,131,775)</u>	<u>(43,559,897)</u>	<u>(2,449,027)</u>	<u>(954,727)</u>
Net changes in cash and cash equivalents	224,644,347	49,697,694	(53,266)	18,195
Cash and cash equivalents at the beginning of the financial year	<u>302,538,960</u>	<u>252,841,266</u>	<u>175,316</u>	<u>157,121</u>
Cash and cash equivalents at the end of the financial year	<u>527,183,307</u>	<u>302,538,960</u>	<u>122,050</u>	<u>175,316</u>
Cash and cash equivalents comprise of:				
Cash and bank balances (Note 13)	<u>527,183,307</u>	<u>302,538,960</u>	<u>122,050</u>	<u>175,316</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Wisma KSL, No. 148, Batu 1 ½, Jalan Buloh Kasap, 85000 Segamat, Johor Darul Ta'zim.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries which are principally engaged in the property development and hotel operations. The details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 April 2024.

2. Basis of Preparation

(a) Statement of compliance

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

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

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB"):

Amendments to MFRS 101 MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities from a Single Transaction
Amendments to MFRS 112	Income Taxes: International Tax Reform- Pillar Two Model Rules

The adoption of these new and amendments to standards did not have any significant impact on the financial statements of the Group and the Company except for:

Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards (Cont'd)

The Group and the Company has adopted the amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Materiality Practice Statement* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group and the Company’s financial statements but affect the disclosure of accounting policies.

Amendments to MFRSs in issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Agreements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Associate or Joint Venture	Deferred until further notice

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Amendments to MFRSs in issued but not yet effective (Cont'd)

The Directors anticipate that the abovementioned amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective, if applicable, and that the adoption of the amendments to MFRSs will have no material impact on the financial statements of the Company in the period of initial application.

The Group and the Company do not plan to adopt MFRS 17, 'Insurance Contracts' and Amendment to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information, that is effective for financial years beginning 1 January 2023, as the standards are not applicable to the Group and the Company.

(b) Functional and presentation currency

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

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Classification between investment properties and property, plant and equipment (Cont'd)

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Satisfaction of performance obligation in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligations of the Group under the contract are satisfied.

Key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment

The Group and the Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment are disclosed in Note 4 to the financial statements.

Amortisation of intangible assets

The Group and the Company regularly review the estimated useful lives of intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be significantly affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of intangible assets would increase the recorded amortisation and decrease the value of intangible assets. The carrying amount at the reporting date for intangible assets are disclosed in Note 5.

Fair value of investment properties

The fair value of investment properties is arrived at by reference to market evidence of transactions prices for similar projects or by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the property and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The key assumptions used to determine the fair value of the investment properties are provided in Note 6 to the financial statements.

Revenue from property development contracts

Revenue is recognised when the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract control of the asset may transfer over time or at a point in time.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Revenue from property development contracts (Cont'd)

If control of the asset transfers over time, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgement are used to estimate these total property development costs to complete the contracts. In making these estimates, management relies on past experience, the work of specialists and a continuous monitoring mechanism.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Notes 9 and 11.

3. Material Accounting Policies

(a) Basis of consolidation

(i) Subsidiary companies

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

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair values of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interest

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(v) Non-controlling interest

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

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

(vi) Transactions eliminated on consolidation

Unrealised gains arising from transactions with equity-accounted associate and joint venture are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Financial instruments

(i) Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group or the Company becomes a party to the contractual provisions for the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivate is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (“FVOCI”) - debt investment
- Fair value through other comprehensive income (“FVOCI”) - equity investment; or
- Fair value through profit or loss (“FVTPL”)

Financial assets are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as at FVTPL.

A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at FVTPL.

An equity investment is measured at FVOCI if it is not held for trading and the Group or the Company can irrevocably elects to present subsequent changes in the investment’s fair value in other comprehensive income (“OCI”). This election is made on investment-by-investment basis. If not elected, equity investment is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Financial assets: Subsequent measurement and gains and losses

(a) **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(c) **Financial assets at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(d) **Equity investment at FVTPL**

These assets are subsequently measured at fair value. Dividend and other net gains and losses are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

All financial assets, except for those measured at FVTPL, are subject to review for impairment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Financial liabilities: Classification and subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss. For financial liabilities categorised as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified terms are substantially different. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(b) Financial instruments (Cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is summarised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

	%
Buildings	2
Plant and machinery	10 - 20
Motor vehicles	20
Other assets	
- Office equipment	10 - 25
- Tele-communication equipment	10 - 20
- Renovation	10
- Sales office	10
- Site office	10
- Signboards	10
- Furniture and fittings	5 - 10
- Hotel equipment	20
- Food and beverage equipment	20

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(d) Intangible assets

Brand use rights is carried at cost less any accumulated summarised and any accumulated impairment losses. Brand use rights is amortised on a straight-line basis over its estimated economic useful lives summarised as follows:

Brand use rights	20%
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(e) Lease

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(f) Investment properties

Investment property carried at fair value

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

(g) Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. Contract asset is recognised when the entity has performed under the contract but has not yet billed the customer. Contract asset is stated at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(g) Contract assets and liabilities (Cont'd)

Contract asset is the right to consideration for goods or services transferred to the customers. Contract asset is recognised when the entity has performed under the contract but has not yet billed the customer. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. Contract liability is recognised when the entity has not yet performed under the contract but has received advanced payments from the customer. Contract liabilities also include down payments received from customers.

(h) Inventories

(i) Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within noncurrent assets and is stated at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs 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.

(ii) Property development cost

Property development costs are properties being constructed for sale in the ordinary course of business and are stated at the lower of costs and net realisable value. The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs.

The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer. Property development cost of unsold unit is transferred to completed development unit once the development is completed.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(h) Inventories (Cont'd)

(iii) Completed development units

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(iv) Food and beverage and other hotel supplies

Inventories are stated at the lower of cost and net realisable value. Cost includes cost of purchase plus incidental cost and other costs of bringing the inventories to their present location and condition. The cost of inventories is determined on a weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs to completion and selling expenses.

(i) Impairment

Financial instrument and contract assets

The Group and the Company recognise loss allowances for expected credit losses (“ECL”) on financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables.

The Group and the Company apply a two-step approach to measure the ECL on financial assets other than trade receivables, contract assets and lease assets.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s and the Company’s historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(i) Impairment (Cont'd)

Financial instrument and contract assets (Cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group or the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debts investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write off

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(i) Impairment (Cont'd)

Other assets

The carrying amounts of the other assets (except for inventories, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purposes of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash generating unit) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(j) Revenue

Revenue is measured at the fair value of consideration received or receivable in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group or the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service.

The Group recognises revenue from contracts with customers at a point in time unless one of the following over time criteria is met:

- (i) Does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date; or
- (ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

(a) Revenue from contracts with customer

(i) Revenue from development property

The Group develops and sells residential and commercial properties before and after completion of construction of the properties. The revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement. Revenue is recognised when control over the property has been transferred to customer, either over time or at a point in time, depending on the contractual terms.

For development properties whereby the Group is restricted contractually from directing the properties for another use, has no alternative use and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the entity does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, usually upon transfer of legal title.

Progress billings to the customers based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(j) Revenue (Cont'd)

(a) Revenue from contracts with customer (Cont'd)

(i) Revenue from development property (Cont'd)

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 consideration to which it will be entitled to in exchange for the assets sold.

(ii) Services

Revenue is recognised at a point in time as those services are provided. The total consideration in the service contracts is allocated to all services based on their relative stand-alone selling prices.

(iii) Hotel and food and beverage revenue

Hotel room revenue is recognised when service is rendered to the customer over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

Revenue from the sale of goods or services is recognised when the food and beverage, entertainment and attractions and retail goods is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage, retail goods or services. Advance ticket sales for entertainment and attractions are recorded as customer deposits (i.e. contract liability) until services are rendered to the customer.

(iv) Car park income

Car park income is accounted for on receipt and receivable basis.

(v) Management fees

Management fees are recognised at a point in time when services are rendered.

(vi) Membership fees

Membership fees are recognised at a point in time when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(j) Revenue (Cont'd)

(b) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established, which in the case of quoted securities are the ex-dividend date.

(c) Rental income

Rental income from investment property is recognised in profit or loss on a straightline basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from investment and subleased properties are recognised as other income.

(d) 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.

(k) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(k) Income tax (Cont'd)

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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 liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Any unutilised portion of a tax incentive that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(l) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and 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.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Material Accounting Policies (Cont'd)

(1) Fair value measurement (Cont'd)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or a liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
4. Property, Plant and Equipment

	Freehold land RM	Buildings RM	Buildings in progress RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
Group							
2023							
Cost							
At 1 January 2023	16,200,680	135,570,046	69,111,597	12,442,754	10,043,429	68,575,765	311,944,271
Additions	-	-	35,888,403	4,846,480	2,970,178	4,222,958	47,928,019
Disposals	-	-	-	(1,149,514)	(2,309,044)	(750,744)	(4,209,302)
Written off	-	-	-	-	(3,500)	-	(3,500)
Reclassification	3,671,280	94,140,101	(105,000,000)	-	-	7,188,619	-
At 31 December 2023	<u>19,871,960</u>	<u>229,710,147</u>	<u>-</u>	<u>16,139,720</u>	<u>10,701,063</u>	<u>79,236,598</u>	<u>355,659,488</u>
Accumulated depreciation							
At 1 January 2023	-	34,397,707	-	5,853,051	7,708,045	62,928,216	110,887,019
Charge for the financial year	-	5,522,200	-	555,400	979,981	2,956,936	10,014,517
Disposals	-	-	-	(110,545)	(1,806,044)	(750,743)	(2,667,332)
Written off	-	-	-	-	(1,700)	-	(1,700)
At 31 December 2023	<u>-</u>	<u>39,919,907</u>	<u>-</u>	<u>6,297,906</u>	<u>6,880,282</u>	<u>65,134,409</u>	<u>118,232,504</u>
Carrying amount							
At 31 December 2023	<u>19,871,960</u>	<u>189,790,240</u>	<u>-</u>	<u>9,841,814</u>	<u>3,820,781</u>	<u>14,102,189</u>	<u>237,426,984</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
4. Property, Plant and Equipment (Cont'd)

	Freehold land RM	Buildings RM	Buildings in progress RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
Group							
2022							
Cost							
At 1 January 2022	13,830,084	136,765,033	-	12,979,890	10,038,429	67,629,633	241,243,069
Additions	2,370,596	-	69,111,597	5,544	5,000	985,332	72,478,069
Disposals	-	-	-	(449,400)	-	(39,200)	(488,600)
Written off	-	(1,194,987)	-	(93,280)	-	-	(1,288,267)
At 31 December 2022	<u>16,200,680</u>	<u>135,570,046</u>	<u>69,111,597</u>	<u>12,442,754</u>	<u>10,043,429</u>	<u>68,575,765</u>	<u>311,944,271</u>
Accumulated depreciation							
At 1 January 2022	-	30,467,901	-	5,335,793	7,484,445	57,667,519	100,955,658
Charge for the financial year	-	4,073,205	-	651,612	223,600	5,299,897	10,248,314
Disposals	-	-	-	(64,782)	-	(39,200)	(103,982)
Written off	-	(143,399)	-	(69,572)	-	-	(212,971)
At 31 December 2022	<u>-</u>	<u>34,397,707</u>	<u>-</u>	<u>5,853,051</u>	<u>7,708,045</u>	<u>62,928,216</u>	<u>110,887,019</u>
Carrying amount							
At 31 December 2022	<u>16,200,680</u>	<u>101,172,339</u>	<u>69,111,597</u>	<u>6,589,703</u>	<u>2,335,384</u>	<u>5,647,549</u>	<u>201,057,252</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Property, Plant and Equipment (Cont'd)

	Other assets	
	2023	2022
	RM	RM
Company		
Cost		
As at 1 January/31 December	<u>27,853</u>	<u>27,853</u>
Less: Accumulated depreciation		
As at 1 January/31 December	<u>(27,851)</u>	<u>(27,851)</u>
Carrying amount		
As at 1 January/31 December	<u>2</u>	<u>2</u>

Property, plant and equipment of the Group at cost of RM60,681,793 (2022: RM52,969,416) are fully depreciated and still in use.

5. Intangible Assets

	Brand use rights
	RM
Group	
31.12.2023	
Cost	
At 1 January 2023	-
Additional during the year	<u>498,000</u>
At 31 December 2023	<u>498,000</u>
Less: Accumulated amortisation	
At 1 January 2023	-
Charge for the financial year	<u>35,150</u>
At 31 December 2023	<u>35,150</u>
Carrying amount	
At 31 December 2023	<u>462,850</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. Investment Properties

	2023	2022
	RM	RM
At 1 January	960,463,953	885,709,881
Additions	32,920,723	29,256,224
Fair value adjustment (Note 21)	44,389,336	45,497,848
	<u>77,310,059</u>	<u>74,754,072</u>
At 31 December	<u>1,037,774,012</u>	<u>960,463,953</u>
Included in the above are:		
At fair value:		
Land	530,747,313	517,017,451
Buildings	478,862,471	178,430,113
	<u>1,009,609,784</u>	<u>695,447,564</u>
At cost:		
Building in progress	28,164,228	265,016,389
	<u>1,037,774,012</u>	<u>960,463,953</u>

Included in the investment property is land and building with carrying amount of RM37,040,000 (2022: RM37,170,000) held under the name of third party, with power of attorney granted to the Group.

Investment properties with an aggregate carrying amount of RM446,510,000 (2022: RM427,193,000) are pledged as securities for loans and borrowings as referred to in Note 17.

Investment properties comprise a number of freehold shop houses and commercial properties leased to third parties. Each of the leases contains an initial non-cancellable period of average 2 years and subsequent renewals are negotiated with the lessee and average renewal period is 2 years.

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

	Group	
	2023	2022
	RM	RM
Rental income (Note 19)	99,041,763	51,732,815
Direct operating expenses		
- Income generating investment properties	(21,125,014)	(11,273,174)
- Non-income generating investment properties	(19,301)	(27,749)
	<u>(21,144,315)</u>	<u>(11,300,923)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. Investment Properties (Cont'd)

The fair values of the investment properties were based on indicative valuation by external, independent valuers having appropriate recognised professional qualification as follows:

- (a) RM528,699,000 (2022: RM230,256,780) arrived at by reference to transaction prices for comparable properties. The most significant input into this valuation approach is price per square foot of comparable properties. The estimated fair value would increase if the higher of the price per square foot.
- (b) RM480,910,784 (2022: RM465,190,784) determined by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the property using yield rates range from 7% to 8% (2022: 6% to 7%) and weighted average discount rate at 8% (2022: 8%). The estimated fair value would decrease if the lower of the yield rate or the higher of the discount rate.

Fair value of investment properties are categorised as Level 3 as described in Note 3(l) to the financial statements.

Building-in-progress is measured at cost because the fair value of properties under construction is not yet determinable as of reporting date. The fair value of the property is expected to be reliably determinable when construction is complete. During the financial year, the Group has completed the building-in-progress of investment property with an amount of RM236,852,161.

7. Investment in Subsidiaries

	Company	
	2023 RM	2022 RM
At cost:		
Unquoted shares	<u>1,228,781,958</u>	<u>1,227,681,955</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2023	2022
Bintang-Bintang Development Sdn. Bhd. ("BBD")	Malaysia	Property investment and development	100%	100%
Bintang-Bintang Enterprise Sdn. Bhd. ("BBE")	Malaysia	Property development	100%	100%
Clarion Housing Development Sdn. Bhd. ("CHD")	Malaysia	Property investment	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investment in Subsidiaries (Cont'd)

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

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2023	2022
Eversonic Sdn. Bhd. ("Eversonic")	Malaysia	Property investment and development	100%	100%
Exportex Sdn. Bhd. ("Exportex")	Malaysia	Property development	100%	100%
Goodpark Development Sdn. Bhd. ("GD")	Malaysia	Property development	100%	100%
Harapan Terang Sdn. Bhd. ("HT")	Malaysia	Property development	100%	100%
Harapan Terang Properties Sdn. Bhd. ("HTP")	Malaysia	Property development	100%	100%
Harapan Terang Realty Sdn. Bhd. ("HTR")	Malaysia	Property development	100%	100%
Khoo Soon Lee Realty Sdn. Bhd. ("KSLR")	Malaysia	Property investment and development	100%	100%
KSL Medini Development Sdn. Bhd. ("KSLMD")	Malaysia	Property development	100%	100%
KSL City Management Sdn. Bhd. ("KSLCM")	Malaysia	Property management	100%	100%
KSL City Development Sdn. Bhd. ("KSLCD")	Malaysia	Property investment and development	100%	-
KSL Perfect Builder Sdn. Bhd. ("KSLPB")	Malaysia	Property investment	100%	100%
KSL Properties Construction Sdn. Bhd. ("KSLPC")	Malaysia	Dormant	100%	100%
KSL Properties Sdn. Bhd. ("KSLP")	Malaysia	Property investment, development and hotel operations	100%	100%
KSL Properties Management Sdn. Bhd. ("KSLPM")	Malaysia	Car park operations and property management services	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investment in Subsidiaries (Cont'd)

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

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2023	2022
Omega Prestasi Sdn. Bhd. ("OP")	Malaysia	Wellness, health care related products and services	100%	-
Pingat Pelita Sdn. Bhd. ("PP")	Malaysia	Food and beverages (F&B) related products and services	100%	-
Prosper Plus Industry Sdn. Bhd. ("PPI")	Malaysia	Property development	100%	100%
Sejota Sdn. Bhd. ("Sejota")	Malaysia	Property development	100%	100%
Sering Cemerlang Sdn. Bhd. ("SC")	Malaysia	Dormant	100%	100%
Sure Success Properties Sdn. Bhd. ("SSP")	Malaysia	Property investment and hotel operations	100%	100%
Tai Lik Development (Batu Anam) Sdn. Bhd. ("Tai Lik")	Malaysia	Property development	100%	100%
Villa Bestari Sdn. Bhd. ("VB")	Malaysia	Property investment	100%	100%
VIP Beyond Sdn. Bhd. ("VIPB")	Malaysia	Property development	100%	100%
Held through HT				
KSL Development Sdn. Bhd. ("KSLD")	Malaysia	Property investment and development	100%	100%
Held through KSLPB				
Gantang Jaya Sdn. Bhd. ("GJ")	Malaysia	Property development	100%	100%
Held through SC				
Bestari Kaya Sdn. Bhd. ("BK")	Malaysia	Property investment and development	100%	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investment in Subsidiaries (Cont'd)

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

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest	
			2023	2022
Held through VIPB				
KSL Bestari Sdn. Bhd. ("KSLB")	Malaysia	Property investment and development	70%	-

(i) Acquisition of subsidiary companies

On 3 March 2023, the Company has acquired 100,000 ordinary shares and 1 ordinary share of OP and PP respectively, both representing 100% of its total issued and paid-up share capital respectively.

The fair values of the identifiable assets and liabilities of OP and PP as the date of acquisition were:

	OP 2023 RM	PP 2023 RM
Total consideration transferred	3	1
Assets acquired and liabilities assumed at the date of acquisition:		
Cash and bank balances	(2,205)	(1)
Other payable	2,202	-
Fair value of identifiable net assets	(3)	-
Effect of acquisition on consolidation	-	-

Total cost of business combination

The total cost of the business combination is as follows:

Cash consideration	3	1
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The effect of the acquisition on cash flow is as follows:

Total cost of the business combination	3	1
Less: cash and cash equivalents of the subsidiary company required	(2,205)	(1)
Net cash inflows on acquisition	(2,202)	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investment in Subsidiaries (Cont'd)

(i) Incorporation of subsidiary companies (Cont'd)

- (a) On 15 June 2023, the Company via its subsidiary company, VIPB incorporated a subsidiary company, KSLB by subscribing 70 ordinary shares representing 70% of the issued and paid-up capital.
- (b) On 6 October 2023, the Company via its subsidiary company, SC incorporated a wholly-owned subsidiary company, BK by subscribing 100 ordinary shares representing 100% of the issued and paid up capital.
- (c) On 3 November 2023, the Company incorporated a wholly-owned subsidiary company named KSLCD, by subscribing 1,000,000 ordinary shares representing 100% of the issued and paid-up capital.

None of the above incorporations are material to the Group.

(ii) Increase in share capital of subsidiary companies

- (a) On 16 March 2023, the issued and paid up capital of PP was increased from RM1, comprising of 1 ordinary share to RM100,000, comprising of 100,000 ordinary shares, by way of a new issuance of 99,999 ordinary shares of RM1 each for cash. The Company acquired 99,999 ordinary shares, representing 100% of these new ordinary shares for total consideration of RM99,999.
- (b) On 15 August 2023, the issued and paid up capital of KSLB was increased from RM100, comprising of 100 ordinary shares, to RM1,000,000, comprising of 1,000,000 ordinary shares, by way of new issuance of 999,900 ordinary shares of RM1 each for cash. The Company via its subsidiary, VIPB acquired 699,930 ordinary shares, representing 70% of these new ordinary shares for total consideration of RM699,930.

(iii) Material partly owned subsidiary company

Set out below are the Group's subsidiary company that has material non-controlling interests:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interest	Loss allocated to non-controlling interests	Accumulated non-controlling interests
	2023	2023	2023
	%	RM	RM
KSLB	30	53,759	246,241

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Investment in Subsidiaries (Cont'd)

(iii) Material partly owned subsidiary company (Cont'd)

Summarised statement of financial position

	KSLB 2023 RM
Current assets	26,755,130
Current liabilities	(25,934,326)
Net assets	<u>820,804</u>

Summarised statement of profit or loss and other comprehensive income

	KSLB 2023 RM
Other income	6,010
Net loss for the financial year	(179,196)
Other comprehensive loss for the financial year	(179,196)
Total comprehensive loss for the financial year	<u>(179,196)</u>

Summarised statement of cash flows

	KSLB 2023 RM
Net cash used in operating activities	(25,748,664)
Net cash from investing activities	25,755,122
Net cash from financing activities	1,000,000
Net change in cash and cash equivalents	<u>1,006,458</u>

8. Other Investment

	Group	
	2023 RM	2022 RM
At fair value through profit or loss:		
Quoted shares, in Singapore	<u>1,904,906</u>	<u>1,682,352</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
9. Inventories

		Group	
	Note	2023	2022
		RM	RM
Non-current			
Land held for property development	(i)	<u>1,192,401,334</u>	<u>1,116,566,915</u>
Current			
Property development cost	(ii)	396,177,691	406,123,502
Completed development units, at cost		327,666,000	385,634,959
Food and beverages and other hotel supplies, at cost		<u>999,575</u>	<u>735,836</u>
		<u>724,843,266</u>	<u>792,494,297</u>
Total inventories		<u>1,917,244,600</u>	<u>1,909,061,212</u>

(i) Land held for property development

		Group	
		2023	2022
At 1 January		1,116,566,915	1,098,630,589
Additions		102,429,869	37,528,686
Transfer to property development costs (Note 9(ii))		<u>(26,595,450)</u>	<u>(19,592,360)</u>
At 31 December		<u>1,192,401,334</u>	<u>1,116,566,915</u>

Included in the above are:

		Group	
		2023	2022
		RM	RM
Freehold land, at surrogate cost		773,495,804	721,127,382
Leasehold land, at cost		174,881,095	174,881,095
Development costs, at cost		<u>244,024,435</u>	<u>220,558,439</u>
		<u>1,192,401,334</u>	<u>1,116,566,915</u>

Included in the land held for property development is land with carrying amount of RM2,667,792 (2022: RM2,667,792) held under the name of a third party, with power of attorney granted to the Group.

Freehold land of the Group with carrying amount of RM149,922,809 (2022: RM148,066,034) is pledged as security for loans and borrowings as referred to in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. Inventories (Cont'd)

(ii) Property development cost

	Group	
	2023	2022
	RM	RM
At 1 January		
- Freehold land	116,196,065	127,138,232
- Development expenditure	462,491,044	410,869,035
- Cumulative costs recognised to profit or loss	<u>(172,563,607)</u>	<u>(116,121,638)</u>
	<u>406,123,502</u>	<u>421,885,629</u>
Cost incurred during the year:		
- Land and development expenditure	347,074,948	217,270,175
Recognised during the year (Note 20)	<u>(114,937,883)</u>	<u>(126,828,655)</u>
	<u>232,137,065</u>	<u>90,441,520</u>
Transfer from land held for property development (Note 9(i))	26,595,450	19,592,360
Transfer to inventories of completed development units	<u>(268,678,326)</u>	<u>(125,796,007)</u>
	<u>(242,082,876)</u>	<u>(106,203,647)</u>
At 31 December	<u>396,177,691</u>	<u>406,123,502</u>
Freehold land, at cost	145,418,095	116,196,065
Development costs	647,329,561	462,491,044
Recognised in profit or loss	<u>(396,569,965)</u>	<u>(172,563,607)</u>
	<u>396,177,691</u>	<u>406,123,502</u>

(iii) Property development cost

Included in the development costs of the Group are following expenses capitalised during the financial year:

	Group	
	2023	2022
	RM	RM
Rental of machinery	<u>4,585,015</u>	<u>2,329,300</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Trade and Other Receivables

	Group	
	2023	2022
	RM	RM
Trade receivables:		
Receivables from contract with customers	100,191,830	93,627,982
Other receivables:		
Contract cost	4,527,658	2,917,017
Deposit for acquisition of land	122,323,308	30,214,384
Sundry receivables	17,433,497	8,797,833
Sundry deposits	18,848,291	8,360,678
Prepayments	360,979	160,327
	<u>163,493,733</u>	<u>50,450,239</u>
	<u>263,685,563</u>	<u>144,078,221</u>

Credit terms of trade receivables range from 1 to 3 months (2022: 1 to 3 months).

Contract cost represents incremental costs incurred as a result of obtaining contracts and are recoverable. It primarily comprises promotion expenses, sales commission and legal costs. Capitalised contract costs are amortised when the related revenues are recognised for the respective financial years.

	Group	
	2023	2022
	RM	RM
Contract cost		
At 1 January	2,917,017	3,030,700
Incurred during the year	19,237,693	10,342,001
Less: Amortised to profit or loss	(17,627,052)	(10,455,684)
At 31 December	<u>4,527,658</u>	<u>2,917,017</u>

The Group applies the practical expedient in MFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. Contract Assets and Contract Liabilities

	Group	
	2023	2022
	RM	RM
Contract assets		
Property development	76,124,134	51,716,023
Contract liabilities		
Property development	2,284,244	286,832

The Group issues progress billings to purchasers when the billing milestones are attained. The contract assets primarily relate to the Group's rights to consideration for work completed on property development but not yet billed at the reporting date. The contract liabilities primarily relate to the advance consideration received from a customer for property development, which revenue is recognised when the performance obligation is satisfied over time.

Significant changes to contract assets and contract liabilities balances during the year are as follows:

	Group	
	2023	2022
	RM	RM
Revenue recognised that was included in the contract liability at the beginning of the year	286,832	7,567,754
Transfer from contract assets recognised at the beginning of the year to trade receivables	51,716,023	52,966,936

The revenue in related to unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	Group	
	2023	2022
	RM	RM
Within 1 year	177,711,468	115,076,185
Between 1 and 4 year	77,437,588	2,648,449
	255,149,056	117,724,634

12. Amount Due By/(To) Subsidiaries

The amounts due by/(to) subsidiaries are non-trade in nature, unsecured, bear interest at average of 3.16% (2022: 2.26%) per annum and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Cash and Bank Balances

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits placed with licensed banks	220,225,380	169,779,523	-	-
Money market	127,587,064	30,084,782	-	-
Bank balances and cash	179,370,863	102,674,655	122,050	175,316
	<u>527,183,307</u>	<u>302,538,960</u>	<u>122,050</u>	<u>175,316</u>

- (a) Included in bank balances of the Group is amount of RM7,585,315 (2022: RM12,682,840) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.
- (b) The interest rate of fixed deposit of the Group ranges from 2.85% to 4.5% (31.12.2022: 1.6% to 3.20%) per annum and the maturities of fixed deposits as at the end of the financial years range from 30 days to 365 days (31.12.2022: 30 days to 365 days).
- (c) Money market represents investment in highly liquid money market instruments which are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.
- (d) The reconciliation of liabilities arising from financing activities are as follows:

	Term loans RM	Revolving credit RM	Total RM
Group			
At 1 January 2023	68,337,928	-	68,337,928
Interest charged	2,803,729	-	2,803,729
Repayment	(23,129,077)	-	(23,129,077)
At 31 December 2023	<u>48,012,580</u>	<u>-</u>	<u>48,012,580</u>
At 1 January 2022	88,663,276	20,000,000	108,663,276
Interest charged	3,204,631	29,918	3,234,549
Repayment	(23,529,979)	(20,029,918)	(43,559,897)
At 31 December 2022	<u>68,337,928</u>	<u>-</u>	<u>68,337,928</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. Share Capital

	Group and Company			
	2023		2022	
	Units	RM	Units	RM
Issued and fully paid shares classified as equity instrument:				
Ordinary shares:				
As at 1 January/31				
December	1,037,508,399	699,234,524	1,037,508,399	699,234,524

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting held on 25 May 2023, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year.

Treasury shares have no rights in voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

At 31 December 2023, the Company held 20,292,400 (2022: 20,292,400) of the Company's shares. The number of outstanding ordinary shares in issue after deducting treasury shares is therefore 1,017,215,999 (2022: 1,017,215,999) ordinary shares.

15. Reserves

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Distributable				
Retained earnings	3,021,387,204	2,604,488,722	745,776,428	638,215,648
Non-distributable				
Revaluation reserve	16,690,191	16,694,801	-	-
	<u>3,038,077,395</u>	<u>2,621,183,523</u>	<u>745,776,428</u>	<u>638,215,648</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

15. Reserves (Cont'd)

Revaluation reserve

	Group	
	2023 RM	2022 RM
At 1 January	16,694,801	17,013,146
Realisation of revaluation surplus	(4,610)	(318,345)
At 31 December	16,690,191	16,694,801

Prior to adoption of FRS 140 on 1 January 2006, the revaluation reserve is used to record increase in fair value of investment properties and land held for property development and decreases to the extent that such decrease relates to an increase on the same asset in this reserve.

16. Trade and Other Payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Deposit payables	31,936,084	22,585,284	-	-
Current				
Trade payables	50,706,405	38,070,134	-	-
Other payables:				
Sundry payables	39,811,277	28,539,986	29,133	2,880
Deposits payable	5,933,570	5,536,238	-	-
Accruals	92,127,969	67,379,467	146,236	54,903
	188,579,221	139,525,825	175,369	57,783
	220,515,305	162,111,109	175,369	57,783

The normal trade credit terms granted to the Group and the Company ranges from 30 to 90 days (2022: 30 to 90 days) depending on the terms of the contracts. These balances are unsecured and non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17. Loans and Borrowings

	Group	
	2023	2022
	RM	RM
Non-current Secured		
- Term loans	27,687,232	48,012,580
Current Secured		
- Term loans	20,325,348	20,325,348
	<u>48,012,580</u>	<u>68,337,928</u>

The loans and borrowings are secured by means of:

- (a) Fixed charge over the investment properties of the Group as referred to in Note 6;
- (b) Fixed charge over the land held for property development of the Group as referred to in Note 9;
- (c) Corporate guarantee by the Company.

18. Deferred Tax Liabilities

	Group	
	2023	2022
	RM	RM
Movement in temporary differences during the year		
At 1 January	(57,110,238)	(54,086,171)
Recognised in profit or loss (Note 24)	(2,627,649)	(3,024,067)
At 31 December	<u>(59,737,887)</u>	<u>(57,110,238)</u>
Represented by		
Deferred tax assets	605,046	-
Deferred tax liabilities	(60,342,933)	(57,110,238)
	<u>(59,737,887)</u>	<u>(57,110,238)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. Deferred Tax Liabilities (Cont'd)

The components and movement of deferred tax assets and deferred tax liabilities as at the end of the financial year, prior to offsetting are as follows:

	Unutilised tax losses RM	Others RM	Total RM
Group			
Deferred tax assets			
2023			
At 1 January	-	-	-
Recognised in profit or loss	58,305	546,741	605,046
At 31 December	<u>58,305</u>	<u>546,741</u>	<u>605,046</u>

	Fair value adjustment RM	Unrealised revaluation surplus RM	Others RM	Total RM
Group				
Deferred tax liabilities				
2023				
At 1 January	(46,971,000)	(4,964,027)	(5,175,211)	(57,110,238)
Recognised in profit or loss	(7,075,770)	1,466	3,841,609	(3,232,695)
At 31 December	<u>(54,046,770)</u>	<u>(4,962,561)</u>	<u>(1,333,602)</u>	<u>(60,342,933)</u>
2022				
At 1 January	(42,529,400)	(5,064,560)	(6,492,211)	(54,086,171)
Recognised in profit or loss	(4,441,600)	100,533	1,317,000	(3,024,067)
At 31 December	<u>(46,971,000)</u>	<u>(4,964,027)</u>	<u>(5,175,211)</u>	<u>(57,110,238)</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 RM	2022 RM
Unabsorbed capital allowances	4,079	4,079
Unutilised tax losses	3,128,122	2,871,665
	<u>3,132,201</u>	<u>2,875,744</u>

Potential deferred tax assets are not recognised in the financial statements because it is not probable that sufficient taxable profit will be available in the future to offset the tax losses and capital allowances. The unutilised tax losses can be carried forward for 10 consecutive years of assessment and the unabsorbed capital allowances do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
19. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contract with customers	1,042,595,885	523,266,757	387,000	986,900
Other revenue:				
Rental income	99,041,763	51,732,815	-	-
Dividend income	-	-	104,500,000	47,350,000
	<u>99,041,763</u>	<u>51,732,815</u>	<u>104,500,000</u>	<u>47,350,000</u>
	<u>1,141,637,648</u>	<u>574,999,572</u>	<u>104,887,000</u>	<u>48,336,900</u>

Disaggregation of the revenue from contract with customers:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Major goods and services				
Sale of development properties	234,751,002	198,931,947	-	-
Sale of completed development units	699,860,031	254,643,796	-	-
Hotel and food and beverage	99,279,469	64,842,222	-	-
Car park income	5,261,404	2,851,998	-	-
Other trade sales	3,443,979	1,996,794	-	-
Management fees from subsidiaries	-	-	387,000	986,900
	<u>1,042,595,885</u>	<u>523,266,757</u>	<u>387,000</u>	<u>986,900</u>
Timing of revenue recognised				
At a point in time	807,844,883	324,334,810	387,000	986,900
Over time	234,751,002	198,931,947	-	-
	<u>1,042,595,885</u>	<u>523,266,757</u>	<u>387,000</u>	<u>986,900</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
20. Cost of Sales

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property development costs (Note 8 (ii))	114,937,883	126,828,655	-	-
Cost of inventories sold	326,647,285	105,894,214	-	-
Post construction cost	6,434,403	12,709,632	-	-
Cost of running hotel and food and beverage	19,069,671	11,327,472	-	-
Cost of running investment properties	21,058,752	11,803,426	-	-
Other trade cost	1,730,772	383,788	-	-
	<u>489,878,766</u>	<u>268,947,187</u>	<u>-</u>	<u>-</u>

21. Other Income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income of financial assets at amortised cost	13,441,763	5,994,465	6,774,627	2,607,669
Rental income	8,176,420	7,734,230	-	-
Fair value adjustment of investment property	44,389,336	45,497,848	-	-
Forfeiture income	1,644,341	729,064	-	-
Gain on fair value of equity investment	222,554	199,593	-	-
Gain on disposal of property, plant and equipment	145,882	1,172	-	-
Miscellaneous	4,127,715	4,861,560	-	-
	<u>72,148,011</u>	<u>65,017,932</u>	<u>6,774,627</u>	<u>2,607,669</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. Finance Costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
Bank overdraft interest	2,698	14,886	-	-
Term loans interest	2,803,729	3,189,745	-	-
Revolving credit interest	-	29,918	-	-
Inter-company loan interest	-	-	2,449,027	954,727
	<u>2,806,427</u>	<u>3,234,549</u>	<u>2,449,027</u>	<u>954,727</u>
Bank charges	1,357,297	822,686	2,458	2,491
	<u>4,163,724</u>	<u>4,057,235</u>	<u>2,451,485</u>	<u>957,218</u>

23. Profit Before Tax

Profit before tax are stated after charging/(crediting):

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:				
Statutory				
- current year	315,000	285,000	25,000	25,000
- overprovision in prior years	-	(5,000)	-	-
Non-statutory				
- current year	5,000	3,000	5,000	3,000
- underprovision in prior years	15,000	-	-	-
Bad debts written off	295,333	-	-	-
Amortisation of intangible assets	35,150	-	-	-
Depreciation of property, plant and equipment	10,014,517	10,248,314	-	-
Non-executive directors' remuneration:				
- fees	90,000	90,000	90,000	90,000
- other emoluments	15,000	15,000	15,000	15,000
Executive directors' remuneration:				
Salary and other emoluments				
- directors of the Company	24,545,978	28,433,054	216,428	813,434
- directors of subsidiaries	12,937,906	17,126,531	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23. Profit Before Tax (Cont'd)

Profit before tax are stated after charging/(crediting): (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Expenses relating to short term leases:				
- Rental of equipment	105,671	21,023	-	-
- Rental of premises	90,700	27,600	-	-
Loss on disposal of property, plant and equipment	94,708	14,334	-	-
Property, plant and equipment written off	1,800	1,075,296	-	-
Staff costs (excludes directors' remuneration):				
- Wages, salaries and others	29,144,015	27,294,636	-	-
- Contribution to state plans	2,570,602	2,553,423	-	-
- other personnel costs	1,636,086	1,211,264	-	-

The details of executive directors' remuneration of the Company during the year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other emoluments:				
- salary and bonus	20,625,000	23,898,000	180,000	705,000
- contribution to state plans	3,918,750	4,532,220	34,200	105,600
- other personnel costs	2,228	2,834	2,228	2,834
	<u>24,545,978</u>	<u>28,433,054</u>	<u>216,428</u>	<u>813,434</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24. Income Tax Expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Recognised in profit or loss:				
Current tax expense:				
Malaysian				
- current year	118,498,899	36,161,448	1,043,000	402,000
- prior years	(3,011,559)	(1,533,140)	19,960	(138)
	<u>115,487,340</u>	<u>34,628,308</u>	<u>1,062,960</u>	<u>401,862</u>
Deferred tax expense:				
Relating to origination and reversal of temporary differences (Note 18)	5,257,978	3,024,067	-	-
Overprovision in prior year	(2,630,329)	-	-	-
	<u>2,627,649</u>	<u>3,024,067</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>118,114,989</u>	<u>37,652,375</u>	<u>1,062,960</u>	<u>401,862</u>

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<u>534,955,102</u>	<u>217,167,327</u>	<u>108,623,740</u>	<u>48,864,100</u>
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	128,389,224	52,120,158	26,069,698	11,727,384
Income not subject to tax	(772,719)	(54,420)	(25,080,000)	(11,364,000)
Non-deductible expenses	2,360,333	2,621,436	53,302	38,616
Effect of lower tax rate on deferred tax component	(6,281,511)	(8,437,099)	-	-
Deferred tax asset not recognised during the year	61,550	16	-	-
Utilisation of previously unrecognised deferred tax assets	-	(7,064,576)	-	-
Overprovision of deferred taxation in prior year	(2,630,329)	-	-	-
(Over)/Underprovision in prior years	(3,011,559)	(1,533,140)	19,960	(138)
Tax expense for the year	<u>118,114,989</u>	<u>37,652,375</u>	<u>1,062,960</u>	<u>401,862</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24. Income Tax Expense (Cont'd)

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unused business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028).

The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years.

	Group	
	2023	2022
	RM	RM
Unused tax losses to be carried forward until year of assessment:		
- 2028	2,496,800	2,496,800
- 2029	254,365	254,365
- 2030	108,462	108,462
- 2031	9,395	9,395
- 2032	2,643	2,643
- 2033	256,457	-
	3,128,122	2,871,665

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at the end of reporting period was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding excluding treasury shares held by the Company, calculated as follows:

	Group	
	2023	2022
Profit attributable to ordinary shareholders (RM)	<u>416,893,872</u>	<u>179,514,952</u>
Weighted average number of ordinary shares at 31 December (units)	<u>1,017,215,999</u>	<u>1,017,215,999</u>
Basic earnings per ordinary share (sen)	<u>40.98</u>	<u>17.65</u>

Diluted earnings per ordinary share

There are no dilutive potential ordinary shares.

26. Operating Segments

The Group has four reportable segments, as described below, which offer different products and services. For each of the business segments, the Group Managing Director reviews the internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Property development – The development of residential and commercial properties;
- (ii) Property investment – Investment of real properties, mall and hotel operator;
- (iii) Investment holding – Provision of management services to the subsidiaries; and
- (iv) Car park operation – Car park management services

Other non-reportable segments comprise operations mainly related to food and beverage operator, gym operator and sales of construction materials. None of these segments met the quantitative thresholds for reporting segments in 2023 and 2022.

Performance is measured based on revenue and operating profit as the management believes that such information is the most relevant in evaluating the results of the operation.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Operating Segments (Cont'd)

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is also included in the internal management reports provided to the Group Managing Director.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Operating Segments (Cont'd)

Group	Property development RM	Property investment RM	Carpark operation RM	Investment holding RM	Others RM	Elimination RM	Total RM
2023							
Revenue							
External sales							
- Sales of properties	934,611,033	-	-	-	-	-	934,611,033
- Rental income	-	99,161,763	-	-	-	(120,000)	99,041,763
- Hotel, food and beverage	-	98,971,414	-	-	308,055	-	99,279,469
- Carpark income	-	-	5,261,404	-	-	-	5,261,404
- Other trade sales	3,271,068	41,650	-	-	131,261	-	3,443,979
Inter-segment	-	-	-	104,887,000	-	(104,887,000)	-
	<u>937,882,101</u>	<u>198,174,827</u>	<u>5,261,404</u>	<u>104,887,000</u>	<u>439,316</u>	<u>(105,007,000)</u>	<u>1,141,637,648</u>
Other income							
- Rental income	8,421,567	171,250	-	-	-	(416,397)	8,176,420
- Others	16,879,324	2,635,425	55,417	2,568	9,521	-	19,582,255
- Fair value adjustment	-	44,389,336	-	-	-	-	44,389,336
Inter-segment	2,162,789	221,164	65,074	6,772,059	-	(9,221,086)	-
	<u>27,463,680</u>	<u>47,417,175</u>	<u>120,491</u>	<u>6,774,627</u>	<u>9,521</u>	<u>(9,637,483)</u>	<u>72,148,011</u>
Results							
Segment results	369,438,272	168,729,983	3,999,019	111,075,225	(402,587)	(113,721,086)	539,118,826
Finance costs							(4,163,724)
Income tax							(118,114,989)
Net profit for the year							<u>416,840,113</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Operating Segments (Cont'd)

Group	Property	Property	Carpark	Investment	Other	Elimination	Total
2023	development	investment	operation	holding	RM	RM	RM
Other information	RM	RM	RM	RM	RM	RM	RM
Segment assets	3,151,996,161	1,187,264,138	4,003,950	1,502,641,024	19,861,729	(1,802,052,580)	<u>4,063,714,422</u>
Consolidated total assets							<u>4,063,714,422</u>
Segment liabilities	520,660,387	95,492,819	590,970	82,406,088	7,052,931	(355,270,916)	<u>350,932,279</u>
Consolidated total liabilities							<u>350,932,279</u>
Capital expenditure	73,791,516	5,159,382	-	-	1,897,844	-	80,848,742
Depreciation of property, plant and equipment	4,214,203	5,650,194	116,081	-	34,039	-	10,014,517

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
26. Operating Segments (Cont'd)

Group	Property development RM	Property investment RM	Carpark operation RM	Investment holding RM	Other RM	Elimination RM	Total RM
2022							
Revenue							
External sales							
- Sales of properties	453,575,743	-	-	-	-	-	453,575,743
- Rental income	-	51,852,815	-	-	-	(120,000)	51,732,815
- Hotel, food and beverage	-	64,842,222	-	-	-	-	64,842,222
- Carpark income	-	-	2,851,998	-	-	-	2,851,998
- Other trade sales	1,996,794	-	-	-	-	-	1,996,794
Inter-segment	9,500,000	5,700,000	-	48,336,900	-	(63,536,900)	-
	<u>465,072,537</u>	<u>122,395,037</u>	<u>2,851,998</u>	<u>48,336,900</u>	<u>-</u>	<u>(63,656,900)</u>	<u>574,999,572</u>
Other income							
- Rental income	7,959,731	38,400	-	-	-	(263,901)	7,734,230
- Others	10,712,613	800,471	49,935	1,155	22,087	-	11,586,261
- Fair value adjustment	-	45,697,441	-	-	-	-	45,697,441
Inter-segment	655,859	296,858	22,446	2,606,514	-	(3,581,677)	-
	<u>19,328,203</u>	<u>46,833,170</u>	<u>72,381</u>	<u>2,607,669</u>	<u>22,087</u>	<u>(3,845,578)</u>	<u>65,017,932</u>
Results							
Segment results	127,716,871	108,444,900	2,287,416	49,821,317	(914,265)	(66,131,677)	221,224,562
Finance cost							(4,057,235)
Income tax							(37,652,375)
Net profit for the year							<u>179,514,952</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
26. Operating Segments (Cont'd)

Group	Property development RM	Property investment RM	Carpark operation RM	Investment holding RM	Other RM	Elimination RM	Total RM
2022							
Other information							
Segment assets	2,790,455,047	1,085,536,315	3,299,643	1,395,432,533	3,093,781	(1,692,376,206)	<u>3,585,441,113</u>
Consolidated total assets							<u>3,585,441,113</u>
Segment liabilities	435,605,209	19,061,319	608,475	82,758,377	3,752,417	(251,986,714)	<u>289,799,083</u>
Consolidated total liabilities							<u>289,799,083</u>
Capital expenditure	101,226,129	508,164	-	-	-	-	101,734,293
Depreciation of property, plant and equipment	1,324,772	8,809,424	114,118	-	-	-	10,248,314

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- Financial assets measured at amortised cost (“FAAC”)
- Financial liabilities measured at amortised cost (“FLAC”)
- Financial assets measured at fair value through profit or loss (“FVTPL”)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets				
FAAC				
Trade and other receivables (exclude prepayment and contract cost)	258,796,926	141,000,877	-	-
Amount due by subsidiaries	-	-	273,034,797	166,544,143
Cash and bank balances	<u>527,183,307</u>	<u>302,538,960</u>	<u>122,050</u>	<u>175,316</u>
	<u>785,980,233</u>	<u>443,539,837</u>	<u>273,156,847</u>	<u>166,719,459</u>
FVTPL				
Other investment	<u>1,904,906</u>	<u>1,683,352</u>	<u>-</u>	<u>-</u>
	<u>787,885,139</u>	<u>445,223,189</u>	<u>273,156,847</u>	<u>166,719,459</u>
Financial liabilities				
FLAC				
Trade and other payables	(220,515,305)	(162,111,109)	(175,369)	(57,783)
Amount due to subsidiaries	-	-	(82,230,720)	(82,700,595)
Loans and borrowings	<u>(48,012,580)</u>	<u>(68,337,928)</u>	<u>-</u>	<u>-</u>
	<u>(268,527,885)</u>	<u>(230,449,037)</u>	<u>(82,406,089)</u>	<u>(82,758,378)</u>

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of its receivables from customers. 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. There are no significant changes as compared to prior periods.

(i) Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The Group does not require collateral in respect of trade receivables and contract assets. The Group does not have trade receivable and contract asset for which no loss allowance is recognised because of collateral.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Concentration of credit risk

The exposure to credit risk for trade receivables (Note 10) and contract assets (Note 11) by operating segments was as follows:

	2023	2022
	RM	RM
Operating segments		
Property development	172,616,835	140,706,174
Property investment	3,153,832	4,333,668
Others	545,297	304,163
	<u>176,315,964</u>	<u>145,344,005</u>

Impairment losses

(i) Credit risk arising from property development

The Group does not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers using financing from reputable end-financiers. Credit risks with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

(ii) Credit risk arising from property investment

Credit risk arising from outstanding receivables from tenants is minimised by closely monitoring the limit granted to the tenants and their credit worthiness. In addition, the tenants have placed security deposits with the Group which act as collateral.

As at 31 December 2023, the carrying amount of the security deposits is approximately RM31,936,084 (2022: RM22,585,284).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Impairment losses (Cont'd)

The Group does not have any significant exposure to any individual or counterparty nor does it has any major concentration of credit risk related to any financial instruments.

	Property development RM	Property investment RM	Other RM	Total RM
2023				
Current (Not past due)	35,560,103	2,188,350	510,447	38,258,900
Past due 1 to 30 days	15,326,263	140,127	25,201	15,491,591
Past due 31 to 60 days	18,355,991	302,545	7,561	18,666,097
Past due 61 to 90 days	12,557,954	122,243	1,894	12,682,091
Past due 91 to 120 days	5,204,772	16,531	195	5,221,498
Past due more than 121 days	9,026,663	844,990	-	9,871,653
	<u>96,031,746</u>	<u>3,614,786</u>	<u>545,298</u>	<u>100,191,830</u>
Trade receivables	96,031,746	3,614,786	545,298	100,191,830
Contract assets	76,124,134	-	-	76,124,134
	<u>172,155,880</u>	<u>3,614,786</u>	<u>545,298</u>	<u>176,315,964</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Impairment losses (Cont'd)

The Group does not have any significant exposure to any individual or counterparty nor does it has any major concentration of credit risk related to any financial instruments.

	Property development RM	Property investment RM	Other RM	Total RM
2022				
Current (Not past due)	16,545,478	2,580,317	211,015	19,336,810
Past due 1 to 30 days	13,188,104	190,473	47,334	13,425,911
Past due 31 to 60 days	8,814,389	65,915	10,070	8,890,374
Past due 61 to 90 days	25,144,882	73,541	21,002	25,239,425
Past due 91 to 120 days	12,792,925	84,516	12,988	12,890,429
Past due more than 121 days	12,504,373	1,338,906	1,754	13,845,033
	<u>88,990,151</u>	<u>4,333,668</u>	<u>304,163</u>	<u>93,627,982</u>
Trade receivables	88,990,151	4,333,668	304,163	93,627,982
Contract assets	51,716,023	-	-	51,716,023
	<u>140,706,174</u>	<u>4,333,668</u>	<u>304,163</u>	<u>145,344,005</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Impairment losses (Cont'd)

No allowance is made for impairment for trade receivables that are neither past due nor credit impaired and contract assets based on the Group's historical credit loss experience and forecast of economic conditions.

The Group's trade receivables that are past due but not credit impaired relate to customers for which there is low probability that the receivables are not fully recoverable.

(ii) Cash and bank balances

The cash and bank balances are mainly held with bank and financial institution counterparties, which have financial strength and are reputable with high credit rating and no history of default. 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.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and bank balances have low credit risk based on the creditworthiness of the counterparties.

(iii) Other receivables

Credit risk on other receivables are mainly arising from sundry debtors and deposits receivables. The Group monitors the repayment on an individual and 12-month expected loss basis.

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.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

(iv) Financial guarantees

The Company provides secured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loan on an individual basis by using internal information available.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Credit risk (Cont'd)

(iv) Financial guarantees (Cont'd)

The maximum exposure to credit risk is the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(v) Inter-company loan and services

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

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.

Generally, the Company consider amounts due from fellow subsidiaries as low credit risk.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable.

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 and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Liquidity risk (Cont'd)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount	Contractual interest rate	Contractual cashflows	Under 1 year	1 – 5 years	Over 5 years
Group	RM		RM	RM	RM	RM
Non-derivative financial liabilities						
2023						
Trade and other payables	220,515,305		220,515,305	188,579,221	31,936,084	-
Term loans	48,012,580	4.96% - 5.13%	50,639,533	20,510,490	30,129,043	-
	<u>268,527,885</u>		<u>271,154,838</u>	<u>209,089,711</u>	<u>62,065,127</u>	<u>-</u>
2022						
Trade and other payables	162,111,109		162,111,109	139,525,825	22,585,284	-
Term loans	68,337,928	4% - 4.54%	73,741,648	20,385,348	53,356,300	-
	<u>230,449,037</u>		<u>235,852,757</u>	<u>159,911,173</u>	<u>75,941,584</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Company	Carrying amount	Contractual Interest rate	Contractual cashflows	Under 1 year	1-5 years	Over 5 years
	RM		RM	RM	RM	RM
Non-derivative financial liabilities						
2023						
Other payables	175,369	-	173,569	173,569	-	-
Amount due to subsidiaries	82,230,720	3.16%	82,230,720	82,230,720	-	-
	<u>82,406,089</u>		<u>82,404,289</u>	<u>82,404,289</u>	-	-
2022						
Other payables	57,783	-	57,783	57,783	-	-
Amount due to subsidiaries	82,700,595	2.26%	82,700,595	82,700,595	-	-
	<u>82,758,378</u>		<u>82,758,378</u>	<u>82,758,378</u>	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. 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 and the Company managed interest rate risk through effective use of its floating and fixed rate debts.

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:

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments					
Financial assets	13	220,225,380	169,779,523	-	-
Floating rate instruments					
Financial assets	13	127,587,064	30,084,782	-	-
Financial liabilities	17	(48,012,580)	(68,337,928)	(82,230,720)	(82,700,595)
		<u>79,574,484</u>	<u>(38,253,146)</u>	<u>(82,230,720)</u>	<u>(82,700,595)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

Interest rate risk sensitivity analysis

- **Fair value sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and 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.

- **Cashflow sensitivity analysis for variable rate instruments**

A change of 100 basis points ("bp") in interest rates during the reporting period would have increased/(decreased) the Group's pre-tax profit or loss by approximately RM796,000 (2022: RM383,000).

(c) Fair value of financial instruments

The carrying amounts of cash and bank balances, short-term receivables and payables, amount due by/(to) subsidiaries and short-term borrowings approximate fair values due to the relatively short-term nature of these financial instruments.

The determination of fair value of other investment is categorised as Level 1, based on quoted prices in active markets.

The carrying amount of the current portion of loans and borrowings are reasonable approximate of fair value due to the insignificant impact of discounting.

The carrying amount of the non-current portion of term loans that carry floating interest rates approximate their fair value as they are re-priced to market interest rates on or near the reporting date.

28. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. Capital Management (Cont'd)

The Group monitors capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Company.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade and other payables	220,515,305	162,111,109	175,369	57,783
Amount due to subsidiaries	-	-	82,230,720	82,700,595
Loans and borrowings	48,012,580	68,337,928	-	-
Less: Cash and bankbalances	(527,183,307)	(302,538,960)	(122,050)	(175,316)
Net debt	<u>(258,655,422)</u>	<u>(72,089,923)</u>	<u>82,284,039</u>	<u>82,583,062</u>
Total capital	<u>3,712,782,143</u>	<u>3,295,642,030</u>	<u>1,420,234,935</u>	<u>1,312,674,155</u>
Capital and net debt	<u>3,454,126,721</u>	<u>3,223,552,107</u>	<u>1,502,518,974</u>	<u>1,395,257,217</u>
Debt-to-capital ratio	<u>N/A</u>	<u>N/A</u>	<u>0.05</u>	<u>0.06</u>

N/A = not applicable, the Group and the Company have sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Commitments

(i) Capital commitments

This represents the balance of the contracted purchase price of land.

	2023	Group	2022
	RM		RM
Capital expenditure Contracted but not provided for:			
Freehold land	457,482,389		246,682,303

(ii) Operating lease arrangements (as lessor)

The Group has entered into non-cancellable operating leases agreements on its investment property. The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2023	Group	2022
	RM		RM
Not later than 1 year	45,774,099		24,491,793
Later than 1 year but not later than 5 years	21,756,350		15,130,661
	<u>67,530,449</u>		<u>39,622,454</u>

30. Related Parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group.

The Group has related party relationship with its subsidiaries, significant investors, directors and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30. Related Parties (Cont'd)

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below:

	2023	2022
	RM	RM
Group		
A. Companies in which certain directors have interest		
Rental income from:		
- Harapan Terang Motor Sdn. Bhd.	(a) 20,400	20,400
- Bestari Bestmart Sdn. Bhd.	(b) 5,412,001	5,123,677
Rental expense to:		
- Bintang-Bintang Sdn. Bhd.	(c) (200,000)	(200,000)
B. Key management personnel		
Directors		
- Fee	90,000	90,000
- Other emoluments	32,292,764	39,095,485
- Contribution to state plans	5,206,120	6,479,100
	<u>37,588,884</u>	<u>45,664,585</u>
Company		
A. Subsidiary companies		
Management fees income	387,000	986,900
Loan interest income	6,772,059	2,606,514
Loan interest expense	(2,449,027)	(954,727)
Dividend income	104,500,000	47,350,000
	<u>104,500,000</u>	<u>47,350,000</u>
B. Key management personnel		
Directors		
- Fee	90,000	90,000
- Other emoluments	197,228	722,834
- Contribution to state plans	34,200	105,600
	<u>321,428</u>	<u>918,434</u>

Note:

- (a) In which Ku Tien Sek has interest
 (b) In which Ku Hwa Seng has interest
 (c) In which Khoo Cheng Hai @ Ku Cheng Hai, Ku Hwa Seng, Ku Tien Sek and directors of certain subsidiary companies, Ku Wa Chong, Ku Keng Leong, Ku Ek Mei, Ku Keng Yaw have interest

Significant related party balances related to the above transactions are disclosed in respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. Significant Events

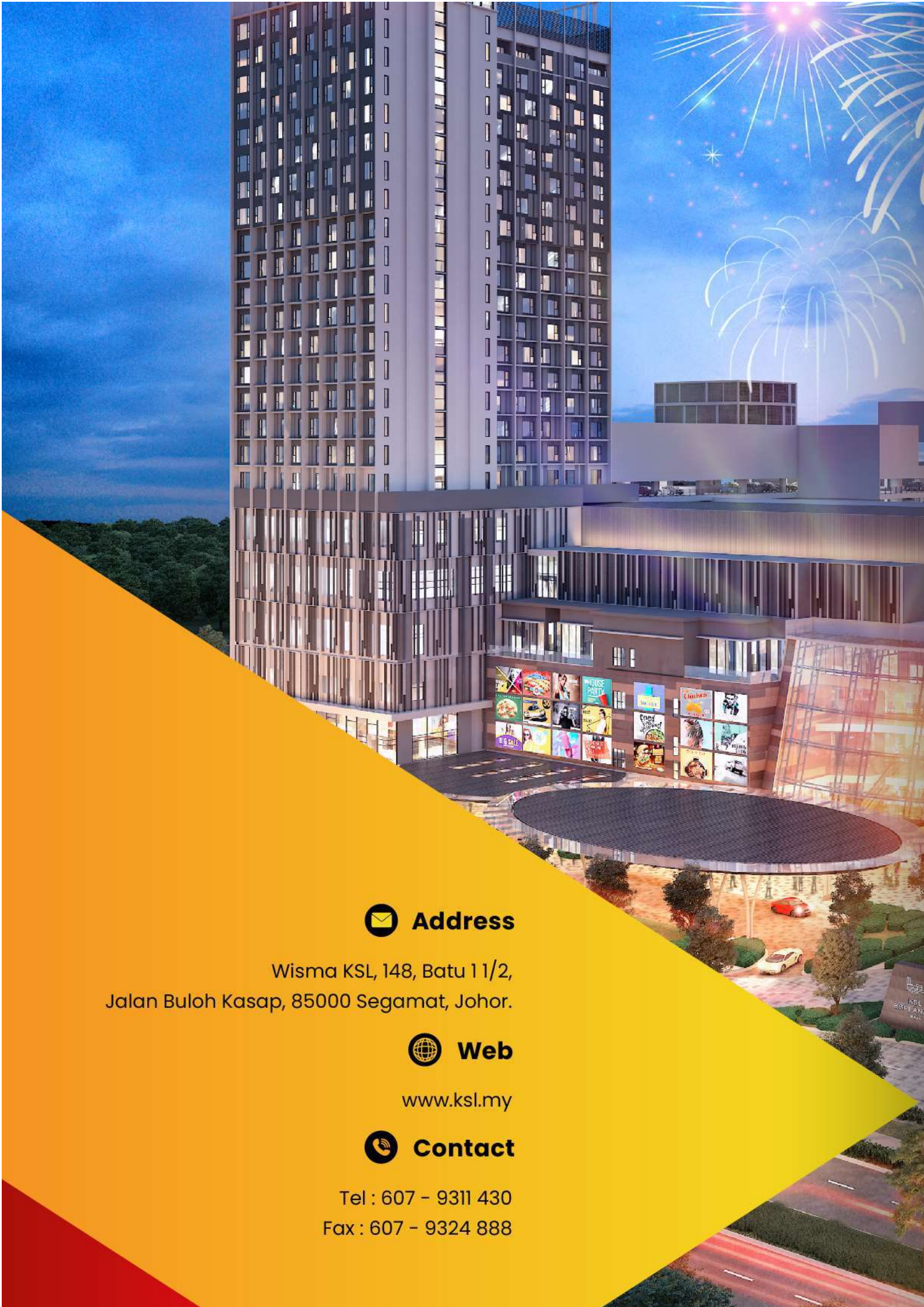
The following is a summary of material acquisition of properties by the Group's subsidiaries during the financial year ended 31 December 2023:

- (a) On 23 November 2023, KSL Bestari Sdn. Bhd., a subsidiary of the Group entered into a conditional sale and purchase agreement with Bandar Setia Alam Sdn. Bhd., a direct wholly-owned subsidiary of S P Setia Berhad, to acquire approximately 72,820 square meters of freehold land in Mukim Bukit Raja, Daerah Petaling, Negeri Selangor, for a total consideration of RM228,800,000.

The acquisition of freehold lands has not been completed as at the date of this report as certain conditions precedent are pending fulfilment.

32. Subsequent Events

- (a) On 11 January 2024, Gantang Jaya Sdn. Bhd., a wholly-owned subsidiary of the Group entered into conditional SPA for the acquisition of freehold lands for a total consideration of RM20,954,835. The acquisition of freehold lands has not been completed as at the date of this report as certain conditions precedent have not been fulfilled.
- (b) On 7 February 2024, Khoo Soon Lee Realty Sdn. Bhd., a wholly-owned subsidiary of the Group entered into conditional SPA for the acquisition of freehold lands for a total consideration of RM9,924,824. The acquisition of freehold lands has not been completed as at the date of this report as certain conditions precedent have not been fulfilled.



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