



**Southern Acids (M) Berhad**

[Registration No. 198001010791 (64577-K)]  
(Incorporated in Malaysia)

**ANNUAL REPORT**

**2024**

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## Corporate Information

### BOARD OF DIRECTORS

**Tan Sri Datuk Seri Panglima  
Sulong Matjeraie**

*Non-Executive Chairman  
Independent Non-Executive  
Director*

**Dr. Nick Low (Dr. Low Kok Thye)**

*Managing Director  
Non-Independent Executive  
Director*

**Datuk Wira Lim Kim Long**

*Executive Director  
Non-Independent Executive  
Director*

**Chung Kin Mun**

*Non-Independent Non-Executive  
Director*

**Stephen Wan Yeng Leong**

*Independent Non-Executive  
Director*

**Deborah Debbie Choa**

*Independent Non-Executive  
Director*

### AUDIT COMMITTEE

Chairman

**Stephen Wan Yeng Leong**

Members

**Chung Kin Mun**

**Deborah Debbie Choa**

### NOMINATION & REMUNERATION COMMITTEE

Chairman

**Chung Kin Mun**

Members

**Tan Sri Datuk Seri Panglima  
Sulong Matjeraie**

**Stephen Wan Yeng Leong**

### SENIOR MANAGEMENT TEAM

**Key Day-To-Day Management :  
Corporate**

**Dr. Nick Low**

*Managing Director*

**Datuk Wira Lim Kim Long**

*Executive Director*

**Cheong Kee Yoong**

*Chief Financial Officer*

**Alex Chan Choon Hoong**

*Chief Strategic Development  
Officer*

**Jennifer Low Swee Yim**

*Strategic Integration Director*

**Edward Lai (Lai Fu Khate)**

*Special Technology Affairs Director*

**Thevakumar Kaliaperumal**

*General Manager Operations  
Milling & Cultivation*

**Herry Mukiat**

*General Manager Development  
Milling & Cultivation*

**Tiong Chuu Ling**

*Chief Operating Officer  
Oleochemical Manufacturing*

**Khoo Chin Tee**

*General Manager  
Oleochemical Manufacturing*

**Tan Suet Guan**

*Hospital Director  
Healthcare Services*



Corporate Information  
(cont'd)

## COMPANY SECRETARIES

**Lim Kui Suang**

SSM PC NO. 202008001175  
MAICSA 0783327

**Ng Shu Ling**

SSM PC NO. 201908001194  
MAICSA 7068807

## REGISTERED OFFICE

9, Jalan Bayu Tinggi 2A/KS6  
Taipan 2, Batu Unjur  
41200 Klang  
Selangor Darul Ehsan  
Malaysia

Tel : 03-3323 1916  
Email : info@kcteh.com

HEAD OFFICE / PRINCIPAL  
PLACE OF BUSINESS

Level 29, Centro Tower  
No. 8, Jalan Batu Tiga Lama  
41300 Klang  
Selangor Darul Ehsan  
Malaysia

Tel : 03-3258 3333  
Fax : 03-3258 3300  
Website : www.southernacids.com

## SHARE REGISTRARS

**Boardroom Share Registrars  
Sdn. Bhd.**

Reg. number: 199601006647  
(378993-D)  
11th Floor, Menara Symphony  
No. 5 Jalan Prof Khoo Kay Kim,  
Seksyen 13  
46200 Petaling Jaya,  
Selangor Darul Ehsan,  
Malaysia

Helpdesk : 03-7890 4700  
Fax : 03-7890 4670  
Email : bsr.helpdesk@  
boardroomlimited.com

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad :  
**Main Market**  
Stock Name: **SAB**  
Stock Code: **5134**

## LEGAL STATUS

Public listed company limited  
by shares

## AUDITORS

**Deloitte PLT (LLP0010145-LCA)**

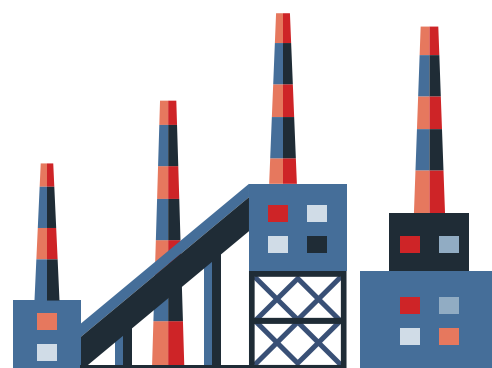
Chartered Accountants (AF 0080)  
Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Malaysia

## PRINCIPAL BANKERS

**CIMB Bank Berhad**  
**Citibank Berhad**  
**OCBC Bank (Malaysia) Berhad**

COUNTRY OF  
INCORPORATION AND  
DOMICILE

Malaysia





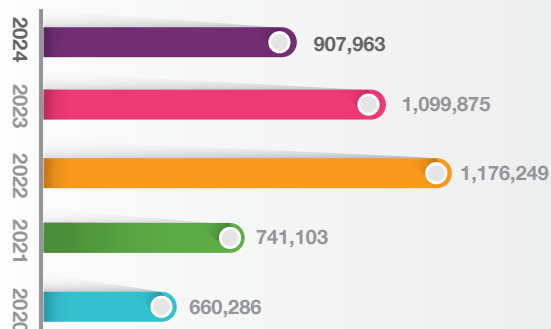
The background of the page is a composite image. It features a man in a dark suit and light-colored shirt shaking hands with another person whose arm is visible on the left. This image is semi-transparent and overlaid on a city skyline at night, with various skyscrapers and buildings illuminated. The overall color palette is a mix of blues, greys, and the warm tones of the city lights.

# FINANCIAL HIGHLIGHTS

## Financial Highlights

Financial Year	2020	2021	2022	2023	2024
<b>Financial Performance (RM'000)</b>					
Revenue	660,286	741,103	1,176,249	1,099,875	907,963
Profit before tax	48,740	60,345	149,855	74,909	43,166
Profit for the financial year	39,229	47,783	118,120	53,974	24,540
<b>Financial Position (RM'000)</b>					
Total assets	727,388	810,778	968,484	972,739	1,018,943
Total liabilities	77,166	101,429	145,134	102,130	140,245
Net current assets	310,861	359,164	477,717	514,145	510,043
Shareholders' equity	594,422	637,662	727,470	754,927	779,570
Share capital	171,255	171,255	171,255	171,255	171,255
Number of ordinary shares ('000)	136,934	136,934	136,934	136,934	136,934
<b>Financial Ratio</b>					
Earnings per share (sen)	23.37	27.28	68.95	24.31	9.96
Dividend per share (net)(sen)	5.00	5.00	5.00	5.00	5.00
Net assets per share attributable to shareholders of the Company (RM)	4.34	4.66	5.31	5.51	5.69

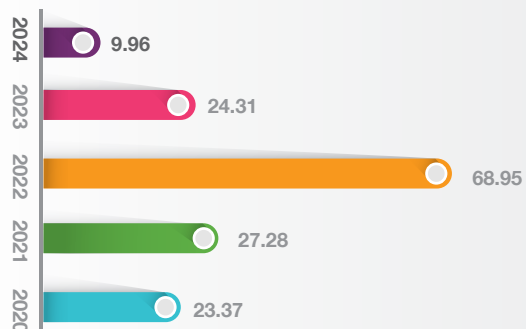
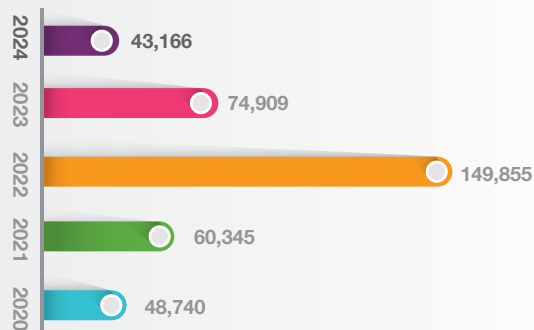
## Financial Highlights (cont'd)



### Revenue (RM'000)



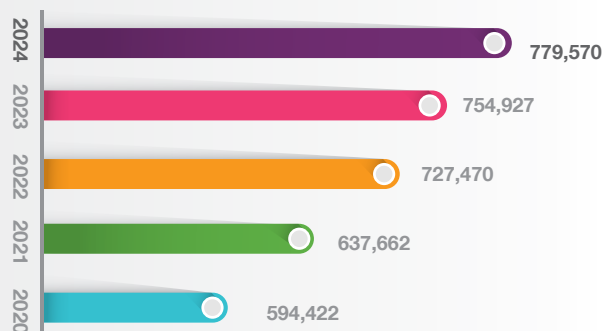
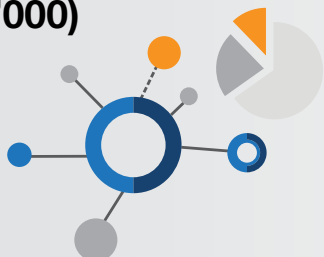
### Profit before tax (RM'000)



### Earnings per share (Sen)



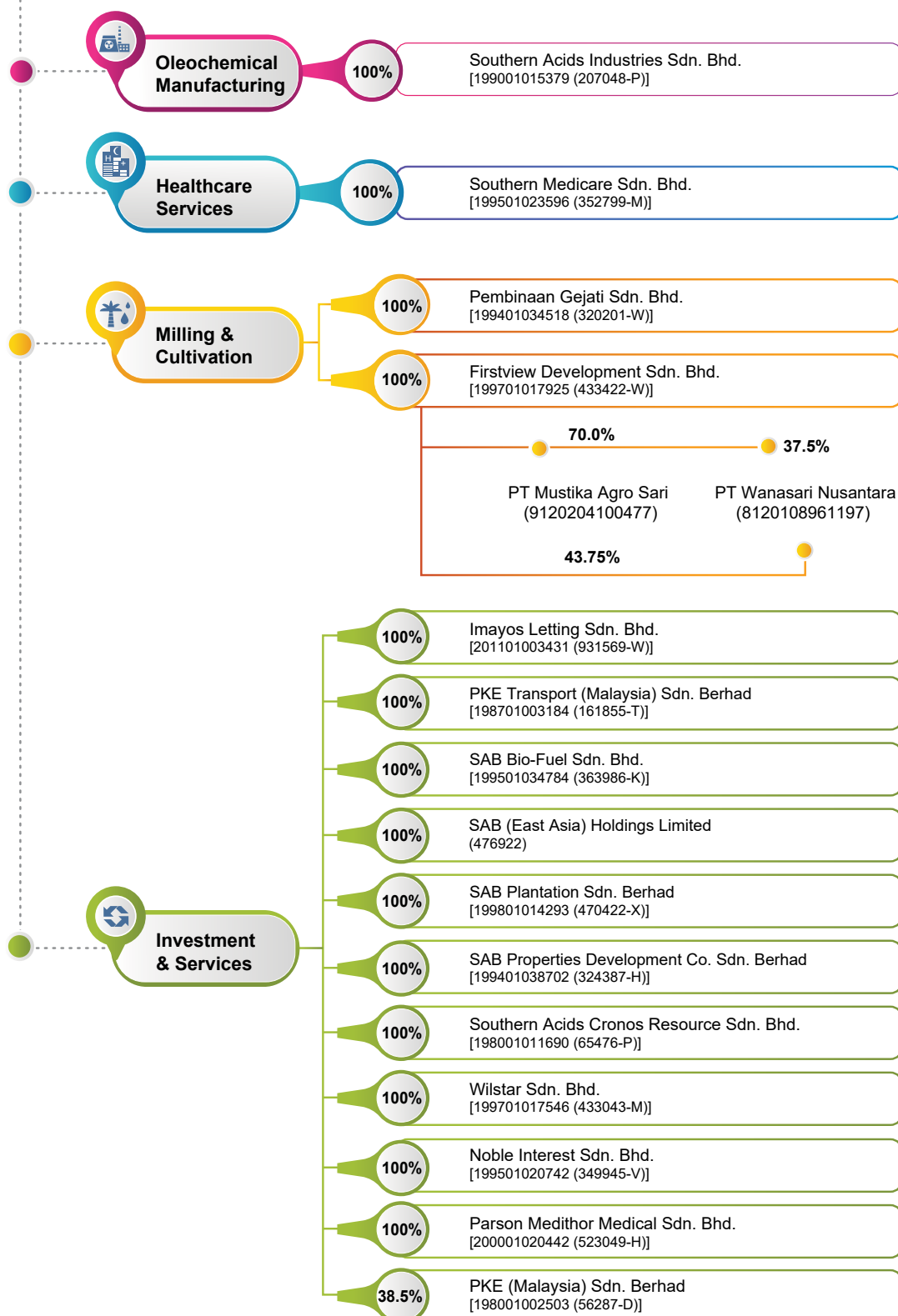
### Shareholders' equity (RM'000)



## Corporate Structure

**Southern Acids (M) Berhad**

[Registration No. 198001010791 (64577-K)]







Milling &amp; Cultivation



Oleochemical Manufacturing



Healthcare Services

# MANAGEMENT DISCUSSION AND ANALYSIS





# Management Discussion And Analysis



## ***Dear Valued Shareholders,***

On behalf of the Board of Directors (“the Board”) of Southern Acids (M) Berhad (“SAB” or “the Company”), it is my pleasure to present the Management Discussion and Analysis of SAB and its subsidiaries for the financial year ended 31 March 2024 (“FY2024”).

## **BACKGROUND**

SAB was founded in 1980 and commenced manufacturing of oleochemical products. The Company subsequently undertook a vertical integration exercise by venturing into the upstream oil palm segment. This strategic move was to capitalise on palm oil as an alternative feedstock to the oleochemical industry which was then still largely based on tallow and coconut oil.

SAB and its subsidiaries' core activities have expanded and currently encompasses Oleochemical Manufacturing, Milling & Cultivation and Healthcare Services. SAB and its subsidiaries operate two palm oil mills on a total 7,236.7 hectares (“Ha”) cultivated land located in Riau, Indonesia, one Oleochemicals facility, and a private hospital in Klang, Selangor. SAB and its subsidiaries currently employs 1,826 staff members throughout Malaysia and Indonesia.

## **ECONOMIC REVIEW**

The Malaysian economy expanded at a more moderate pace of 3.7% in 2023, following a growth of 8.7% in 2022 that was mainly driven by economic reopening effects post-pandemic (Source: Bank Negara Malaysia, March 2024). In 2023, economic activities were supported by domestic consumption and investment spending but impeded by weaker exports. Exports contracted 7.9% in the year, dragged by more subdued global demand, lower commodity prices and geopolitical uncertainties.

First quarter 2024 Gross Domestic Product (“GDP”) came in at 4.2%, higher year-on-year from 2.9% recorded in the first quarter of 2023 (Source: Bank Negara Malaysia, May 2024). This was underpinned by higher private sector expenditure, aided by a positive turnaround in exports as well as improving tourist arrivals. Current growth momentum may be impacted by external factors such as weaker-than-expected global growth as well as potential escalation of ongoing geopolitical conflicts.



Management Discussion & Analysis  
(cont'd)

## FY2024 FINANCIAL REVIEW

## SAB FIVE YEAR FINANCIAL HIGHLIGHTS

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Revenue	660,286	741,103	1,176,249	1,099,875	907,963
Profit before tax & interest	49,149	60,816	150,657	75,838	43,974
Finance costs	409	471	802	929	808
Profit for the financial year	39,229	47,783	118,120	53,974	24,540
Shareholders' equity	594,422	637,662	727,470	754,927	779,570
Total assets	727,388	810,778	968,484	972,739	1,018,943
Borrowings	5,987	5,093	22,233	2,936	21,674
Earnings per share (sen)	23.37	27.28	68.95	24.31	9.96
Net assets per share (RM)	4.34	4.66	5.31	5.51	5.69
Dividend per share (sen)	5.00	5.00	5.00	5.00	5.00

During the financial year under review, SAB and its subsidiaries reported a revenue of RM908.0 million, a 17.4% decline compared to RM1.1 billion reported in the financial year ended 31 March 2023 ("FY2023"). Profit before tax ("PBT") decreased 42.4% to RM43.2 million from RM74.9 million achieved in the preceding financial year. Our revenue performance was largely impacted by lower contributions from both Oleochemical Manufacturing and Milling & Cultivation.

Oleochemical Manufacturing and Milling & Cultivation contributed approximately 84.7% of total Group revenue in FY2024, compared to 87.6% reported in FY2023. The performance of these two segments was affected by lower average selling prices ("ASP") of our commodity products such as glycerine, fatty acids, crude palm oil ("CPO") and palm kernel ("PK"). Consequently, profit performance also impacted.

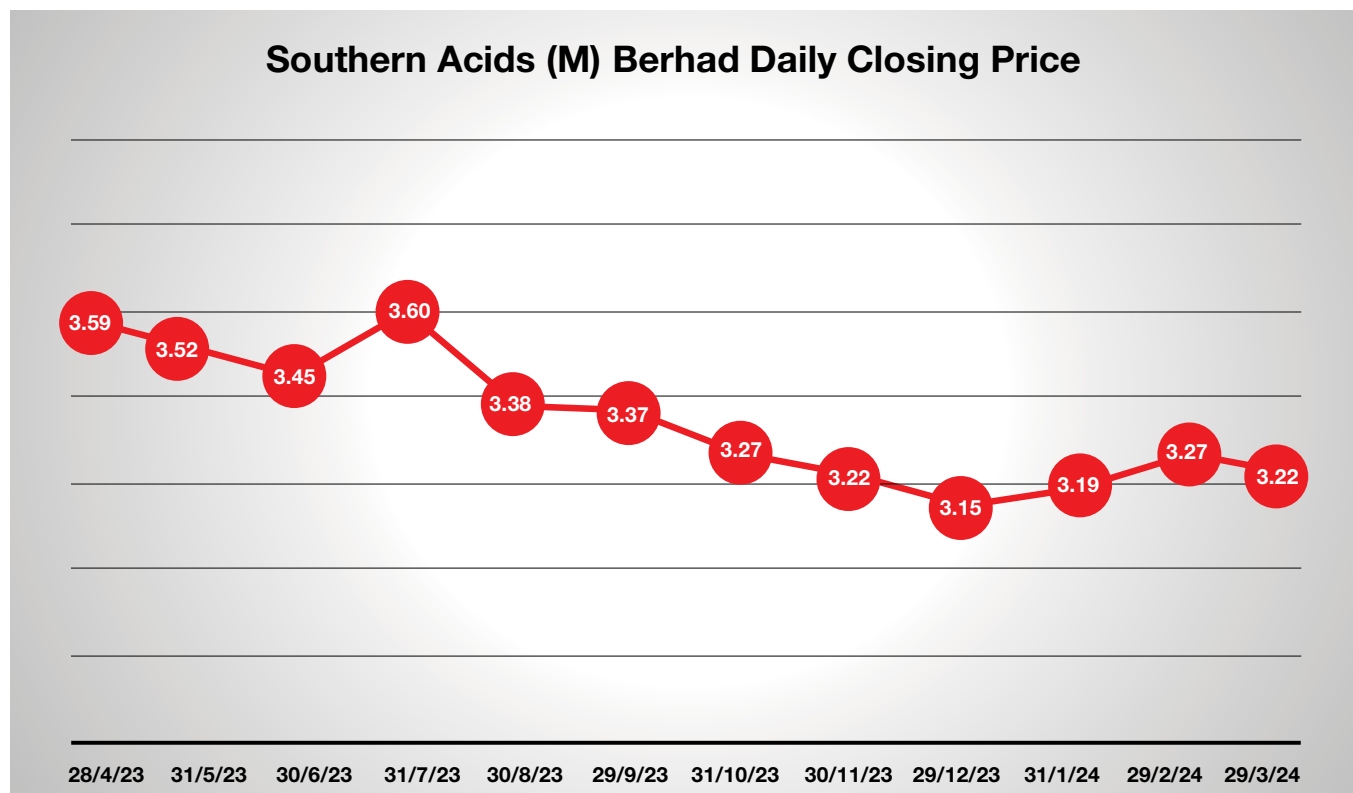
Meanwhile, our Healthcare Services recorded positive growth in both revenue and PBT.

The Company has continued with efforts to improve and upgrade our facilities. In FY2024, we undertook total capital expenditure amounting to approximately RM36.4 million.

We spent RM24.6 million for our Milling & Cultivation, with RM11.6 million on additions to our bearer plants. The remaining was deployed for the additions to our plant, machinery and equipment, as well as electrical installations, land improvements, and construction of a new building and staff quarter cum office building. Within our Healthcare Services, we invested a total of RM5.0 million towards the purchase of medical equipment, motor vehicle and renovation work. Notably, we allocated RM1.3 million for the purchase of the Leica Arveo Premium Surgical Microscope for our Neurosurgical Department. The remaining was spent on renovation works. Approximately RM1.0 million was consumed at our Oleochemical Manufacturing, mainly for the additions to plant, machinery and equipment, as well as electrical installation.



[Road maintenance and replanting in the estates.]

Management Discussion & Analysis  
(cont'd)**SAB SHARE PRICE PERFORMANCE**

		FY2024	FY2023
1	High	RM 3.65	RM 3.98
2	Low	RM 3.13	RM 3.50
3	Close	RM 3.22	RM 3.60
4	Average Daily Trading volume (shares)	11,797	11,368
5	Market capitalisation At Year End (million)	RM 440.93	RM 492.96
6	Earnings Per Share (sen)	9.96	24.31
7	Price Earnings Ratio (times)	31.7	14.8

**Oleochemical Manufacturing**

Oleochemical Manufacturing is involved in the manufacturing and marketing of fatty acids and glycerine with a production mix ratio of approximately 90:10 between fatty acids and glycerine.



*[Oleochemical's factory processing plant]*



## Management Discussion & Analysis (cont'd)

### Oleochemical Manufacturing (cont'd)

The manufacturing plant is located in Kapar, Klang and was commissioned in the 1980s. It has an annual manufacturing capacity of approximately 96,000 metric tonnes ("MT"). This plant has been awarded with the following accreditations and certifications: -

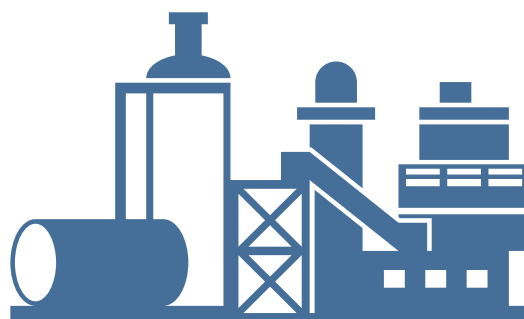
- ISO 22000 Food Safety Management Systems;
- ISO 9001 Quality Management Systems;
- GMP - Good Manufacturing Practice;
- HACCP - Hazard Analysis Critical Control Point;
- RSPO - Roundtable on Sustainable Palm Oil;
- MSPO - Malaysian Sustainable Palm Oil;
- Kosher (Products); and
- Halal (Manufacturing).

This segment's product offerings are used in diverse end-use applications including personal care, cleaning agents and food products. Approximately 78.5% of segment revenue is derived from exports whilst the balance is from domestic sales. The current plant has been in operation for more than thirty (30) years.

Oleochemical Manufacturing	FY2024	FY2023	Changes
<b>Financial Highlights</b>			
Revenue (RM'000)	356,142	478,996	-25.6%
Profit/(Loss) Before Tax (RM'000)	(32,645)	(27,149)	-20.2%
Core Profit/(Loss) Before Tax (RM'000)	(37,576)	(27,777)	-35.3%
<b>Non-Financial Highlights</b>			
Production Capacity (MT)	96,000	96,000	0.0%
Production (MT)	72,929	69,996	4.2%
Production Utilisation (%)	76.0%	72.9%	4.2%
Quantity Sold (MT)	72,388	71,140	1.8%
Overseas Sales Quantity (MT)	56,151	52,149	7.7%
Overseas Sales Quantity (%)	77.6%	73.3%	5.8%
Overseas Sales (RM'000)	279,638	360,978	-22.5%
Overseas Sales Revenue (%)	78.5%	75.4%	4.2%

In FY2024, revenue in our Oleochemical Manufacturing decreased 25.6% to RM356.1 million from RM479.0 million recorded in FY2023. ASP for fatty acids declined 25.9% whilst ASP for glycerine dropped 43.8%. Overall sales volume during the financial year increased marginally to 72,388 MT from 71,140 MT reported a year ago. Production volume grew 4.2% to 72,929 MT whilst production utilisation improved to 76.0% from 72.9% reported in the preceding financial year. Performance was mainly impacted by escalating production cost, volatile commodity prices and subdued market sentiment.

Our Oleochemical Manufacturing reported a loss before tax ("LBT") of RM32.6 million, as compared to LBT of RM27.1 million recorded in FY2023. The financial results comprised core LBT of RM37.6 million and non-core PBT of RM5.0 million. The non-core PBT was mainly derived from unrealised loss on CPO futures contracts, unrealised loss on forward foreign exchange contracts, as well as realised and unrealised gains on foreign exchange.



## Management Discussion & Analysis (cont'd)

### Milling & Cultivation

Milling & Cultivation is principally engaged in the processing of fresh fruit bunches (“FFB”) into CPO and PK as well as oil palm cultivation.

Milling & Cultivation operates two palm oil mills (“POM”) located in Riau, Indonesia with a combined milling capacity of 100 MT per hour. The first POM was commissioned in June 2002 followed by the second POM that was commissioned in August 2015.

Milling & Cultivation	FY2024	FY2023	Changes
<b>Financial Highlights</b>			
Revenue (RM'000)	413,259	484,796	-14.8%
Profit Before Tax (RM'000)	48,927	74,552	-34.4%
Core Profit Before Tax (RM'000)	16,428	52,404	-67.8%
<b>Non-Financial Highlights</b>			
FFB Processed (MT)	548,640	598,960	-8.4%
CPO Production (MT)	110,592	121,595	-9.0%
PK Production (MT)	29,123	31,350	-7.1%
FFB Production (MT)	91,945	93,842	-2.0%
Average CPO Selling Price Per MT	3,294	3,437	-4.2%
Average PK Selling Price Per MT	1,601	1,985	-19.3%

The POMs together produced a total of 110,592 MT of CPO in FY2024, compared to 121,595 MT of CPO production in FY2023. Total FFB processed in FY2024 was lower at 548,640 MT as compared to 598,960 MT FFB processed in FY2023.

The FFB required by our POMs are supplied by our internal estates as well as from third-party external estates. The FFB production from our 4,967 Ha of planted area in Riau yielded 91,945 MT in FY2024, providing approximately 16.8% of the POMs requirements. Out of the 4,967 Ha of planted area, 3,243 Ha are mature whilst the remaining 1,724 Ha are immature. The age profile of our palms is equally spread between young, prime and old and has a weighted average age of ten years old.

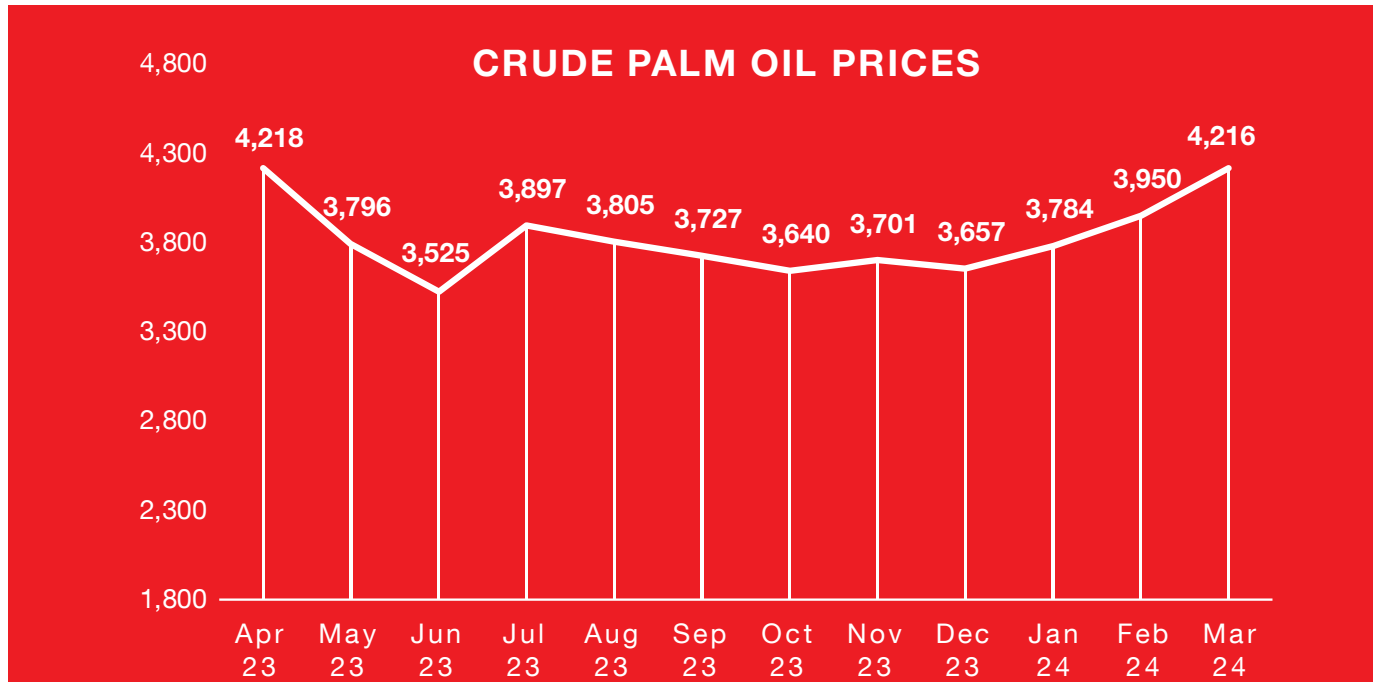
Both PT Mustika Agro Sari (“PTMAS”) and PT Wanasari Nusantara (“PTWan”) estates in Riau are Indonesian Sustainable Palm Oil (“ISPO”) compliant, having been awarded the certification since November 2022 and August 2019, respectively.

Our Milling & Cultivation’s long-term strategy is to increase production efficiency which will in-turn positively affect our cost structure.



Management Discussion & Analysis  
(cont'd)**Milling & Cultivation (cont'd)**

FY2024 revenue in our Milling & Cultivation declined 14.8% to RM413.3 million from RM484.8 million reported in the preceding financial year. ASP of CPO was 4.2% lower at RM3,294 per MT, whilst ASP of PK slipped 19.3% to RM1,601 per MT. Production volume of CPO and PK declined 9.0% and 7.1% to 110,592 MT and 29,123 MT respectively. The segment performance was primarily impacted by lower commodity prices and increased operating costs.



Source: Average Monthly Malaysia Prices of Crude Palm Oil from MPOB website

Consequently, segment PBT declined 34.4% to RM48.9 million from RM74.6 million recorded in FY2023. Core PBT for the financial year amounted to RM16.4 million whilst non-core PBT stood at RM32.5 million. The non-core PBT was mainly derived from sales proceeds from disposal of PK shells as well as sludge oil, gains from sales of scraps and interest income.

**Healthcare Services**

Healthcare Services is driven by our Sri Kota Specialist Medical Centre ("Sri Kota"), an award winning 232-bedded private tertiary hospital located in Klang, Selangor. Sri Kota was commissioned in September 1999 and has maintained the status of Klang's leading private tertiary hospital over the past two decades.

Throughout the years, Sri Kota has obtained numerous achievements and accreditations. More recently, we received the Malaysia Health & Wellness Brand Awards 2023 in November last year. At the Sin Chew Business Excellence Awards 2023 in March 2024, we received the Sin Chew – AIA Workplace Health and Wellness Excellence Award.



[Sri Kota equipped with modern facilities is located in the heart of Klang town]

## Management Discussion & Analysis (cont'd)

### Healthcare Services (cont'd)

In March 2024 at the Healthcare Asia Awards 2024, we were acknowledged with the Facilities Improvement Initiative of the Year – Malaysia and the Most Improved Community Hospital of the Year – Malaysia. For our commitment to quality improvement in stroke care, we were recognised with the World Stroke Organisation (“WSO”) Angels Awards Gold Status in October 2023.

Sri Kota is also a Malaysian Society for Quality in Health (“MSQH”) accredited hospital since year 2011. These past and recent awards are endorsements of Sri Kota’s thriving success over its twenty-five (25) years in operations.

Sri Kota currently has forty (40) resident consultants and fifty-two (52) visiting consultants specialising in various disciplines. The following major specialities and sub-specialities are available at our hospital:-

1. Cardiology
2. E.N.T / Head and Neck Surgery
3. Hand and Microsurgery
4. Nephrology
5. Neurology
6. Orthopaedic Surgery
7. Obstetrics and Gynaecology
8. Radiotherapy and Oncology

At Sri Kota, delivering high quality healthcare services to our patients remains our highest priority.

Our Healthcare Services’ long-term strategy is to strategically expand our core disciplines whilst delivering healthcare services with a holistic approach to patient care.

Healthcare Services	FY2024	FY2023	Changes
<b>Financial Highlights</b>			
Revenue (RM'000)	117,959	112,727	4.6%
Profit Before Tax (RM'000)	35,731	31,420	13.7%
Core Profit Before Tax (RM'000)	32,361	28,808	12.3%
<b>Non-Financial Highlights</b>			
Number Of Patient			
- Outpatient	72,586	82,155	-11.6%
- Inpatient	11,610	11,676	-0.6%
Number Of Resident Consultants	40	39	2.6%
Number Of Visiting Consultants	52	49	6.1%

In FY2024, revenue in our Healthcare Services improved 4.6% to RM118.0 million from RM112.7 million achieved in the preceding financial year.

Consequently, segment PBT rose 13.7% to RM35.7 million from RM31.4 million achieved in the preceding financial year. This comprised core PBT of RM32.4 million and non-core PBT of RM3.3 million. The non-core PBT was mainly derived from interest income and rental income.

## Management Discussion & Analysis (cont'd)

### KEY RISKS AND MITIGATION

SAB and its subsidiaries employ a proactive approach to risk identification and management for all the business segments. Our internal risk management framework outlines an internal control mechanism underpinned by an independent review and audit process by the Board.

#### Oleochemical Manufacturing

Oleochemical Manufacturing faces competitive risks due to market competition and foreign exchange risks related to government policies. The segment mitigates competition risk by maintaining close relationships with long term customers via a value-added approach that allows product customisation and differentiation.

#### Milling & Cultivation

Milling & Cultivation is a net buyer of FFB for feedstock for our milling operations as our internal estates only supply approximately 16.8% of the required volume. As CPO prices are a function of global supply and demand, the segment focuses on the processing cost of the mill and potential expansion of planted area located in Riau province.

#### Healthcare Services

Healthcare Services operates in the private healthcare space, which is subject to competition from other healthcare providers and risk of professional misconduct and incompetence. The segment mitigates these risks by continually improving internal processes to ensure that our consultants and nurses discharge their duties in accordance with the highest standards of professional conduct. These measures give customers confidence in our abilities and encourages brand loyalty and retention.

### OUTLOOK AND PROSPECTS

#### Oleochemical Manufacturing

Oleochemical Manufacturing operates in a highly competitive global market, and our current operational size lacks the economies of scale to maintain a comparative advantage. Higher production costs, volatility in commodity prices, and the risk of lower sales volume are challenging factors that may continue to cloud the outlook for this business segment. Externally, slower global activities and sustained geopolitical conflicts may hurt demand and place pressure on logistic costs.

Our strategy remains to carry on with automating our processes and optimising costs to further enhance our operational efficiencies. Product customisation has also proven to be an effective value-added approach, strengthening our relationships with loyal customers as well as gaining new ones.

#### Milling & Cultivation

CPO prices rebounded to above RM4,500/MT in April 2024, resulting from supply constraints and stronger seasonal demand. However, CPO prices have since drifted to below RM4,000/MT, according to the Malaysian Palm Oil Board.

We maintain a cautious outlook on Milling & Cultivation. Looking ahead, CPO prices may stay rangebound as palm oil production increases. Factors such as seasonality, competition from other edible oils, and weaker global demand could adversely affect both the industry and our business segment.

#### Healthcare Services

Our Healthcare Services has consistently delivered a steady performance, benefiting from the rising awareness of private healthcare within a growing middle-income population. Our dedication remains focused on delivering high-quality healthcare services, enhancing our medical facilities and strengthening our team of medical professionals to elevate our standard of patient treatment.

Moving forward, we will persist in adapting and innovating to meet the changing healthcare needs of our community, maintaining an unwavering commitment to delivering exceptional medical care at all times.

#### Budgeted Capital Expenditure

For the financial year ending 31 March 2025 ("FY2025"), SAB and its subsidiaries have budgeted approximately RM43.8 million for our capex requirements. RM25.4 million will be allocated to Milling & Cultivation, RM10.7 million to Healthcare Services, RM3.5 million to Oleochemical Manufacturing, and RM4.2 million under Investment and Services.

Capex allocation for Milling & Cultivation includes RM14.0 million designated for expanding our planted area in Riau, Indonesia. This allocation is part of our total capex commitment of approximately RM85.0 million, aimed at expanding the total planted area by approximately 2,200 hectares over the next four years. Other capex allocations in FY2025 will include spending on general upgrades to two POMs and estate infrastructure, as well as the purchase of office equipment, plant machinery, and heavy-duty vehicles.

Capex for our Healthcare Services entails the purchase of new hospital and ward equipment, upgrading of hospital systems, computer software and hardware, office equipment, as well as hospital renovation works. Capex at our Oleochemical Manufacturing includes the replacement of high-pressure boiler and KVA transformer. Capex for Investment and Services comprises of hospital building infrastructure, lift and air-conditional system refurbishment and upgrades works.



## Management Discussion & Analysis (cont'd)

### General Outlook

The global economy is expected to maintain a growth rate of 3.2% in both 2024 and 2025, consistent with the pace seen in 2023 (Source: World Economic Outlook, April 2024). Although a soft landing is anticipated, this still sets a cautious tone for the global outlook given the current high interest rates, high inflation environment and ongoing geopolitical tensions that risk spikes in prices. Moderating global inflation is key in enabling central banks to bring forward their easing plans, relieving potential financial stress in the real economy. Progress in artificial intelligence and stronger structural reforms could also spur productivity, which has remained sluggish.

Bank Negara Malaysia (“BNM”) projects the Malaysian economy to grow by 4.0%-5.0% in 2024, up from the 3.7% growth registered in 2023 (Source: Bank Negara Malaysia, March 2024). Domestic demand and investment activities should continue to drive growth. Improving tourists’ arrivals, coupled with a rebound in global trade and a technology upcycle should provide additional impetus to Malaysia’s export recovery.

Key risks that may derail Malaysia’s growth momentum would stem from a more subdued global economy brought about by heightened geopolitical conflicts and imposition of trade bans, the inflationary effect of a weak currency, and further extreme weather events impacting commodity production. We look forward to better prospects in the coming year but remain mindful of the potential global headwinds that may adversely affect our business operations. We will continue to improve on our operational efficiencies and maintain a solid balance sheet to weather through such potential adversities.

### DIVIDENDS

With respect to our FY2023, the Board proposed a single-tier final dividend of 5 sen per ordinary share on 26 May 2023. This was duly tabled and approved at our 42nd Annual General Meeting (“AGM”) held on 30 August 2023. The dividend was subsequently paid to shareholders on 26 October 2023.

With respect to our FY2024, the Board proposed to continue with a single-tier final dividend of 5 sen per ordinary share on 30 May 2024. The proposal will be tabled for shareholders’ approval during our forthcoming 43rd AGM.

SAB has maintained a consistent dividend track record over the years. Our goal is to ensure sustainable long-term growth for the Company, which then benefit of all our shareholders.

### APPRECIATION

As we conclude the financial year, the Board wishes to extend our heartfelt appreciation to our valued shareholders and stakeholders for their unwavering support. We also express our sincere gratitude to our management team and all our staff for their dedication and hard work. Your contributions and achievements are highly recognized and truly respected.

**Dr. Nick Low**

**Managing Director**



*[Replacement of machine at Oleochemical plant.]*

# SUSTAINABILITY STATEMENT



# Sustainability Statement

## INTRODUCTION

At SAB, we are deeply aligned with the stakeholder-focused and long-term value creation aspects of sustainability as we strive to fulfil our commitment in delivering on our promises to those we engage with. We firmly believe that sustainability is no longer a choice but an imperative aspect of maintaining competitiveness within our industry and enhancing business resilience for continuous growth. Therefore, we are dedicated to integrating sustainability principles into our corporate culture and across our three core business segments: Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services, ensuring we deliver exceptional customer service and product excellence. We acknowledge that the journey towards sustainability is both long and arduous. However, we are ready to undertake this endeavour and enthusiastic about sharing this journey with our stakeholders.

### About this Sustainability Statement

This Sustainability Statement is the 7<sup>th</sup> edition published in our Annual Report ("AR"), since FY2018. It has been prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") and made reference to Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> edition). We also referred to the Global Reporting Initiative standards to align and enhance our disclosures against international best practices. Our sustainability strategy, which forms the framework of our reporting, is further mapped to the relevant United Nations Sustainable Development Goals, as part of our efforts to align with global sustainability objectives and Malaysia's 2030 Agenda for Sustainable Development.

### Reporting Scope and Basis

The reporting period of this statement is from 1 April 2023 to 31 March 2024, aligning with the Company's financial year ("FY"). Unless otherwise stated, the scope of this statement covers the business and operations of our corporate office located at Centro Tower, Klang and the three core segments, namely Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services, in both Malaysia and Indonesia. We excluded our Investment & Services arm from the reporting scope because the entities within this segment primarily support our core segments and collectively contribute only 1.9% of our revenue.

### Assurance Process

This statement has not been subjected to an assurance process. However, we will assess the need for internal and/or external assurance in the upcoming years.



Sustainability Statement  
(cont'd)

## OUR SUSTAINABILITY APPROACH

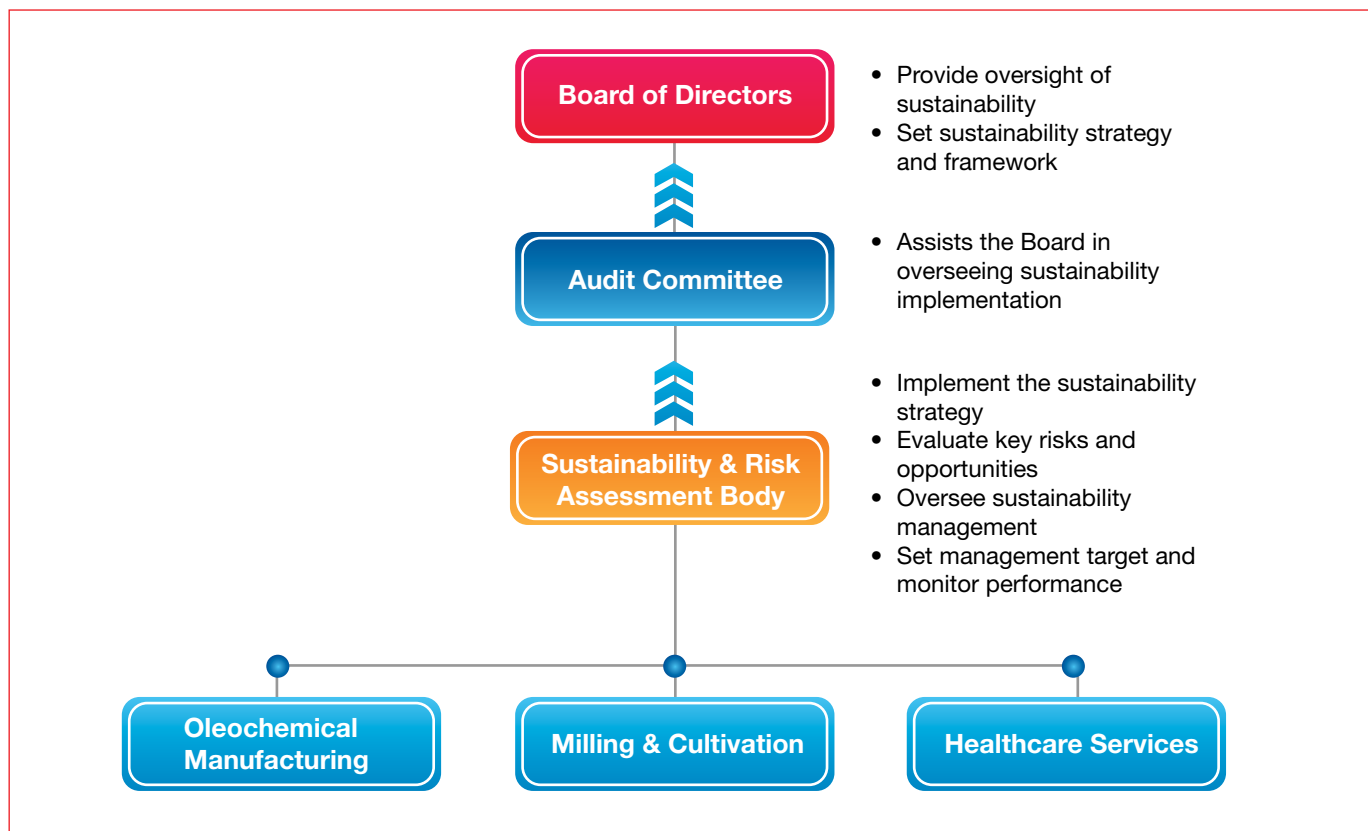
We are committed to maintaining a balanced approach between fulfilling our obligations to our diverse stakeholders and pursuing economic success. With this in mind, we actively incorporate sustainability principles into our daily operations, starting with clear leadership directives, ongoing engagement with stakeholders, and a structured framework guiding our initiatives.

## Sustainability Governance

A robust and efficient governance framework facilitates transparent decision-making processes, nurturing a culture of trust that fosters business growth while safeguarding the interests of all stakeholders. Recognising the importance of the tone from the top, we have established a sustainability governance structure to oversee the implementation of sustainability strategies, ensuring that sustainability is part of the consideration of our business operations.

In FY2024, we revamped our sustainability governance structure. We introduced the Audit Committee (“AC”) to provide more dedicated oversight of sustainability at the Board level and renamed the Sustainability Committee to the Sustainability & Risk Assessment Body (“SRAB”).

The Board still holds ultimate responsibility for ensuring that the business conducts its operations sustainably. The Managing Director (“MD”) chairs the SRAB and leads SAB’s overall sustainability agenda. The SRAB includes members from the heads of the three core business segments and corporate functions, and is tasked to ensure proper implementation of sustainability strategies, monitor performance, and set management targets. The SRAB is also responsible for actively advocating the integration of sustainability into long-term strategic planning and our core business processes.



Sustainability Statement  
(cont'd)

## OUR SUSTAINABILITY APPROACH (CONT'D)

## Stakeholder Engagement

At SAB, we strongly believe that regular engagement and constructive feedback from our stakeholders drive significant impact, resulting in mutually beneficial outcomes for our business and stakeholders. Our aim is to comprehensively understand the needs and expectations of our stakeholders across various engagement platforms, integrating them into our strategic framework to proactively address and manage these issues, where relevant. During the year in review, we maintained active dialogues with our stakeholders, including customers, employees, investors, communities, government entities and suppliers. The summarised concerns and interests are outlined in table below:

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
<b>Customers</b>	On-going <ul style="list-style-type: none"> <li>• Surveys</li> <li>• Corporate website</li> </ul> As needed <ul style="list-style-type: none"> <li>• Emails</li> <li>• Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Customer experience</li> <li>• Product quality</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Satisfaction</li> <li>• Accreditations and Adherence to Quality Standards</li> <li>• Innovation</li> <li>• Biodiversity</li> </ul>
<b>Employees</b>	On-going <ul style="list-style-type: none"> <li>• Town hall meetings</li> <li>• Workshops</li> <li>• Focus group discussions</li> <li>• Internal committee meetings</li> <li>• Surveys</li> <li>• Events</li> <li>• Internal circulars</li> <li>• Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Company direction and performance</li> <li>• Career development and training opportunities</li> <li>• Workplace health and safety</li> <li>• Well-being of employees (including fair compensation)</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Employee Management and Development</li> </ul>
<b>Investors</b>	On-going/As needed <ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Announcement</li> </ul> Annually/As needed <ul style="list-style-type: none"> <li>• General meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Operational and financial performance</li> <li>• Shareholder returns</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Customer Satisfaction</li> <li>• Accreditations and Adherence to Quality Standards</li> <li>• Innovation</li> <li>• Supply Chain Management</li> <li>• Energy Management</li> <li>• Emissions</li> <li>• Biodiversity</li> <li>• Water Management</li> <li>• Effluents and Waste Management</li> <li>• Health and Safety</li> <li>• Employee Management and Development</li> <li>• Community Development and Relations</li> </ul>
<b>Local Communities</b>	On-going <ul style="list-style-type: none"> <li>• Community engagement programmes</li> <li>• Health awareness programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Community development and support</li> <li>• Quality, safety, health and environment</li> <li>• Social and environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>• Emissions</li> <li>• Biodiversity</li> <li>• Effluents and Waste Management</li> <li>• Health and Safety</li> <li>• Community Development and Relations</li> </ul>



Sustainability Statement  
(cont'd)

## OUR SUSTAINABILITY APPROACH (CONT'D)

## Stakeholder Engagement (cont'd)

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
<b>Government and Authorities</b>	On-going <ul style="list-style-type: none"> <li>Industry workshops</li> <li>Meetings and consultations</li> <li>Reporting</li> </ul> As Needed <ul style="list-style-type: none"> <li>Inspections and audits</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Improving efficiency and productivity</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> <li>Innovation</li> <li>Energy Management</li> <li>Emissions</li> <li>Biodiversity</li> <li>Water Management</li> <li>Effluents and Waste Management</li> <li>Health and Safety</li> </ul>
<b>Suppliers</b>	On-going <ul style="list-style-type: none"> <li>Procurement system (including tender process)</li> <li>Supplier surveys</li> <li>Supplier performance evaluation</li> <li>Online meetings</li> <li>Emails</li> <li>Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>Transparency in procurement process</li> <li>Knowledge sharing and capability building</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul>

## Material Matters

The materiality assessment process is a crucial step to identify and evaluate various sustainability matters, helping us to pinpoint issues with significant Economic, Environmental and Social impacts on the Company and its subsidiaries, and our stakeholders. In FY2019, SAB conducted individual materiality assessment exercises for each of its three core business segments. These findings were subsequently consolidated into a comprehensive group-wide evaluation and prioritisation process. Our materiality assessment process is summarised below:

## 1. Identification

We conducted a comprehensive review of our operations and peer benchmarking to identify material matters significant to our businesses and the industries in which we operate. This process involved gathering input from key stakeholders of SAB and its core segments, conducting desktop research, and utilising internal and external sources for information.

Internal Sources	External Sources
<ul style="list-style-type: none"> <li>Biodiversity Assessment record</li> <li>Customer Service Index score</li> <li>Site visits and operation meetings</li> </ul>	<ul style="list-style-type: none"> <li>Bursa Malaysia Enhanced Sustainability Reporting Framework, including the 3<sup>rd</sup> edition of the Sustainability Reporting Guide</li> <li>Department of Occupational Safety and Health (“DOSH”) and other safety regulations</li> <li>Industry peers’ sustainability disclosures</li> <li>International Organisation for Standardisation (“ISO”) surveillance audit reports</li> <li>ISPO surveillance audit reports</li> <li>MSPO surveillance audit reports</li> </ul>

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY APPROACH (CONT'D)

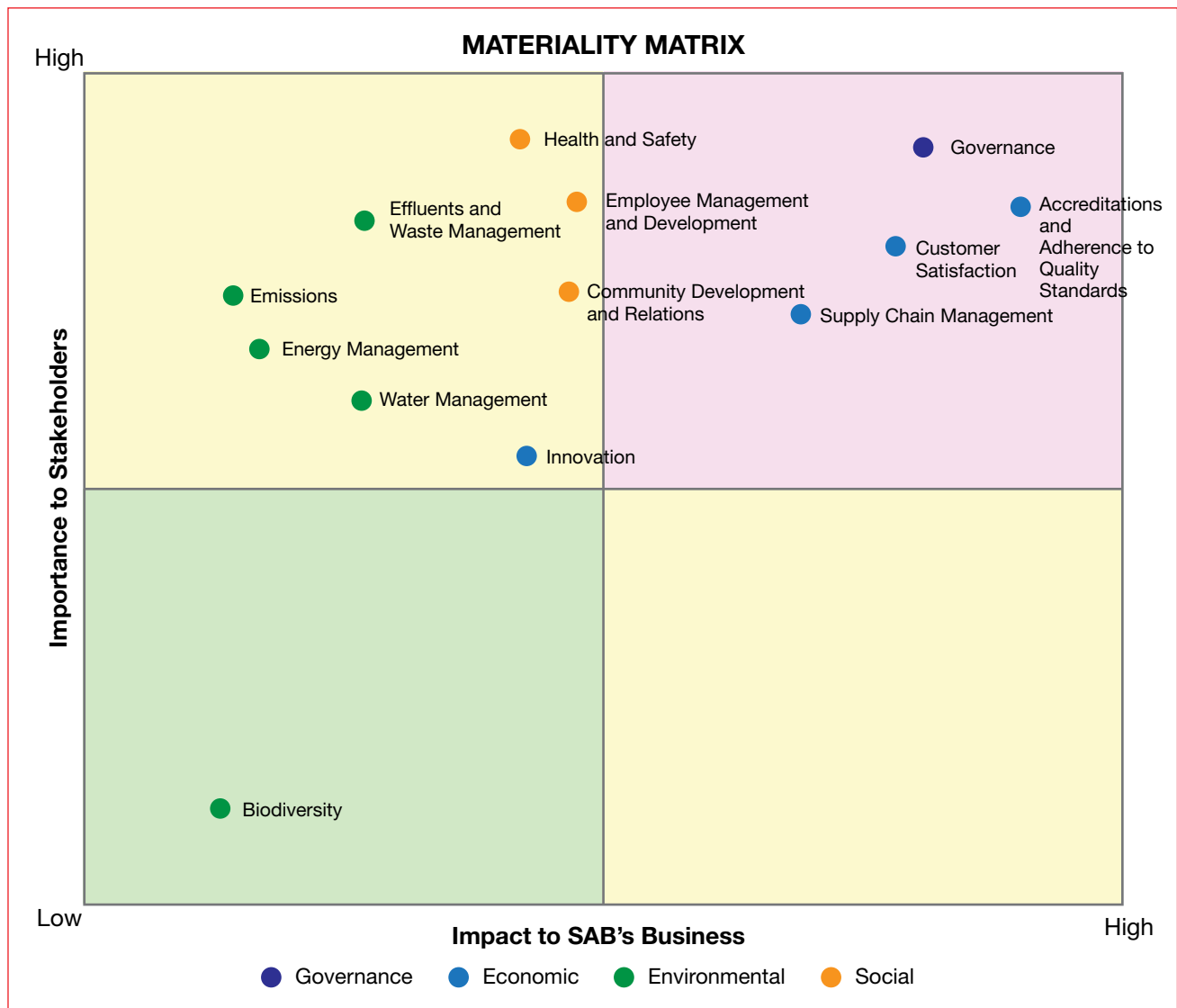
#### Material Matters (cont'd)

##### 2. Prioritisation

Given the diverse businesses across the Company and its core segments, stakeholder concerns and requirements vary. Each segment, represented by its head and the working team, determined the significance of the material matters by considering both business perspectives and stakeholders' insights.

##### 3. Validation

The outcomes of the prioritisation step were deliberated by the Sustainability Committee back then, and subsequently submitted to the Board for approval. In total, thirteen (13) material matters were identified and further clustered to form the Sustainability Framework and structure of our sustainability reporting.



Sustainability Statement  
(cont'd)

## OUR SUSTAINABILITY APPROACH (CONT'D)

## Material Matters (cont'd)

## 3. Validation (cont'd)

Every year, our SRAB (formally the Sustainability Committee) undertakes an annual review on the outcome of the materiality assessment to ensure that the material matters remain relevant to the businesses and stakeholders. In the year under review, we reassessed the methodology of our materiality assessment and refined the stakeholder prioritisation process. We also reviewed our material matters against the eleven (11) common sustainability material matters mandated by Bursa Malaysia. As a result, we refined the definitions of “Governance” and “Employee Management” to cover a wider scope. The material matter of “Governance” has now, encompasses topics such as Anti-Corruption and Data Privacy and Security. For Employee Management, we relabelled the material matter to “Employee Management and Development” to better reflect the training and development aspect of our workforce management. Similarly, “Energy Efficiency” was relabelled to “Energy Management” to cover a more holistic approach in addressing our energy usage.

Material Matters	Descriptions
<b>Governance</b>	This refers to establishing structured processes and rules to manage the company's operations, including enforcing an effective board and management oversights, and upholding high standards of ethics and transparency in addressing issues such as anti-corruption and data privacy and security.
<b>Customer Satisfaction</b>	This refers to being able to consistently meet and exceed the diverse needs and expectations of our customers with the aim of building a trusted relationship.
<b>Accreditations and Adherence to Quality Standards</b>	This refers to the alignment of our practices with global standards to ensure product and service excellence and consistency.
<b>Innovation</b>	This refers to a culture that embraces new ideas for improvements, fostering creativity and exploration to generate value.
<b>Supply Chain Management</b>	This refers to the stewardship role in our value chain by promoting ethical and sustainable practices among our suppliers, while contributing to local economy.
<b>Energy Management</b>	This refers to measures to optimise the utilisation of electricity to drive operational efficiency while promoting sustainability.
<b>Emissions</b>	This refers to the management of the release of environmentally hazardous substances and greenhouse gases into the atmosphere, aiming to minimise ecological harm and mitigate climate change.
<b>Biodiversity</b>	This refers to the measures to preserve biodiversity and mitigate adverse effects on ecosystems.
<b>Water Management</b>	This refers to the utilisation of water resources to ensure efficient consumption and reduce our ecological footprint.
<b>Effluents and Waste Management</b>	This refers to the management of effluents, hazardous, and non-hazardous waste to minimise environmental impact, promote recycling and reuse, and ensure compliance with regulations.
<b>Health and Safety</b>	This refers to managing hazards in the workplace to safeguard the health and well-being of workers.
<b>Employee Management and Development</b>	This refers to efforts aimed at cultivating a fair and supportive workplace environment through equitable management practices and empowerment of employees.
<b>Community Development and Relations</b>	This refers to engagement and support given to local communities to address their needs and concerns, underscoring our commitment as a responsible corporate citizen.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY APPROACH (CONT'D)

#### Sustainability Framework

The material matters identified from the materiality assessment were then grouped into the four pillars of sustainability: Economic, Environment, Social and Governance. This framework enables us to align our sustainability goals with our broader business strategy and reporting standards. It also provides a structured approach for engaging with stakeholders and measuring performance.



Sustainability Statement  
(cont'd)

## GOVERNANCE

Starting as a humble oleochemical manufacturer, we have undergone substantial growth, both vertically into the upstream oil palm sector and horizontally into the healthcare services industry. As SAB expands, it is crucial to implement structured processes and establish clear rules and norms. These measures are essential for setting corporate behaviour and navigating the complexities of decision-making with confidence, clarity and transparency.

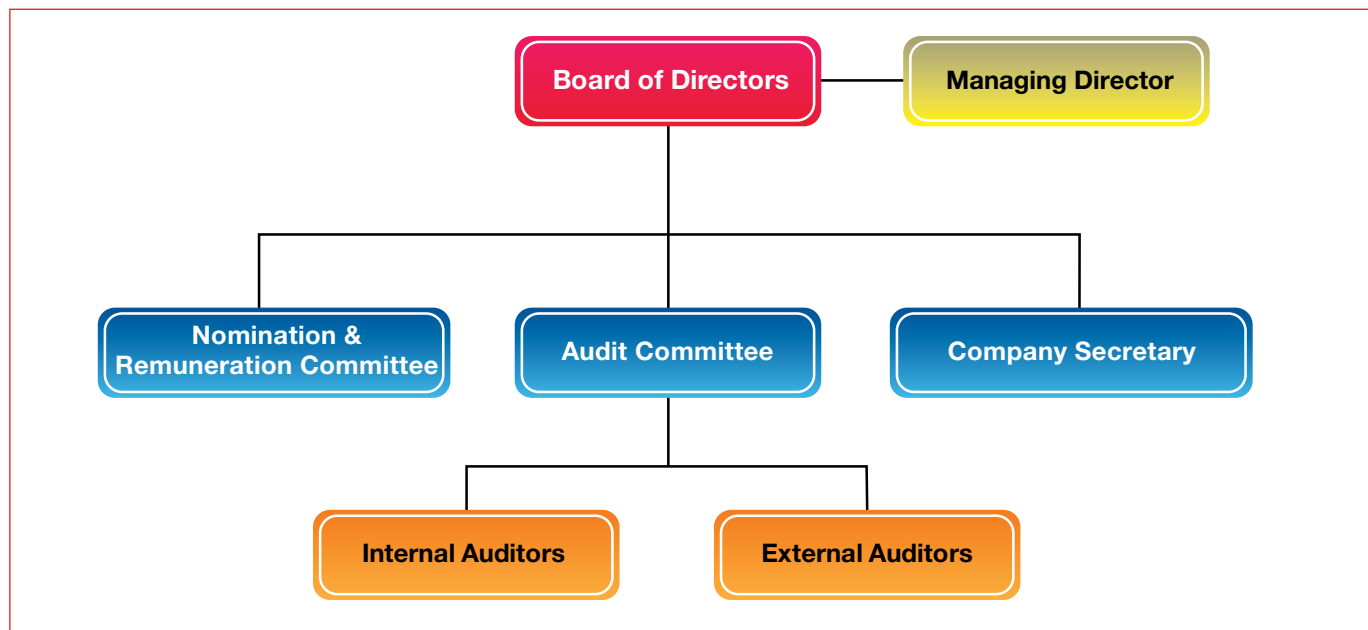
## Governance

## Our Approach

## Corporate Governance

As a listed company, we are committed to upholding the Malaysian Code of Corporate Governance (“MCCG”) to bolster board effectiveness and promote transparency and accountability across our operations. SAB and its subsidiaries are governed by the Board, which holds a fiduciary duty to ensure the Company and its subsidiaries are being run in the best interest of shareholders and stakeholders as outlined in the Board Charter. They oversee the management of the Company and help set the Company strategic direction and long-term goals.

The Board is supported by the MD, who is responsible for the day-to-day management of the Company. The Board has also established two sub-committees to provide specialised oversight in the areas of audit and nomination and remuneration, facilitating more detailed examination and support in these domains. For further details, please refer to terms of reference (“TOR”) for the respective Board sub-committees on our corporate website.



## Policies

To uphold our standards of conduct, we have established a Code of Conduct & Ethics (“CoCE”) to outline our business objectives and specifying expectations for the behaviour and ethical conduct of our directors and employees. Central to the CoCE is our corporate values, particularly trust and integrity, which serve as the cornerstone for delivering our promises to all stakeholders we engage with. This CoCE is complemented by our Anti-Bribery & Anti-Corruption Policy (“ABAC Policy”), along with our Whistleblower Policy, further reinforcing our commitment to ethical practices and transparency.



## Sustainability Statement (cont'd)

### GOVERNANCE (CONT'D)

#### Governance (cont'd)

##### Our Approach

##### *Anti-Bribery and Anti-Corruption*

SAB stands firmly with zero tolerance towards any form of bribery and corruption, as outlined in ABAC Policy. This commitment extends to combating all instances of bribery, corruption, fraud, and money laundering, reinforcing our adherence to local laws and regulations, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. To ensure our employees understand their obligations under the ABAC Policy, we conduct regular training sessions and require them to complete declaration of commitment to comply with the relevant policies to uphold integrity as a whole.

We also conduct regular corruption risk assessments that consider the constant change of business environment and regulatory landscape. The findings typically reveal the areas where our business is most susceptible to corruption and are used to enhance our anti-corruption programmes.

SAB has established a whistleblowing channel in accordance with our Whistleblower Policy for employees and third parties to report any unethical behaviour or suspected violations within the Company and/or its subsidiaries without fear of retaliation. Individuals who have reason to believe that improper conduct has occurred or is occurring are encouraged to report their concerns using the designated reporting channels as outlined in the Whistleblower Policy. Whistleblowers and their interests will be fully protected from any repercussions or harm, irrespective of the investigation's findings, provided that the reports are made in good faith. Reports submitted through these channels will undergo transparent investigation and resolution by the AC, with the participation of all involved parties.

The Company's ABAC Policy and Whistleblower Policy are publicly available on our corporate website.

##### *Data Privacy and Security*

We recognise the potential impact of compliance violations and data breaches on our Company's equity, reputation, and financial stability, especially considering the growing importance of data as a critical asset. As a result, our ethical responsibilities extend beyond addressing bribery and corruption to include safeguarding sensitive information, such as customer privacy and data.

SAB places a strong emphasis on data privacy and security across all its segments, with particular attention to the Healthcare Services segment. This heightened attention is attributed to the crucial role of trust in fostering a mutually respectful patient-physician relationship. The Healthcare Services segment has a dedicated Information Technology Department to ensure the highest standards of data privacy and security within our organisation.

As our Healthcare Services segment aims to become the most accessible and preferred community medical centre, we acknowledge the fundamental rights of all patients, including privacy and confidentiality, and are dedicated to upholding these rights. To this end, we have established the Personal Data Protection Act ("PDPA") Notice, which underscores our commitment to protecting personal data and privacy in accordance with Malaysian law. This notice explains the collection and processing purposes of personal data, as well as disclosure practices. Patients have the right to access and correct their personal data, and we are committed to respecting their choices regarding the processing of their data.

For the rest of our business segments, we have engaged an external service provider to meet our information technology needs. Our service provider is well-equipped with pertinent resources and employs latest technology and innovation to enhance our business processes, ensuring uninterrupted business operations. This includes the implementation and oversight of security measures aimed at safeguarding the Company and its subsidiaries' data and infrastructure from cyber threats.

Sustainability Statement  
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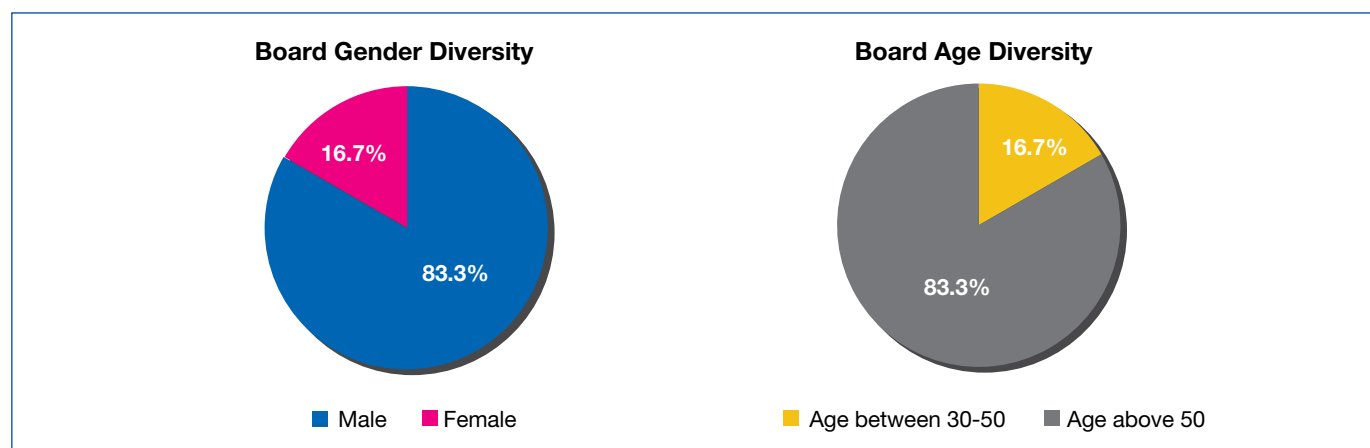
## GOVERNANCE (CONT'D)

## Governance (cont'd)

## Our Performance and Progress

## Corporate Governance - Board Diversity

Our Board comprises members from diverse perspectives, experiences and backgrounds. While we value the social diversity of our Board members, we equally prioritise professional diversity, focusing on objective criteria and merits of the candidate as set out in the TOR of the Nomination & Remuneration Committee ("NRC"). Our Board's composition in terms of gender and age is illustrated in the diagram below.



## Anti-Bribery and Anti-Corruption

As at 31 March 2024, 90.9% of management team, 32.8% of executives and 2.7% of non-executives across the Company and its three core segments have received anti-corruption training. We aim to provide trainings to staff at all levels in the future, reinforcing our commitment to maintaining a strong ethical culture. Meanwhile, 100% of our operations successfully completed the corruption risk assessment and reassessment conducted in FY2020 and FY2023. The results remain relevant, providing us with a thorough understanding of our operations and enabling the design of measures to mitigate anti-corruption risks. Subsequently, in FY2024, we engaged PricewaterhouseCoopers Risk Services Sdn. Bhd. ("PwC RS" or "Internal Auditors") to review the adequacy of our procedures and their alignment with TRUST principles outlined in the Guidelines on Adequate Procedures issued by the Prime Minister's Department in 2018. The scope covers the corruption risk assessment we conducted, as well as other internal controls implemented to combat corruption and promote integrity.

There were no reported incidents of corruption cases involving SAB and/or its subsidiaries or its employees during the year under review.

## Data Privacy and Security

As at 31 March 2024, there is no substantiated complaints concerning breaches of customer privacy and losses of customer data.

## Moving Forward

SAB will persist in upholding high standards of governance and maintaining a strong commitment to ethical business practices across all segments. We remain deeply committed to preventing any activities detrimental to the Company and/or its subsidiaries and stakeholders, guided by our core principles of integrity, transparency, and accountability. Through these efforts, we aim to strengthen our reputation as a trustworthy and responsible organisation dedicated to serving stakeholders' best interests.

## Sustainability Statement (cont'd)

### ECONOMIC

**The economic pillar is a fundamental component to sustain our growth for long-term value creation. To support that, we prioritise customer satisfaction, obtaining accreditations, adhering to quality standards, fostering innovation, and optimising supply chain management. These efforts collectively bolster our economic stability, serving the interests of both stakeholders and our business.**

#### Customer Satisfaction

##### Our Approach

Customer satisfaction is important to maintain our reputation in delivering quality products and services, particularly for our Healthcare Services segment. Our primary objective is to ensure the safety and satisfaction of patients undergoing treatment by consistently providing exceptional healthcare experiences. Through our ongoing Customer Service Index, we aim to establish an interactive platform for promptly engaging with our patients, while also collecting invaluable feedback to deepen our understanding of their needs and expectations. The findings from this initiative are regularly communicated to department heads on a monthly basis to assess our performance in this domain and to develop improvement strategies to address any shortcomings. This systematic approach plays a crucial role in both retaining our existing patients and attracting new ones, thereby contributing to our revenue growth.

Sri Kota conducts a hospital-wide survey every six months to evaluate the patient treatment journey experience. This survey is distributed to patients to measure their satisfaction with the services provided at each touchpoint during their stay at Sri Kota.

As part of our commitment to prioritising customer satisfaction and ensuring prompt and responsive service, Sri Kota has a range of policies in place, including Patients & Family Rights, and Grievance Mechanism. Both of which can be readily accessed through Sri Kota's official website at [www.srikotamedical.com](http://www.srikotamedical.com). Our Service Standard Manual provides comprehensive guidelines, including standard communication scripts and telephone etiquette, to ensure our staff consistently deliver a quality service experience. Regular trainings are provided to our employees to ensure that they are equipped with the essential skills and knowledge required to effectively serve our customers.



Sri Kota strives to ensure that our initiatives not only provide tangible benefits to our patients but also contribute to fostering a supportive and caring healthcare environment, thereby enriching the overall experience of our customers. We have implemented structured programmes to acknowledge and reward patients who entrusted us with their health and well-being. One such initiative is the Senior Citizen Programme, which caters to elderly patients aged sixty (60) and above. This loyalty programme offers discounts on selected hospital services. Sri Kota also offers the Sri Kota Kids Club, a programme designed for young patients born at Sri Kota, which was launched in December 2018. This initiative aims to accompany our members through their growth journey and establish ourselves as their preferred destination for medical care.

Sustainability Statement  
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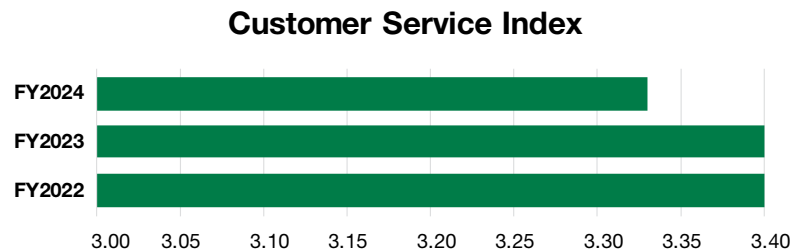
## ECONOMIC (CONT'D)

## Customer Satisfaction (cont'd)

## Our Performance and Progress

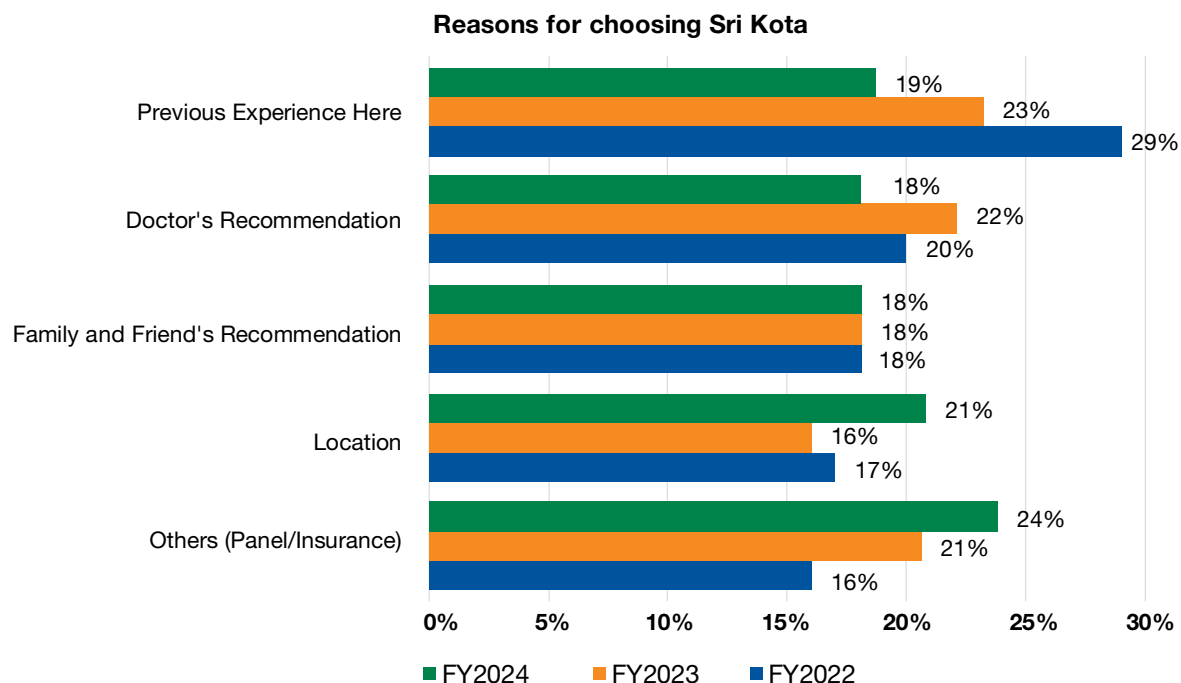
## Customer Service Index

In FY2024, Sri Kota achieved an aggregated Customer Service Index score of 3.33 (out of 4.0). The result revealed a slight reduction compared to the previous year, which may be due to rising patient expectations for service excellence in healthcare sector. We will continue to invest in customer service training for our staff, ensuring that we continue meet the expectations of our patients.



## Bi-Annual Customer Satisfaction Survey

In FY2024, Sri Kota achieved a customer satisfaction score of 97%, marginally down from 98% last year. In the survey, we solicited feedback on reasons for choosing our Healthcare Services. 'Other (panel/insurance)' topped the chart, highlighting the crucial role of having approved doctors or medical teams and insurance agreements in patients' choice of Sri Kota. We remain committed to enhancing our services and addressing any areas for improvement to ensure continued satisfaction among our valued customers.



## Customer Service Trainings

A total of sixty-two (62) customer service-related trainings were conducted for our staff in FY2024, which include:

- Training on how to handle aggressive patients and visitors;
- Individual customer service training for staff nurses;
- Customer service audit for non-clinical, clinical and ward staff; and
- Customer experience training by professional external trainer.

## Sustainability Statement (cont'd)

### ECONOMIC (CONT'D)

#### Accreditations and Adherence to Quality Standards

##### Our Approach

Accreditations and adherence to quality standards are significant aspects of SAB's operational structure across all segments of the Company. They serve as integral components for building trust and establishing a reputable brand image for long-term business success. Moreover, adherence to quality standards facilitates access to new markets and opportunities, particularly within sectors such as oil palm plantation and oleochemical production.

As part of our commitment to maintaining high levels of quality standards, SAB regularly benchmarks against industry best practices and stakeholder requirements. In the Healthcare Services segment, MSQH audits are conducted upon renewal, and we ensure readiness to pass these audits, including potential surprise audits by Ministry of Health ("MOH"). We also conduct annual audits in our Oleochemical Manufacturing and Milling & Cultivation segments to ensure that our products and services consistently meet or exceed relevant industry standards. These proactive approaches allow us to continuously improve and adapt to evolving industry trends, ensuring that we remain at the forefront of service and product quality.

##### Our Performance and Progress

Below is a detailed overview of the certifications and standards upheld by each segment:

<b>Oleochemical Manufacturing</b>	<b>Sustainability Supply Chain</b> <ol style="list-style-type: none"> <li>1. RSPO - Supply Chain Certification Standard ("SCCS")</li> <li>2. MSPO - SCCS</li> </ol> <b>Management and Quality Standards</b> <ol style="list-style-type: none"> <li>1. Quality Management Systems ISO 9001:2015</li> </ol> <b>Product Quality and Safety Standards</b> <ol style="list-style-type: none"> <li>1. Food GMP Malaysia Standard ("MS") 1514:2022</li> <li>2. HACCP MS 1480:2019</li> <li>3. Halal</li> <li>4. Kosher</li> <li>5. Food Safety Management Systems ISO 22000:2018</li> </ol>
<b>Milling &amp; Cultivation</b>	<b>Management and Quality Standards</b> <ol style="list-style-type: none"> <li>1. MSPO Certification (1 Estate is certified)</li> <li>2. ISPO Certification (2 Mills and 2 Estates are certified)</li> </ol>
<b>Healthcare Services</b>	<b>Management and Quality Standards</b> <ol style="list-style-type: none"> <li>1. MSQH Accreditation</li> <li>2. Hospital Licensing Inspection from MOH</li> </ol> <b>Safety Standard</b> <ol style="list-style-type: none"> <li>1. BOMBA Licensing Inspection</li> </ol> <b>Winning Prestigious Awards</b> <ol style="list-style-type: none"> <li>1. Malaysia Health &amp; Wellness Brand Awards 2023 - Private Hospital Category</li> <li>2. Sin Chew Business Excellence Award 2023 - Sin Chew-AIA Workplace Health &amp; Wellness Award</li> <li>3. WSO Angels Awards - Gold Status by World Stroke Organisation</li> <li>4. Healthcare Asia Award 2024: Facilities Improvement Initiative of The Year and the Most Improved Community Hospital of the Year.</li> </ol>



Sustainability Statement  
(cont'd)

## ECONOMIC (CONT'D)

## Accreditations and Adherence to Quality Standards (cont'd)



- 1 Sri Kota received the **Malaysia Health & Wellness Brand Awards 2023 for Private Hospital Category** in November 2023
- 2 Sri Kota received the **Sin Chew Business Excellence Award 2023** in March 2024
- 3 Sri Kota received the **WSO Angels Awards - Gold Status from World Stroke Organisation** in October 2023
- 4 Sri Kota received the **Healthcare Asia Award 2024: Facilities Improvement Initiative of the Year and the Most Improved Community Hospital of the Year** in March 2024
- 5 Sri Kota is the first and only tertiary private hospital in Klang holding the **Preferred Hospital status** from major insurance companies in Malaysia. The recognition of this status increased from five to six major insurance companies in FY2024, namely AIA, Allianz, Great Eastern, Manulife, MiCare and PruBSN. The status is awarded by the insurance companies based on the quality and efficiency of the healthcare services provided by Sri Kota to their stakeholders.



## Sustainability Statement (cont'd)

### ECONOMIC (CONT'D)

#### Innovation

##### Our Approach

At SAB, we believe that implementing a suitable leadership approach aligned with industry requirements, combined with the latest innovation and technology, can drive transformative change within the organisation. This approach not only provides a competitive edge, allowing us to stay ahead of market trends and differentiate ourselves from competitors, but also enhances operational efficiency by streamlining processes, reducing costs, and improving productivity. Additionally, embracing innovation in our operations can enhance the customer experience by bringing new products, services, and technologies that meet evolving needs and expectations.

Our focus on innovation within the Healthcare Services segment provides us with a competitive advantage in delivering quality products and services. It contributes to our cost-effectiveness, resulting in better margins which lead to higher returns on investment for our shareholders. Sri Kota has made substantial investments in information technology and enhanced medical facilities to cater to the increasing demand for specialised healthcare services in the coming years.

To stay abreast of the latest innovations and trends, Sri Kota actively cultivates connections with healthcare professionals to improve our understanding of emerging data and healthcare experiences. We regularly host forums to facilitate the exchange of expertise and knowledge among global specialists, professors, and our in-house consultants. By leveraging technology, innovation and collaborative opportunities with industry peers, we optimise our operations to consistently deliver high-quality healthcare and customer services to a diverse range of customers. Furthermore, we nurture partnerships which aim at supporting and advancing research and development in medical equipment.

##### Our Performance and Progress

In FY2024, Sri Kota successfully implemented and achieved the following innovations in our operations:

1. **First outdoor escalator among private hospitals in Klang:** Sri Kota introduced the first outdoor escalator among private hospitals in Klang, enhancing accessibility and convenience for patients and visitors.
2. **First and only Stroke Centre in Klang:** Sri Kota proudly established the first and only Stroke Centre in Klang, providing specialised care and treatment for stroke patients.
3. **Upgrading work of Emergency Department:** Sri Kota undertook significant upgrading work in its Emergency Department, enhancing facilities and resources to better serve patients requiring urgent medical care.
4. **New Consultant Suite and upgraded Health Screening Unit:** Sri Kota introduced a new Consultant Suite and upgraded its Health Screening Unit, providing patients with enhanced facilities and services for comprehensive healthcare assessments.



*Sri Kota installed the first outdoor escalator among private hospitals in Klang*



*Newly renovated Emergency Department at Sri Kota*

Sustainability Statement  
(cont'd)

## ECONOMIC (CONT'D)

## Supply Chain Management

## Our Approach

We recognise the importance of proactively managing supply chain to address potential externalities from suppliers' operational activities and to enhance operational efficiency, while also positively impacting the community. Although we are still in the early stages of managing this aspect, we are committed to actively engaging with our suppliers and vendors to promote ethical and responsible practices across our value chain, as well as to maximise the positive impact of our sourcing activities to the local economy.

Our ABAC Policy outlines our due diligence procedures for vendors and agents. These procedures involve gathering and validating information through key inquiries outlined in the Due Diligence Assessment Forms. We will review documents, conduct inquiries, and seek clarification to assess background information and check for conflicts of interest prior to registration and acceptance. Approval from the relevant authorised personnel is obtained to ensure adherence to good business ethics, minimise the risk of violating human and social rights, maintain environmental practices, and ensure strict compliance with local laws and regulations.

In our Oleochemical Manufacturing segment, we have implemented a Sustainable Procurement Policy to reinforce our commitment to meeting global demand and maintaining the quality standards of our products. This policy plays a crucial role in advancing SAB's dedication to transforming our supply chain in a more sustainable manner, aligning with our Company objectives to mitigate environmental impact and address social issues.

SAB is cognisant of the importance of local procurement in fostering the local economy and domestic growth. We provide equal business opportunities through the tendering process, ensuring fair competition among suppliers. This strategic focus empowers local businesses and helps mitigate the risk of supply chain disruptions, while also reducing transportation costs and foreign exchange exposure. Supporting local suppliers indirectly attracts additional investment to the local economy, enhances supply chain stability, and fosters community relations.

## Our Performance and Progress

The proportion of spending on local suppliers<sup>1</sup> is recorded at 98.7% across all the segments in FY2024.

## Moving Forward

At SAB, we remain committed to delivering our promises to our stakeholders, whether it pertains to product excellence or exceptional customer service experiences. We strive to seek both national and international accreditations across all segments, ensuring adherence to the highest standards to strengthen credibility and trust among stakeholders. At the same time, we aim to cultivate a culture of innovation within the organisation and take on a stewardship role to foster collaboration within our value chain, driving sustained growth into the future.

Specifically, within Healthcare Services, our aim is to ensure each patient receives the highest quality care and feels valued throughout their healthcare journey while staying up to date with the latest developments and continuing to innovate. We will enhance our loyalty programmes to actively engage in our patient health journeys, customising services to their individual needs while focusing on enhancing our overall service quality.

<sup>1</sup> For our Indonesia entities, local suppliers refer to those based in Indonesia.

## Sustainability Statement (cont'd)

### ENVIRONMENT

**We recognise our responsibility for the direct and indirect environmental impacts arising from all our business segments. These impacts are particularly significant in our Milling & Cultivation segment, given our reliance on a healthy ecosystem for palm oil agriculture. Understanding that sustainability hinges on a healthy planet, we are dedicated to minimising our environmental footprint and actively engaging in the global environmental movement that we resonate with.**

#### Energy Management

##### Our Approach

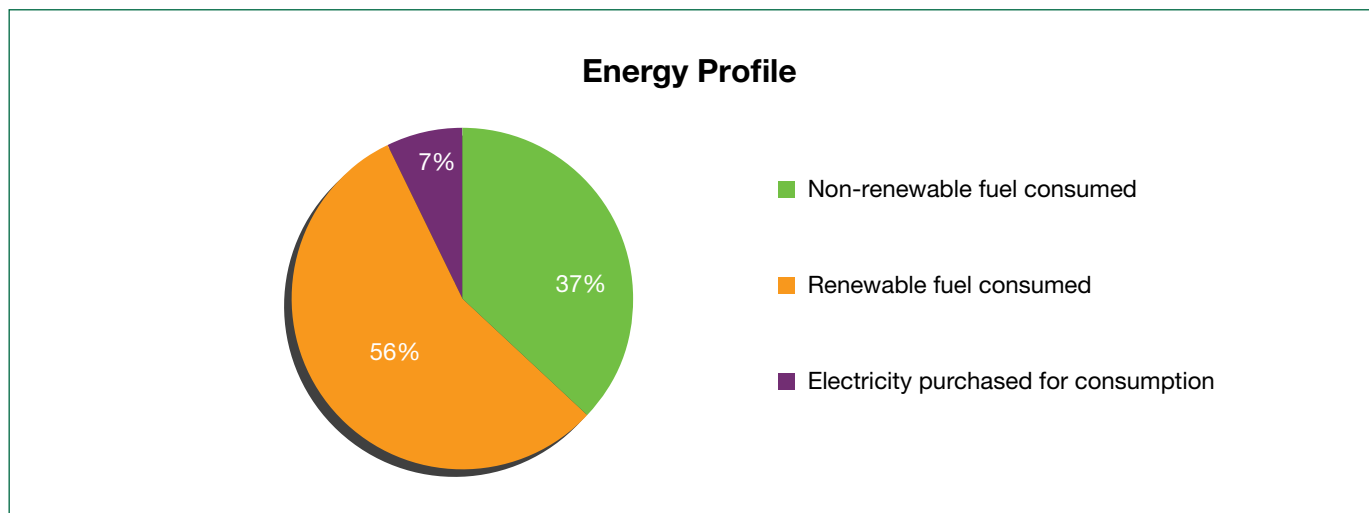
An effective energy management approach is crucial for the environment, as more efficient energy consumed in our operation means reduced greenhouse gas (“GHG”) emissions to the atmosphere. From a business perspective, it has a direct positive impact on operational cost savings, thereby strengthening our company’s competitive advantage in respective sectors.

We have implemented the following measures as part of our overall energy management approach:

- **Monitoring energy consumption**  
Energy consumption is monitored at respective operating segments. Through targeted approach, electricity reduction initiatives have been carried out to achieve electricity cost savings.
- **Energy saving equipment**  
Strategic measures, such as installation of light emitting diode (LED) lighting at Sri Kota, will be deployed to other operating segments to make further improvements to conserve more energy.
- **Chiller system**  
Hybrid chiller system replacing high-energy consuming air-conditioning appliances had seen significant electricity cost savings of up to 19% in Sri Kota since FY2019. In FY2024, Sri Kota has further enhanced the chiller system by adopting the new water cooler chiller system. Water cooler chillers typically use less energy compared to other cooling methods, which can lead to significant savings on electricity bills. Lower energy consumption also translates to a smaller carbon footprint, contributing to environmental sustainability.
- **Renewable energy source**  
In both Oleochemical Manufacturing and Milling & Cultivation segments, it is recognised that a substantial amount of energy consumption is of renewable sources such as palm kernel shells, palm fibers and palm oil mill effluents (“POME”). Despite electricity and compressed natural gas remaining our key sources of energy, renewable energy helps diversify our energy mix and thereby fostering energy resilience throughout our business operations.

Sustainability Statement  
(cont'd)**ENVIRONMENT (CONT'D)****Energy Management (cont'd)****Our Performance and Progress**

In FY2024, the total energy consumption aggregated from our corporate office and three core segments amounted to 1,585,575 gigajoules or 440,438 megawatt. The energy profile is as below:



Initiatives to generate more renewable energy from biomass are constantly being studied with an aim to further increase our renewable energy mix and to lessen our reliance on fossil fuels such as diesel which are used to power our gensets in milling operation.

**Emissions****Our Approach**

Climate change is no longer a distant threat; its impacts are increasingly evident in our lives. Effective emissions management prepares companies to confront these challenges systematically. It begins with gaining a comprehensive understanding of our emissions footprint through measuring and tracking of emissions, which then transition into the development of strategies and action plans aimed at reducing GHG emissions. This approach not only ensures compliance but also minimises risk exposure, enhances brand equity and reveals operational inefficiencies for improved optimisation.

We manage this material matter with a two-pronged approach to reduce our emissions footprint by:

- Measuring and monitoring our GHG emissions
- Utilising biomass as a renewable energy source to reduce reliance on fossil fuel

**Our Performance and Progress**

We have started measuring our Scope 1 and Scope 2, and selected Scope 3 emissions for the Company and its three core segments. However, the data and methodology need further refinement to align with international best practices, specifically the GHG Protocol. We aim to report our GHG emissions footprint next year in accordance with Bursa Malaysia MMLR.

## Sustainability Statement (cont'd)

### ENVIRONMENT (CONT'D)

#### Biodiversity

##### Our Approach

Biodiversity plays a crucial role in mitigating and adapting to climate change, ensuring the resilience and stability of natural ecosystem. A diverse array of species supports vital functions within ecosystems, including pollination, nutrient cycling, and pest control.

The widespread biodiversity loss is often linked to the rapid expansion of food and agricultural production. Given the nature of our business activities in the Milling & Cultivation segment, preserving areas with High Conservation Values ("HCV") is of utmost importance to uphold both the integrity of the natural ecosystem and our reputation as a responsible organisation. SAB has implemented various measures aimed at reducing the impact of our operations on the surrounding environment's biodiversity, including:

- Monitoring and management of HCV areas

In Milling & Cultivation segment, SAB applies HCV approach to identify and protect areas of significant ecological importance from the effects of land-use change within its managed oil palm cultivation estates. We are committed to monitoring and preserving HCV area within its operating boundary with monitoring and management procedures that was established in FY2019.

- Pest management

We strive to put biological control method as one of the key pest management initiatives. Several integrated pest management initiatives have been implemented in our estates since FY2017.

- Adopt good agriculture practices

We endeavour to minimise our negative impact on the environment and prioritise the preservation of natural habitats through agricultural best of practices.

##### Our Performance and Progress

There are five HCV areas in Riau, Indonesia with three in PTMAS oil palm cultivation estate (along Sungei Sako, Sungei Pohkahan, and Anak Sungei Pohkahan) and two in PTWan oil palm cultivation estates (Sungei Kuning and Anak Sungei Jake). Routine monitoring of HCV areas was conducted to ensure the conservation buffer areas remain in good condition. Moreover, HCV areas were mapped out to allow proper monitoring and management.

SAB has in place an integrated pest management programme that utilises biological control methods such as using Barn Owls to effectively control rat populations. Since FY2020, sixty (60) and one hundred and five (105) Barn Owl Boxes were installed at PTMAS and PTWan estates respectively. The estate management also implemented beneficial plant cultivation within the plantation to enhance biological pest control and reduce reliance on chemical pesticides. For instance, *Turnera*, a genus of plants in the family *Passifloraceae*, is used to control nematode populations in the plantation. Other species such as *Cassia Leptophylla* and *Antigonon leptopus* are used to help control soil erosion, act as bee forage by attracting pollinators, and assist in managing *Oryctes* (rhinoceros beetle) populations.

We remain proactive in our approach and continue with our current practices in striking a balance between yielding high agriculture performance and conserving biodiversity in our operational surroundings.



Sustainability Statement  
(cont'd)

## ENVIRONMENT (CONT'D)

## Water Management

## Our Approach

Water is an indispensable resource critical to sustaining our operations, from facilitating the manufacturing of oleochemical, ensuring healthy yields of oil palm crops, to delivering high-quality healthcare services. In our commitment to minimising our overall environmental impact, we prioritise both water conservation and efficient utilisation process. This begins with gaining a deeper understanding of our water consumption through measuring and monitoring our water usage. Additionally, we place significant emphasis on raising awareness among our employees, aiming to foster a culture of responsible water stewardship throughout our organisation.

In our Milling & Cultivation segment, we adhere to good agriculture practices aligned with ISPO standards, including soil and water conservation. These practices involve utilising biomass residue, such as chipped old tree trunks, which are stacked in the field to decompose as part of our zero-burning policy. This initiative enhances soil conditions and moisture retention without the need for extensive irrigation. New oil palm trees are strategically planted between these decomposing stacks, contributing to sustainable land use and regeneration efforts.

## Our Performance and Progress

SAB and its three core segments' water consumption stands at 1,237 megalitre<sup>2</sup>.

We are stepping up our efforts to improve efficiency in water management, with a particular focus on closely monitoring the water consumption associated with each tonne of FFB processed in our milling process. We look forward to sharing the progress with our stakeholders in the near future.

## Effluents and Waste Management

## Our Approach

Proper waste management is essential for preventing soil and water pollution by reducing the release of harmful substances from waste materials. Within our operations, particularly in the Healthcare Services and Milling & Cultivation segments, we generate a substantial amount of waste. Some of these waste materials are hazardous and require special treatment, ensuring they are not disposed of in landfills. We are committed to responsibly treating our waste in full compliance with legal requirements, especially those set out in the Environmental Act 1974. Our waste disposal approach for each respective segment is summarised below:

- Healthcare Services

We adhere strictly to the Environmental Quality (Scheduled Wastes) Regulations 2005 in managing all waste falling under this category, which encompasses discarded drugs, pathogenic waste, clinical waste, sharp objects, and radioactive materials. We maintain a comprehensive inventory of all scheduled wastes generated and disposed of. All hazardous wastes undergo proper labelling, packaging and storage procedures before disposal. We engage the services of a specialised clinical waste management provider, who employs incineration processes to convert the waste into ash, which is then safely disposed of at approved landfill sites. Additionally, our employees receive regular training to ensure they are proficient in identifying and handling these wastes according to regulatory standards.

<sup>2</sup> Data excluded corporate office as there is no individual meter reading for each floor in the office building. Instead, we pay a fixed amount to the building management monthly.

## Sustainability Statement (cont'd)

### ENVIRONMENT (CONT'D)

#### Effluents and Waste Management (cont'd)

##### Our Approach (cont'd)

- Oleochemical Manufacturing

The production of oleochemicals results in wastewater containing fatty acids, glycerin, organic residues and inorganic acids, which must be treated before being discharge into the environment. We have implemented various measures to treat effluents effectively, ensuring compliance with the acceptable conditions outlined in the Environmental Quality (Industrial Effluent) Regulation 2009. These include grease traps and skimmers to remove oils, fats and greases. Additionally, we employ chemical/physical treatment and biological treatment through aerobic processes to reduce soluble organic matter. Our production processes also involve the use of hazardous materials as ingredients for the production of fatty acids and glycerin. To manage these hazardous materials safely, they are handled, stored and disposed of in accordance with regulatory requirements.

- Milling & Cultivation

The processing of FFB results in the generation of a significant amount of wastewater known as POME. The effluent contains high levels of chemical and biochemical oxygen demand, posing a risk of severe environmental pollution. Similar to our approach in Oleochemical Manufacturing, we utilise biological treatment on POME through anaerobic digestion before it is conveyed to the final discharge pond. The solids from the effluent ponds will also be desilted and sent for land application as fertiliser. Any remaining residue, not repurposed as fertiliser, undergoes treatment to meet regulatory standards before being discharged into water bodies.

The production of oil palm generates a substantial amount of biomass waste, which has the potential to be transformed into value-added products for various applications. We are committed to adopting industry best standards for managing by-products at our upstream Milling & Cultivation operations, including recover and repurpose all generated by-products for sustainable use, such as renewable energy feedstocks.

##### Our Performance and Progress

We are committed to tracking waste generation and effluents across our business operations. However, our data collection methodology requires refinement to ensure compliance with regulatory requirements. We aim to report our total waste generated next year in accordance with Bursa Malaysia MMLR.

##### Moving Forward

We are steadfast in upholding our corporate values, particularly on integrity and transparency, and responsibility and accountability, in all our business dealings. This includes fulfilling our duty as a responsible corporate citizen and actively contributing to environmental protection by prioritising the reduction of our environmental impact. We acknowledge that the initial step towards achieving this goal is to establish a baseline by measuring our current environmental footprint. This enables us to effectively monitor our progress and assess the impact of the measures we implement. We look forward to sharing a more comprehensive environmental impact of our operations to our stakeholders in future reports.

Sustainability Statement  
(cont'd)

## SOCIAL

Our capacity to fulfil our commitments to stakeholders and generate long-term value hinges on the dedication of our employees, who exemplify our corporate values such as integrity, transparency, equality, accountability, and innovation in their daily interactions with our stakeholders. We are committed to fostering a safe and supportive work environment by prioritising their well-being and promoting equality and human rights throughout our operations. At the same time, we acknowledge the vital support of the communities where we operate, and we strive to make a positive impact while maintaining our social license to operate.

**Health and Safety****Our Approach**

Ensuring a safe work environment for our employees is not just a priority but a fundamental right, as underscored by the International Labour Organisation framework. Our employees encountered various health and safety hazards daily, ranging from operating equipment and machineries, to exposure to hazardous substances during their tasks. Therefore, our objective is to identify and mitigate these risks, wherever feasible.

We adhere strictly to the Occupational Safety and Health (“OSH”) Act 1994 and comply with the requirements set forth by DOSH. Specifically for our Healthcare Services segment, we uphold the standards outlined by the MSQH. Additionally, we have established an OSH Policy to guide our operations in the three core segments, protecting our employees against work-related injuries and diseases.

In Oleochemical Manufacturing, process safety is a top consideration. We have implemented strict Standard Operation Procedures (“SOP”), mandating that employees wear Personal Protective Equipment (“PPE”) at all times on-site. Similarly, in Milling & Cultivation, adherence to PPE usage is mandatory, especially when handling hazardous materials, during chemical spraying in plantation areas.

In Healthcare Services, given the heightened risk of exposure to various biological hazards, we have instituted an OSH system alongside comprehensive policies and procedures. This system facilitates both clinical and non-clinical incident reporting, aiding in the identification of high-risk activities and the formulation of mitigation strategies to minimise incidents. Emergency preparedness is a key safety focus at Sri Kota. We have established a dedicated emergency response team, which has received extensive training to assist staff, visitors, and patients during emergency situations such as fire or disaster hit. Notably, Sri Kota is a MSQH accredited hospital issued by the MOH in recognition of our quality service and patient safety in the healthcare industry. This accreditation underscores our commitment to delivering high-quality service and prioritising patient safety within the healthcare sector. By attaining this accreditation, we enhance transparency in the healthcare system, thereby fostering a culture of excellence and safety among our healthcare workers.

## Sustainability Statement (cont'd)

### SOCIAL (CONT'D)

#### Health and Safety (cont'd)

##### Our Performance and Progress

We are pleased to report there were no fatalities recorded across the Company and its three core segments' operations during the reviewed year. In FY2024, a total of 636 employees received various health and safety-related trainings across SAB and its core segments.



*GMP+ Feed Safety training conducted  
for Oleochemical Manufacturing's employees*



*SOP Briefing at the Estate*

We recorded a lost time incident rate of 0.63. Healthcare Services segment experienced the highest number of lost-time injuries within the Company, primarily due to incidents such as needle pricks, sharp object injuries, and slips and falls.

We continuously provide industrial health and safety training throughout FY2024, especially to non-executive employees in the Milling & Cultivation segment to enhance their awareness of safety issues in oil palm operations. The ISPO training is also conducted to ensure the sustainability of palm oil for global export, educating plantation workers on industry principles. Apart from that, we also conducted comprehensive health and safety training across all levels of employees in the Healthcare Services and Oleochemical Manufacturing segments to promote safety awareness and cultivate a safer workplace culture.

Sustainability Statement  
(cont'd)

## SOCIAL (CONT'D)

## Health and Safety (cont'd)

## Our Performance and Progress

Details of these training sessions are provided in the table below:

Segments	Key Trainings
Milling & Cultivation	<ul style="list-style-type: none"> <li>• Cardiopulmonary Resuscitation</li> <li>• Chemical Handling and Spraying Mechanisation</li> <li>• Harvesting Skills</li> <li>• ISPO</li> <li>• Manuring Application Training</li> <li>• Noise Awareness</li> <li>• OSH Administration</li> <li>• Safety Training</li> <li>• Tractor Driver</li> </ul>
Healthcare Services	<ul style="list-style-type: none"> <li>• Basic Life Support Training</li> <li>• Bomba Training</li> <li>• Health, Safety &amp; Environment Awareness Training</li> <li>• Incident Reporting &amp; PDPA</li> <li>• Malaysian Patient Safety Goals 2.0</li> </ul>
Oleochemical Manufacturing	<ul style="list-style-type: none"> <li>• Authorised Gas Tester and Entry Supervisor for Confined Space</li> <li>• <i>Cabaran Mendepani Isu Semasa Alam Sekitar</i></li> <li>• Chemical Health Risk Assessment</li> <li>• Conference on OSH</li> <li>• Contractor Safety Awareness</li> <li>• Effective Safety and Health Committee</li> <li>• <i>Pengurusan Risiko &amp; Keselamatan Kebakaran</i></li> <li>• Safety Awareness, Chemical Handling and PPE</li> <li>• OSH Coordinator</li> <li>• Recycling Awareness</li> <li>• Safety Briefing for New Foreign Workers</li> <li>• Scheduled Wastes Management</li> <li>• Working at Height for Contractor</li> </ul>

## Employee Management and Development

## Our Approach

Employee management and development are essential for fostering an engaged and productive workforce. By prioritising these aspects, we enhance employee satisfaction, leading to improved retention rates and the attraction of top talent to our organisation. At SAB, we are committed to cultivating a positive work environment characterised by respect, nurturing and inclusivity, thereby gaining a competitive edge in today's dynamic global market. To achieve this goal, we adopt a comprehensive approach that encompasses various facets, including promoting diversity, offering competitive remuneration and benefits, facilitating learning and development, fostering employee engagement, and upholding human rights.



## Sustainability Statement (cont'd)

### SOCIAL (CONT'D)

#### Employee Management and Development (cont'd)

##### Our Approach

###### Diversity, Equity and Inclusion

As a business with operations abroad, we recognise diversity as our paramount strength in building an inclusive workplace culture. Therefore, we are committed to embracing the principles of Diversity, Equity and Inclusion across all aspects of our operations. This commitment is reflected in the diverse array of talents, knowledge, and skills among our employees, continuously driving the Company and its subsidiaries to maintain a sharp competitive edge in a dynamic global economy.

However, we acknowledge that certain industries we operate in may have a more male-dominated workforce due to labour-intensive tasks. Nevertheless, we are dedicated to providing equal access to opportunities and resources for all employees, eliminating any form of marginalisation to ensure equitable remuneration packages, career advancement, and overall wellbeing within SAB and its subsidiaries.

###### Competitive Remuneration and Benefits

In prioritising the welfare and benefits for our employees, we remain committed to maintaining a competitive compensation and benefits framework aligned with market standards. As part of this commitment, all our office-based employees are required to undergo annual performance reviews, with performance-based bonuses offered to recognise and reward top performers. We also provide comprehensive benefits such as health insurance, retirement plans to attract and retain talents.

###### Learning and Development

We firmly believe in the power of continuous learning and prioritise it through regular training programmes aimed at enhancing employees' skills and keeping them abreast of the latest industry trends. Our employees are empowered to tailor their development plans according to their career aspirations, understanding that addressing skills gaps could contribute to potential promotions. Particularly within the Healthcare Services, where the landscape evolves rapidly alongside regulatory changes, we invest in trainings focusing on safety protocols and procedures, upskilling our workforce to adeptly navigate shifting business requirements. Additionally, we have established succession framework to identify and groom second-line leaders for key positions in all segments as part of its business continuity strategy.

###### Employee Engagement

To nurture a positive work culture, we actively encourage employee involvement in decision-making processes and participation in company activities. This includes townhalls, meetings, social events, and festive celebrations across all business segments to enhance communications and promote a sense of belongings. Furthermore, we place emphasis on recognising and rewarding employees for their contributions and achievements, fostering an engaged workforce with high morale.

###### Upholding Human Rights

We are dedicated to upholding the fundamental rights necessary for a life of dignity for every individual, as outlined in the Universal Declaration of Human Rights. Given our involvement in the palm oil plantation sector, which is often scrutinised for human rights violations, we recognise the crucial importance of enhancing our management of human rights risks. We are guided by international human rights regulations, such as the International Labour Organisation Conventions, and adhere to social requirements stipulated in ISPO standards. The interests of our workers are further protected under a Collateral Agreement represented by the Workers Union, endorsed by Dinas Tenaga Kerja (Disnaker), the Indonesian Government Employment Agency. In our Oleochemical Manufacturing segment, all unionised workers are protected under a Collective Agreement between Southern Acids Industries Sdn. Bhd. ("SAI") and the Chemical Workers Union of Malaya, a trade union registered under the Trade Union Act 1959. Through these frameworks, we strive to adopt best practices aimed at mitigating human rights risks across our operations.

Sustainability Statement  
(cont'd)

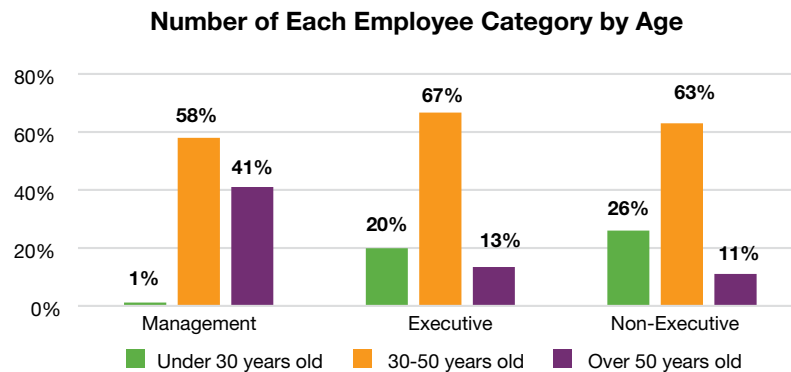
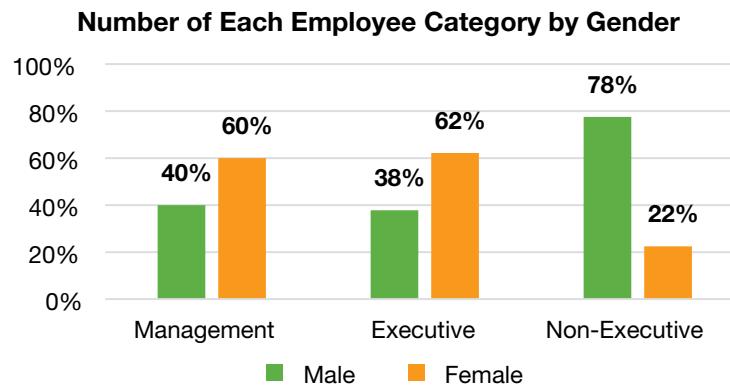
## SOCIAL (CONT'D)

## Employee Management and Development (cont'd)

## Our Performance and Progress

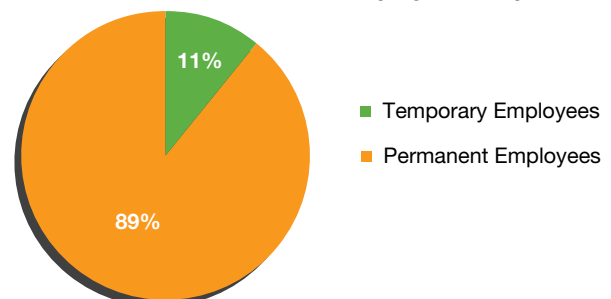
## Diversity, Equity and Inclusion

Our workforce consists of 1,745 employees, comprises 71% male and 29% female.



Our workforce can be divided to temporary and permanent staff. We also engaged 231 non-employee workers to perform specific duties at our operational segments on an as-needed basis, such as equipment maintenance services.

## Employee Composition



## Sustainability Statement (cont'd)

### SOCIAL (CONT'D)

#### Employee Management and Development (cont'd)

##### Our Performance and Progress (cont'd)

###### Learning and Development

We recorded a total of 5,705 trainings hours with the following breakdown by employee category.

Employee Category	Total Hours of Training
Management	788
Executive	1,467
Non-Executive	3,450
<b>Total</b>	<b>5,705</b>

###### Employee Engagement

We organised corporate events across all our segments, including cultural and festive season celebrations such as Chinese New Year, Hari Raya, Deepavali, and more. These events aim to foster better engagement among colleagues and serve as a means to appreciate their hard work throughout the year. Such events boost employee motivation and productivity by fostering team bonding and a sense of community beyond daily work, helping employees feel valued and connected to the Company's culture and mission.

###### Upholding Human Rights

We are pleased to report there were no substantiated complaints concerning human rights violations during the reviewed period. SAB will continue to adhere to human rights regulations in the workplace.

###### Employee Turnover and New Hire

We recorded 168 turnovers during FY2024, with the detailed breakdown as follows:

Number of Employee Turnover		Number of Employee Turnover	
Management	9	Male	76
Executive	22	Female	92
Non-Executive	137	<b>Total</b>	<b>168</b>
<b>Total</b>	<b>168</b>		

At the same time, we recorded 191 new hires during FY2024 to fill vacancies and support our expansion needs. We will continue to invest in employee management and development to attract new talent and support our future growth.

Sustainability Statement  
(cont'd)

## SOCIAL (CONT'D)

## Community Development and Relations

## Our Approach

We strongly believe that the development of the communities in which we operate is integral to the prosperity of our business. The well-being of these local communities not only impacts our reputation as a responsible organisation but also affects our ability to maintain a social license to operate. Therefore, we are committed to organising corporate social responsibility ("CSR") initiatives aimed at fostering stronger relationships with community members, thereby driving meaningful social impact.



*SAI participated in the Responsible Care Run organised by the Chemical Industries Council of Malaysia*

## Our Performance and Progress

Our CSR activities are categorised into four main categories: public health awareness campaign, sponsorship, engagement and development of rural community, and education. In FY2024, SAB invested approximately RM1,063,309 in communities located near our operations in Malaysia and Indonesia, positively impacting the lives of 33,635 individuals.

Here are highlights of key CSR activities conducted during the year under review:

## Make-A-Wish Annual Charity Golf Tournament



*We sponsored the charity golf tournament organised by Make-A-Wish Foundation Malaysia on 25 May 2023, at Tropicana Golf & Country Resort to raise funds for critically ill children.*



## Sustainability Statement (cont'd)

### SOCIAL (CONT'D)

#### Community Development and Relations (cont'd)

##### Footer Klang City Quarter Marathon 2023



*Sri Kota was the Gold Sponsor for the running event held on 17 Dec 2023, in conjunction with Klang's recognition as the fourth city in Selangor. More than 2000 participants joined this marathon in Klang.*

##### Free Eye Screening



*Sri Kota offered free eye checkup by our experienced optometrists to maintain optimal eye health.*

##### Back to school programme

Sri Kota organised a Back-to-School programme for several primary schools to create excitement and ensure students had a good start to the school year. One thousand (1,000) students received a complimentary lunch bag and box for the new academic year.





Sustainability Statement  
(cont'd)

## SOCIAL (CONT'D)

## Community Development and Relations (cont'd)

## Improvement on Infrastructure

PTWan spent around RM665,000 to support the reconstruction and development of the local infrastructure in Indonesia. This programme aims to enhance road surfacing and improve the drainage system for the benefit of the surrounding communities.



## Contribution for Hajj Celebration



*PTMAS and PTWan donated farm animals for ritual sacrifice on Hari Raya Haji in June 2023 to benefit local communities.*

## Pacu Jalur Traditional Festival



*PTMAS and PTWan proudly sponsored the cultural event Pacu Jalur in Kuantan Singingi, Indonesia. It is a traditional cultural boat race that combines sport and heritage, inherited for over hundred (100) years by the Kuansing people.*

## Moving Forward

As we move forward, our primary goal is to cultivate a workplace that is safe, inclusive, and nurturing for all our employees. We are committed to fostering an environment where every individual feels valued, respected, and empowered to thrive. In tandem with this commitment, we will continue to prioritise health and safety measures, implementing robust protocols to ensure the well-being of our workforce remains paramount. Moreover, we recognise the importance of creating positive impact beyond our workplace walls. We are dedicated to actively engaging with and supporting the communities in which we operate, striving to make a meaningful difference in the lives of those around us.

## Sustainability Statement (cont'd)

### Summary of Data and Performance

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	90.90
Executive	Percentage	32.80
Non- Executive	Percentage	2.70
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,063,309.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	33,635.00
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.00
Management Between 30-50	Percentage	58.00
Management Above 50	Percentage	41.00
Executive Under 30	Percentage	20.00
Executive Between 30-50	Percentage	67.00
Executive Above 50	Percentage	13.00
Non-Executive Under 30	Percentage	26.00
Non-Executive Between 30-50	Percentage	63.00
Non-Executive Above 50	Percentage	11.00
Gender Group by Employee Category		
Management Male	Percentage	40.00
Management Female	Percentage	60.00
Executive Male	Percentage	38.00
Executive Female	Percentage	62.00
Non-Executive Male	Percentage	78.00
Non-Executive Female	Percentage	22.00

Sustainability Statement  
(cont'd)

## Summary of Data and Performance (cont'd)

Indicator	Measurement Unit	2024
<b>Bursa (Diversity) (cont'd)</b>		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.30
Female	Percentage	16.70
Under 30	Percentage	-
Between 30-50	Percentage	16.70
Above 50	Percentage	83.30
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	440,438.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate	Rate	0.63
Bursa C5(c) Number of employees trained on health and safety standards	Number	636
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	788
Executive	Hours	1,467
Non- Executive	Hours	3,450
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	22
Non- Executive	Number	137
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.70
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	1,237.00

## Profile Of Directors

### TAN SRI DATUK SERI PANGLIMA SULONG MATJERAIE

*Non-Executive Chairman*

*Independent Non-Executive Director*

*Member of the Nomination & Remuneration Committee*

Aged 77, Male, Malaysian



Tan Sri Datuk Seri Panglima Sulong Matjeraie ("Tan Sri Sulong") was appointed to the Board on 6 August 2014 and subsequently appointed as Independent Non-Executive Chairman on 15 July 2015. He was appointed as the member of the Nomination & Remuneration Committee on 27 February 2018 and was a member of the Audit Committee from 26 November 2020 to 29 February 2024.

Other than SAB, he is also an Independent Non-Executive Chairman of Petra Energy Berhad and WTK Holdings Berhad. He is also the Chairman of the Board of Directors of University of Malaysia, Sarawak and the Chairman of the Board of Guardians of Sarawak Sovereign Wealth Future Fund.

Tan Sri Sulong, who has more than thirty (30) years of legal and judicial experience, was a Federal Court Judge before his retirement in 2013.

He was one of the four eminent persons appointed by the Prime Minister of Malaysia to serve in the Judicial Appointments Commission for two terms. His first term began on 10 February 2013 to 9 February 2015 and his second term was from 10 February 2016 to 9 February 2017.

Tan Sri Sulong is a Bencher of the prestigious Honorable Society of Inner Temple, London and his education background is as follow:

- 1970: obtained his Bachelor of Arts (Honours) Degree from University of Malaya;
- 1971: read Law at the Inns of Court School of Law, London;
- 1974: called to the Bar of England and Wales by the Honorable Society of Inner Temple, London as well as admitted and enrolled as an Advocate to the High Court of Borneo in Kuching;
- 1975: further studied at the University of Southampton, England;
- 1977: conferred with a Master of Law Degree in Mercantile Law by University of Southampton, England;
- 1978: awarded a Certificate in Advanced Management Programme by Banff School of Advanced Management, Canada; and
- 2001: attended the Nineteen International Symposium on Economic Crime at Jesus College, University of Cambridge.

Tan Sri Sulong does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Tan Sri Sulong has no convictions for any offence within the past five years.

Tan Sri Sulong attended all six Board meetings held in FY2024.



Profile Of Directors  
(cont'd)**DR. NICK LOW***Managing Director**Non-Independent Executive Director*

Aged 45, Male, Malaysian

Dr. Nick Low was appointed to the Board on 15 July 2015.

He holds a Diploma in Medical Sciences from International Medical University, an MBA from Open University Malaysia and a Bachelor of Medicine & Bachelor of Surgery from The University of Auckland, New Zealand.

From 2012 to 2015, Dr. Nick Low was involved in the strategic management of an oil palm plantation development project with its grounds in the province of Kalimantan Timur, Indonesia. Dr. Nick Low is a director of the oleochemical manufacturing and tertiary healthcare hospital operating subsidiaries of SAB. He is also a board member of the two Indonesian incorporated estates and palm oil mill operating subsidiaries of SAB. Additionally, Dr. Nick Low is a director of Kumpulan Klinik Medijaya Sdn. Bhd. with its small chain of owned and managed primary health care (general practice) clinics.

Dr. Nick Low does not have any family relationship with any director and/or major shareholder of SAB. The Company and its subsidiaries have entered into recurrent related party transactions with parties in which Dr. Nick Low has direct and/or indirect interests as disclosed in the notes to the Financial Statements section of AR 2024.

Dr. Nick Low has no convictions for any offence within the past five years.

Dr. Nick Low attended all six Board meetings held in FY2024.





## Profile Of Directors (cont'd)

### **DATUK WIRA LIM KIM LONG**

*Executive Director*

*Non-Independent Executive Director*

Aged 64, Male, Malaysian



Datuk Wira Lim Kim Long (“Datuk Wira Lim”) was appointed to the Board on 10 August 2005 and was redesignated as an Executive Director on 28 August 2008.

He pursued his pre-university education at Kolej Tunku Abdul Rahman, Kuala Lumpur. He is actively involved in the corporate affairs and general management of SAB and its subsidiaries, especially in the area of oil palm plantation and employee relations.

Datuk Wira Lim does not have any family relationship with any other director and/or major shareholder of SAB. The Company and its subsidiaries have entered into recurrent related party transactions with parties in which Datuk Wira Lim has direct and/or indirect interests, as disclosed in the notes to the Financial Statements section of AR 2024.

Datuk Wira Lim has had no convictions for any offence within the past five years.

Datuk Wira Lim attended all six Board meetings held in FY2024.

Profile Of Directors  
(cont'd)**CHUNG KIN MUN**

*Non-Independent Non-Executive Director*  
*Chairman of the Nomination & Remuneration Committee*  
*Member of the Audit Committee*

Aged 57, Male, Malaysian



Mr. Chung Kin Mun (“Mr. Chung”) was appointed to the Board on 20 March 2012 and subsequently appointed as the Senior Independent Non-Executive Director on 25 July 2013 until he was re-designated to Non-Independent Non-Executive Director on 20 March 2024.

Following his redesignation, he was also re-designated as a member of the Audit Committee on 29 February 2024 but remain as the Chairman of the Nomination & Remuneration Committee, a position he has held since 26 November 2013.

He holds a Bachelor of Business (Accounting) from the Phillip Institute of Technology, Australia and is a fellow member of Certified Practising Accountant (“CPA”) Australia. He has over twenty (20) years of experience in merchant banking, corporate finance, accounting and general management. Prior to the appointment to the Board, Mr Chung was the Group Chief Financial Officer of Zelan Berhad.

Mr. Chung does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Chung has no convictions for any offence within the past five years.

Mr. Chung attended all six Board meetings held in FY2024.

## Profile Of Directors (cont'd)

### STEPHEN WAN YENG LEONG

*Independent Non-Executive Director*

*Chairman of the Audit Committee*

*Member of the Nomination & Remuneration Committee*

Aged 57, Male, Malaysian



Mr. Stephen Wan Yeng Leong ("Mr. Stephen Wan") was appointed to the Board on 27 March 2023. He was appointed as a member of the Audit Committee on 26 May 2023, and subsequently appointed as the Chairman on 29 February 2024. He was also appointed as a member of the Nomination & Remuneration Committee on 26 May 2023. He is currently also an Independent Non-Executive Director of HCK Capital Group Berhad.

He is a member of the Malaysian Institute of Accountants ("MIA") and member of The Malaysian Institute of Certified Public Accountants ("MICPA").

Mr. Stephen Wan is an approved Company Auditor and is currently the Managing Partner of Moore Stephens Associates PLT, an independent member firm of Moore Global Network Limited. He has also been appointed by the MIA to be a member of the Capital Market Advisory Committee that serve as a liaison between the MIA, regulators and key stakeholders on capital market related matters.

Mr. Stephen Wan has twenty-five (25) years of professional experience which includes more than twenty (20) years of experience in Big Four Accounting Firms. He has professional experience in valuation of shares, and business of companies for purposes of takeover, merger and restructuring exercises, initial public offerings and due diligence. In addition, his experience includes audit and assurance for various listed companies, property development and construction, manufacturing, cement production, trading, publishing, industrial engineering, textile, hotel, investment holding, forwarding agencies, plantation and operational headquarters.

Mr. Stephen Wan does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Stephen Wan has no convictions for any offence within the past five years.

Mr. Stephen Wan attended all six Board meetings held in FY2024.

Profile Of Directors  
(cont'd)**DEBORAH DEBBIE CHOA**

*Independent Non-Executive Director  
Member of the Audit Committee*

Aged 53, Female, Malaysian

Madam Deborah Debbie Choa ("Madam Debbie Choa") was appointed to the Board on 30 August 2023 and subsequently appointed as a member of the Audit Committee on 29 February 2024.

She obtained her Bachelor of Laws (Hons) from the University of Leicester and was called to the Bar of England and Wales by the Honourable Society of Lincoln's Inn.

Madam Debbie Choa started her career as a lawyer, for the first three years in litigation followed by sixteen (16) years in the corporate field. As a partner in a boutique leading law firm, her areas of practice extended to cover corporate finance, capital markets (Islamic and conventional), mergers & acquisitions, debt restructuring, general corporate and commercial.

From 2015 until early 2022, she was part of the founding team of Projek57, an award-winning accredited social enterprise which aspires to influence youths from multicultural backgrounds with nation building values, as well as empower the underprivileged.

Since April 2022, she rejoined legal practice as the Chief Operating Officer of the law firm of Adnan Sundra & Low where she is able to combine her legal experience with management. She also focuses on exploring ways to enhance the practice of the firm including enhancing efficiency and overall capability and formulating their business strategies.

Madam Debbie Choa does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Debbie Choa has no convictions for any offence within the past five years.

Madam Debbie Choa has attended all the three Board meetings held in FY2024 since her appointment.



## Profile Of Senior Management



**CHEONG KEE YOONG**

*Chief Financial Officer*  
Aged 56, Male, Malaysian

Mr. Cheong Kee Yoong ("Mr. Cheong") was appointed as Chief Financial Officer of the Company on 1 October 2013.

He is a graduate of the Association of Certified Chartered Accountants and a member of MIA. He has more than thirty (30) years of working experience particularly in the full spectrum of financial management, corporate planning, treasury management, risk management, tax planning and investor relations activities across various industries. Throughout his career, he has primarily been attached to the corporate office of public listed companies.

He is currently also an Independent Non-Executive Director of Eden Inc. Berhad.

Mr. Cheong does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Cheong has no convictions for any offence within the past five years.

**ALEX CHAN CHOON HOONG**

*Chief Strategic Development Officer*  
Aged 52, Male, Malaysian

Mr. Alex Chan Choon Hoong ("Mr. Alex Chan") joined Southern Acids Cronos Resource Sdn. Bhd., a subsidiary of SAB on 15 December 2010.

He holds a Degree in Mechanical Engineering (B.Eng.) from King's College, University of London. Mr. Alex Chan is currently involved in the strategic development of oil palm and related businesses. In addition, he also oversees the palm kernel expeller overhead conveyor loading services business and the management services business. Prior to joining the Group, Mr. Alex Chan was the head of the business development team of an environmental packaging products company.

Mr. Alex Chan does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Alex Chan has no convictions for any offence within the past five years.



Profile Of Senior Management  
(cont'd)**JENNIFER LOW SWEE YIM***Strategic Integration Director*

Aged 44, Female, Malaysian

Madam Jennifer Low Swee Yim ("Madam Jennifer Low") joined Southern Acids Cronos Resource Sdn. Bhd., a subsidiary of SAB on 5 January 2009.

She holds a Degree in Information Technology (B.IT) from Charles Sturt University, Australia and a Master's Degree in Commerce (Majoring in Accounting and Information System) from University of Sydney, Australia. Since January 2015, Madam Jennifer Low has been involved in supporting the strategic re-engineering of SAB and its subsidiaries' operating business management body for oil palm and related technical operation assets, with specialisation in strategic integration. In March 2019, Madam Jennifer Low was appointed as Integration Director of Southern Acids Industries Sdn. Bhd., and shortly after, she was promoted to Strategic Integration Director of SAB in March 2020.

Prior to joining the Company, Madam Jennifer Low was a Manager in Business Assurance with PricewaterhouseCoopers Australia, specialising in systems and process reviews for large multi-national companies globally.

Madam Jennifer Low does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Jennifer Low has no convictions for any offence within the past five years.

**EDWARD LAI***Special Technology Affairs Director*

Aged 36, Male, Malaysian

Mr. Edward Lai joined Southern Edible Oil Industries (M) Sdn. Bhd. ("SEOI"), a sister company of SAB on 16 July 2014 and subsequently transferred to the Chief Executive Officer's office of SAB on 1 January 2022.

He holds a Master of Science in Chemical Engineering (MSc ChE) from National University of Singapore, Singapore.

Mr. Edward Lai has been involved in supporting the technical operations of palm oil refining and specialty fats making, as well as the commercial marketing and sales of palm oil products, during his employment period with SEOI. Prior to joining SEOI, Mr. Edward Lai was a CZ Technology Engineer with Siltronic Samsung Wafer Pte. Ltd. Singapore, specialising in silicon crystal growing process technology to manufacture 300mm silicon wafers.

Mr. Edward Lai does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Edward Lai has no convictions for any offence within the past five years.

## Profile Of Senior Management (cont'd)



**THEVAKUMAR KALIAPERUMAL**

*General Manager Operations, Milling & Cultivation*  
Aged 54, Male, Malaysian

Mr. Thevakumar Kaliaperumal (“Mr. Thevakumar”) joined SAB on 1 December 2013. He was promoted to Deputy General Manager on 1 October 2021 and to General Manager Operations on 1 January 2023.

Mr. Thevakumar holds a Diploma in Mechanical Engineering from Bedford College, Kuala Lumpur. He is currently in-charge of SAB’s Milling & Cultivation operation business unit which is based in Riau, Indonesia. He started his career with an oil palm plantation and milling group, JC Chang Group Ltd in 1989. He was the senior assistant manager while at JC Chang Group in the milling section. He subsequently left in 2011 to join Kurnia Setia Bhd, prior to joining SAB. While at Kurnia Setia Bhd, he held a similar position and managed the milling operations.

Over the years, he has accumulated more than thirty (30) years of experience in the oil palm industry especially in milling management.

Mr. Thevakumar does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Thevakumar has no convictions for any offence within the past five years.

**HERRY MUKIAT**

*General Manager Development, Milling & Cultivation*  
Aged 60, Male, Indonesian

Mr. Herry Mukiat (“Mr. Mukiat”) was appointed as General Manager Development on 1 January 2023. He has spent several years with Indonesian conglomerates of Raja Garuda Mas from 2004 to 2010 and held various directorships at Barito Pacific across Indonesia. He has also spent seven years in corporate banking with Credit Lyonnais in Indonesia and France from 1991 to 1998. He holds a degree in Bachelor of Business from University of Incarnate Word, Texas, USA in 1988, and a Master of Business Administration degree from University of Texas at San Antonio, USA.

He was appointed as a Commissioner for PTMAS and PTWan from 7 October 2010 to 14 September 2022. He was subsequently appointed as the Director for PTMAS and PTWan on 14 September 2022.

Mr. Mukiat does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Mukiat has no convictions for any offence within the past five years.

Profile Of Senior Management  
(cont'd)**TIONG CHUU LING****KHOO CHIN TEE***Chief Operating Officer, Oleochemical Manufacturing**General Manager, Oleochemical Manufacturing*

Aged 71, Male, Malaysian

Aged 62, Male, Malaysian

Mr. Tiong Chuu Ling (“Mr. Tiong”) joined Southern Acids Industries Sdn. Bhd., a subsidiary of SAB on 1 July 1982. He was promoted to the Chief Operating Officer on 18 January 2011.

Mr. Tiong holds a Bachelor of Science degree from University of Auckland. He has vast experience in the oleochemical industry. He currently oversees the entire operation of SAB’s Oleochemical Manufacturing.

Mr. Tiong does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Tiong has no convictions for any offence within the past five years.

Mr. Khoo Chin Tee (“Mr. Khoo”) joined Southern Acids Industries Sdn. Bhd., a subsidiary of SAB on 8 January 1990. He was promoted to General Manager on 2 January 2023.

He holds a Bachelor of Science degree from Campbell University, USA. He has thirty-four (34) years of extensive experience in sales and marketing in the oleochemical industry. He currently oversees the sales and marketing operations of SAB’s Oleochemical Manufacturing.

Mr. Khoo does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Khoo has no convictions for any offence within the past five years.

## Profile Of Senior Management (cont'd)



**TAN SUET GUAN**

*Hospital Director, Healthcare Services*

Aged 66, Female, Malaysian

Madam Tan Suet Guan (“Madam Tan”) was appointed as Hospital Director of Southern Medicare Sdn. Bhd., a subsidiary of SAB on 2 September 2014.

She holds a Diploma in Management from University of Malaya. She has more than forty (40) years of experience in the healthcare industry and involved in the areas of accounting, information technology and management. She is currently in-charge of SAB’s Healthcare Services.

Madam Tan began her career with Pantai Hospital (“Pantai”) as an Accounts Officer in 1982 and rose to the rank of Chief Executive Officer before she left and joined Sunway Medical Centre (“SMC”) in 2013. During her stint with Pantai, Madam Tan introduced the new Paediatric Ward, Satellite Pharmacy, Hearing Centre, Endoscopy Services, Cancer Centre, Breast Care Centre and Spine & Joint Centre. In 2009, she guided Pantai Kuala Lumpur to achieve the prestigious Joint Commission International Accreditation. During her short tenure with SMC, she steered SMC to become the first hospital in Southeast Asia to achieve the Australia Council on Healthcare Standards Award in 2014.

Madam Tan does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Tan has no convictions for any offence within the past five years.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT





# Corporate Governance Overview Statement

The Board of Directors of the Company presents this Corporate Governance Overview Statement (“Statement”) which is prepared in compliance with the Bursa Malaysia MMLR for FY2024.

This Statement provides shareholders and other stakeholders with an overview of the approach undertaken the Company in applying the principles of corporate governance during its FY2024 and is to be read in conjunction with the Company’s Corporate Governance Report 2024 (“CG Report 2024”).

The overview takes guidance from the three key principles and the practices as set out in the MCCG, which are:

<b>Principle A</b>	Board leadership and effectiveness
<b>Principle B</b>	Effective audit and risk management
<b>Principle C</b>	Integrity in corporate reporting and meaningful relationship with stakeholders

The Company’s CG Report 2024, which is available on the Company’s website, further elaborates on the detailed applications of each practice and the extent of compliance with the best practices set out in MCCG as well as the alternative measures that were taken during FY2024.

The following section sets out the Board’s commitment towards the application of the principles and practices of the MCCG and achieving its intended outcomes.

## PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board Responsibilities

#### The Board

The Board is collectively responsible for the effective governance and management of the Company and its subsidiaries as well as serves as fiduciary responsibility for the Company’s financial and organisational health with the ultimate objective to ensure that sustainable value is delivered to its stakeholders.

In order to discharge its stewardship role effectively, the Board has delegated its authority, specific duties and responsibilities to the following Board Committees to carry out the Board’s oversight functions, namely AC and NRC which have their own clearly defined TOR respectively and are available for reference on the Company’s website at [www.southernacids.com](http://www.southernacids.com).

Ultimately the Board is responsibility for the management and oversight of business affairs, corporate governance, strategic direction, as well as financial and organisational matters of the Company. The overall governance model delegates specific powers to Board Committees and the MD.

The roles of the Board are clear and distinct from that of the MD.

#### Distinct Roles between Chairman and Managing Director

In maintaining effective supervision, accountability and good governance of the Board and the senior management of the Company (“Senior Management”), the position of Chairman and MD are held by different individuals, thereby ensuring balance of power and authority. The segregation of roles facilitates an open exchange of views between the Board and Senior Management in their deliberation of key matters of the Company.

The Independent Non-Executive Chairman who is primarily responsible for the stewardship and smooth functioning of the Board, takes a leading role in establishing an effective corporate governance system and practices as well as encouraging active participation and allowing dissenting views to be expressed freely. This ensures that discussions and contributions from all Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion.

The MD of the Company is primarily responsible for the overall implementation of the Board’s policies and decisions and to manage the Company’s businesses and the day-to-day operations, within the authorities as delegated by the Board. The MD also acts as the conduit between the Board and Senior Management in ensuring the success of the Company’s overall governance and management functions.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board Responsibilities (cont'd)

##### Board Charter, Codes and Policies

The Board has established the following:

##### Board Charter

Each Director has a fiduciary duty to act in the best interest of the Company and its subsidiaries. The Directors collectively are fully aware of their responsibilities to the stakeholders for the manner in which the affairs of the Company and its subsidiaries are managed, as guided by the Board Charter.

The Board Charter further defines the respective roles of the Board Committees, the Chairman and the MD. The Board Charter is available for reference on the Company's website.

##### CoCE

In promoting good business conduct and maintaining a healthy corporate culture, the Board has in place the CoCE which sets out the minimum standards for directors and employees, to affirm its commitment to practise the highest level of integrity and ethics. The CoCE serves as a guide for conflict-of-interest situations, as well as proper standards of business ethics and conduct for the Company and its subsidiaries in conducting their daily activities.

##### Whistleblowing Policy

The Board has established a Whistleblowing Policy and it embodies the Company and its subsidiaries' commitment in ensuring the highest possible of standards of ethical, moral and legal business and open communication.

This policy provides an avenue for employees and third parties such as business associates and stakeholders to raise matters of serious concerns that could adversely impact the Company and its subsidiaries without the fear of reprisal.

##### ABAC Policy

The Company has adopted a zero-tolerance approach against all forms of bribery and corruption in all its overall business dealings.

The establishment of the ABAC Policy demonstrates the Company's commitment in ensuring that the Company and its subsidiaries adhere to the principles of good corporate governance and emphasises on operating its business with fairness and transparency.

##### Directors' Fit & Proper Policy

Directors' Fit and Proper Policy sets out the standards and expectations on the suitability of all candidates and the current Directors of the Company. It provides transparency on the selection for the Board composition in order to ensure that the Directors of the Company have the character, integrity and competence required to perform the roles and responsibilities of a Director of a public listed company.

These documents define the Company's commitment towards issues relevant to good corporate governance and will be periodically reviewed to ensure relevance and applicability. They are all accessible on the Company's website.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board Responsibilities (cont'd)

##### Access to Information & Independent Professional Advice

All Board members have full access to the company secretaries whom have legal qualifications and are qualified to act as company secretary under the Companies Act 2016 (“CA 2016”). The company secretaries ensure the Directors are provided with sufficient information and time to prepare for Board meetings. In addition, the company secretaries also prepare meeting minutes in a timely manner and provide advisory service to the Board on corporate administration and governance matters.

Independent Non-Executive Directors also have separate and independent access to the MD, Executive Director (“ED”) and/or Senior Management for supplementary or explanatory information which is pertinent in discharging their duties.

The Directors may seek independent professional advice in the furtherance of their duties at the Company’s expense whenever necessary.

##### Board Committees

Board Committees are set up to examine specific issues within their respective approved TOR and report to the Board with their recommendations. However, the ultimate responsibility for decision making remains with the Board.

##### The AC

The primary objective of the AC is to assist the Board in carrying out its statutory and fiduciary responsibilities relating to financial reporting and audit processes as well as internal audit, internal controls and compliance with laws, regulations and guidelines.

A full AC report is set out on pages 74 to 77 of this Annual Report.

##### The NRC

The NRC is primary responsible for overseeing the nomination and selection of Board members, the non-independent directors namely the MD and the ED as well as the Chief Financial Officer (“CFO”). This includes the assessment framework for the Senior Management, assessing and monitoring the Board’s composition and effectiveness, undertaking development needs and succession planning initiatives. On remuneration aspect, the NRC will be recommending and reviewing policies including the remuneration structure/ framework for the Board and the Senior Management.

In discharging its responsibilities, NRC is guided by its TOR. The TOR was last reviewed and approved by the Board on 29 February 2024.

During the financial year, there have been changes in the NRC members. Mr. Stephen Wan was appointed as a new NRC member on 26 May 2023 and subsequently Madam Leong So Seh ceased to be a member of NRC following her vacation of office effective 1 June 2023. As at the date of the Statement, the NRC comprises three (3) members; two Independent Directors and one Non-Independent Director who is also the Chairman of NRC.

Corporate Governance Overview Statement  
(cont'd)**PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1. Board Responsibilities (cont'd)****Board Committees (cont'd)****The Nomination & Remuneration Committee (cont'd)**

The NRC held four meetings in FY2024. The matters considered by the NRC in FY2024 are summarised as follow: -

Nomination matters	<ul style="list-style-type: none"> <li>Regularly reviewed the succession planning of the senior management for the three core business segments</li> <li>Reviewed and recommended the outcome of the annual assessment of board members, board committees, executive directors, independent directors and company secretaries</li> <li>Reviewed and recommended the appointment of new independent directors</li> <li>Reviewed and recommended the composition of Board and the two Board Committees</li> <li>Reviewed and recommended the redesignation of an Independent Non-Executive Director to Non-Independent Non-Executive Director</li> <li>Reviewed and recommended the service contract for ED who has reached retirement age</li> </ul>
Remuneration matters	<ul style="list-style-type: none"> <li>Reviewed and recommended the annual fees/allowances and other benefits for board members</li> <li>Reviewed and recommended the annual increment and bonus for the MD, ED and CFO</li> <li>Reviewed and recommended the remuneration for the service contract of ED</li> </ul>

**Board Composition**

As at 31 March 2024, the Board comprises six members which consist of one Non-Independent Non-Executive Director, three Independent Non-Executive Directors and two Non-Independent Executive Directors. During the financial year there have been changes in the Board members. Mr. Stephen Wan was appointed as the new Board member on 27 March 2023 whereas Madam Leong So Seh ceased to be a member of the Board following her vacation of office effective 1 June 2023. Subsequently Madam Debbie Choa was appointed as the new Board member on 30 August 2023.

The Details of the Directors, which include their dates of appointment, qualifications and experience, are set out in the Board of Directors' Profile section in this AR 2024.

Analysis of the Board diversity

BOARD DIVERSITY			
1	Composition	Independent Non-Executive Director Non-Independent Executive Director	50.0% 50.0%
2	Skills	Medical Oil Palm Cultivation Palm Oil Milling Accounting/Financial Management Financial Advisory Legal – Corporate, Corporate Finance & Judiciary	
3	Age	40 – 49 50 – 59 60 – 69 Above 70	16.7% 50.0% 16.7% 16.6%
4	Gender	Male Female	83.3% 16.7%
5	Ethnicity	Malay/Bumiputera Chinese	16.7% 83.3%

The Board acknowledges the importance of gender diversity within the Board and Senior Management. However, the Company also practices the selection of suitable candidates based on the candidates' knowledge, merit, qualification, competency and other qualities in meeting the needs of the Company and its subsidiaries.

Corporate Governance Overview Statement  
(cont'd)

## PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## 1. Board Responsibilities (cont'd)

## Board and Board Committee Meeting Attendance

In FY2024, Directors has shown full commitment of their duties and responsibilities as reflected by their attendance at Board and Board Committees meetings. The attendance of members of the Board and Board Committees meetings held during FY2024 is detailed as follow:

Director	BOD	AC	NRC
<b>Independent Non-Executive Chairman</b>			
Tan Sri Sulong	6/6	5/5	4/4
<b>Independent Non-Executive Directors</b>			
Stephen Wan ^	6/6	4/4	3/3
Debbie Choa ^^	3/3	-	-
Leong So Seh ^^^	1/1	1/1	1/1
<b>Non-Independent Non-Executive Director</b>			
Chung Kin Mun ^^^^	6/6	5/5	4/4
<b>Non-Independent Executive Directors</b>			
Dr Nick Low	6/6	-	-
Datuk Wira Lim	6/6	-	-
<b>Number of Meetings Held</b>	<b>6</b>	<b>5</b>	<b>4</b>

^ Appointed as a member of the AC and the NRC on 26 May 2023

^^ Appointed as a member of the Board on 30 August 2023

^^^ Vacation of office on 1 June 2023

^^^^ Redesignated as Non-Independent Non-Executive Director on 20 March 2024

## Continuous Professional Development

Directors are encouraged to participate in a variety of educational programmes, talks, seminars, workshops and conferences to keep themselves abreast with the current developments in the business environment as well as with the new statutory and regulatory requirements.

1	<p>Tan Sri Sulong, Independent Non-Executive Chairman</p> <p>Asia School Of Business</p> <p>➤ Board Oversight of Climate Risks and Opportunities</p> <p>Bursa Malaysia</p> <p>➤ Advocacy Session for Directors and CEO of The Main Market Listing Requirements</p>
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Corporate Governance Overview Statement  
(cont'd)**PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1. Board Responsibilities (cont'd)****Continuous Professional Development (cont'd)**

2	<p>Dr Nick Low, Managing Director</p> <p>Young Presidents Organisation (“YPO”) And London Business School</p> <ul style="list-style-type: none"> <li>➤ YPO Leaders &amp; Entrepreneur Programme</li> </ul> <p>Asia School Of Business</p> <ul style="list-style-type: none"> <li>➤ Board Oversight of Climate Risks and Opportunities</li> </ul> <p>Association Of Private Hospitals Malaysia</p> <ul style="list-style-type: none"> <li>➤ International Healthcare Conference &amp; Exhibition 2023</li> </ul> <p>Malaysian Palm Oil Association</p> <ul style="list-style-type: none"> <li>➤ National Palm Oil Conference 2023</li> </ul> <p>Bursa Malaysia Derivatives Berhad</p> <ul style="list-style-type: none"> <li>➤ Palm Oil Conference 2024</li> </ul> <p>Healthcare Asia</p> <ul style="list-style-type: none"> <li>➤ Healthcare Asia Summit 2024</li> </ul> <p>Appollo Hospitals</p> <ul style="list-style-type: none"> <li>➤ 11th International Patient Safety Conference 2024</li> </ul>
3	<p>Datuk Wira Lim, Executive Director</p> <p>Malaysian Palm Oil Association</p> <ul style="list-style-type: none"> <li>➤ National Palm Oil Conference 2023</li> </ul> <p>Indonesian Palm Oil Association</p> <ul style="list-style-type: none"> <li>➤ Indonesian Palm Oil Conference 2023</li> </ul> <p>Malaysian Palm Oil Board</p> <ul style="list-style-type: none"> <li>➤ International Palm Oil Congress &amp; Exhibition 2023</li> </ul> <p>Bursa Malaysia Derivatives Berhad</p> <ul style="list-style-type: none"> <li>➤ Palm Oil Conference 2024</li> </ul>
4	<p>Chung Kin Mun, Non-Independent Non-Executive Director</p> <p>CPA Australia</p> <ul style="list-style-type: none"> <li>➤ International Financial Reporting Standards (“IFRS”) Update 2023</li> <li>➤ Building Value with ESG: The Important Role of Accountants</li> <li>➤ Overview and Implications of Game-Changing ChatGPT</li> <li>➤ Forward Thinkers: Revolutionising Strategies and Solutions</li> <li>➤ Why Accountants Must Be Prepared for The Digital Banking Landscape</li> </ul> <p>KPMG</p> <ul style="list-style-type: none"> <li>➤ Overview of Carbon Border Adjustment Mechanism</li> <li>➤ Navigating Capital Gains Tax</li> </ul> <p>Securities Commission</p> <ul style="list-style-type: none"> <li>➤ Audit Oversight Board Conversation with Audit Committee</li> </ul>

## Corporate Governance Overview Statement (cont'd)

### PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board Responsibilities (cont'd)

##### Continuous Professional Development (cont'd)

5	<p>Stephen Wan, Independent Non-Executive Director</p> <p>MIA</p> <ul style="list-style-type: none"> <li>➤ Capital Market Advisory Committee Meeting</li> <li>➤ Audit Evidence and Sampling</li> <li>➤ Malaysian Financial Reporting Standards (“MFRS”)/IFRS Technical Update 2023</li> <li>➤ Reporting Financial Instruments MFRS 9 Financial Instruments (Together with MFRS 132 and MFRS 7) Sections 11, 12 and 22, Malaysian Approved Accounting Standards for Private Entities</li> </ul> <p>Malaysian Institute of Certified Public Accountants</p> <ul style="list-style-type: none"> <li>➤ Addressing The Audit Oversight Board’s Common Inspection Findings</li> </ul> <p>Moore Stephens Associates PLT</p> <ul style="list-style-type: none"> <li>➤ Caseware Induction</li> <li>➤ Income Tax – Basic Understanding</li> <li>➤ MFRS 112 Income Tax – Deferred Taxes</li> <li>➤ MFRS 2 Share Based Payments</li> <li>➤ Agriculture / Aquaculture</li> <li>➤ Property Development Activities</li> <li>➤ MFRS 15 Revenue</li> <li>➤ MFRS 121 Foreign Exchange</li> <li>➤ MFRS 8 Operating Segments</li> <li>➤ MFRS 16 Leases</li> </ul>
6	<p>Debbie Choa, Independent Non-Executive Director</p> <p>Institute of Corporate Directors Malaysia</p> <ul style="list-style-type: none"> <li>➤ Bursa Malaysia Mandatory Accreditation Programme</li> </ul>

#### Board Remuneration

Director remuneration matters are under the purview of the NRC as guided by its TOR which is subject to annual review. It is set at a competitive level to attract and retain high-calibre individuals with the relevant skills and experience for effective management and operations.

Non-Executive Directors with extra responsibilities, such as chairing the Board and the AC receive additional fees. Remuneration is based on fixed annual fees and fixed meeting allowances and must align with their contributions to the Company & its subsidiaries.

The Directors concerned would abstain from deliberation and decisions relating to their own remuneration. The annual directors’ fees and benefits payable are reviewed each financial year and are subject to shareholders’ approval at the AGM.

The Company is seeking shareholders’ approval for the following payment of fees for FY2024 at the upcoming 43rd AGM.

	Director’s Remuneration (RM)	
	Fee (per annum)	Meeting Allowance (per meeting)
Board Chairman	135,000	1,600
AC Chairman	135,000	1,600
Board Member	90,000	800

Corporate Governance Overview Statement  
(cont'd)

## PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## 1. Board Responsibilities (cont'd)

## Board Remuneration (cont'd)

The details of the remuneration of the Directors of the Company comprising received and receivables payable from the Company as well as the Company and its subsidiaries during FY2024 are as follows:

## Company-Level

	Remuneration ^ RM	Fee RM	Meeting Allowance (RM)	BIK ^^ RM	Total (RM)
<b>Independent Non-Executive Chairman</b>					
Tan Sri Sulong	-	135,000	16,800	-	151,800
<b>Independent Non-Executive Directors</b>					
Stephen Wan	-	93,750	11,200	-	104,950
Debbie Choa ^^^	-	52,984	2,400	-	55,384
Leong So Seh ^^^^	-	15,250	2,400	-	17,650
<b>Non-Independent Non-Executive Director</b>					
Chung Kin Mun ^^^^^	-	131,250	19,200	-	150,450
<b>Non-Independent Executive Directors</b>					
Dr Nick Low	805,726	90,000	12,000	34,151	941,877
Datuk Wira Lim	615,326	90,000	12,000	41,722	759,048

## Company and its subsidiaries-Level

	Remuneration ^ RM	Fee RM	Meeting Allowance (RM)	BIK ^^ RM	Total (RM)
<b>Independent Non-Executive Chairman</b>					
Tan Sri Sulong	-	135,000	16,800	-	151,800
<b>Independent Non-Executive Directors</b>					
Stephen Wan	-	93,750	11,200	-	104,950
Debbie Choa ^^^	-	52,984	2,400	-	55,384
Leong So Seh ^^^^	-	15,250	2,400	-	17,650
<b>Non-Independent Non-Executive Director</b>					
Chung Kin Mun ^^^^^	-	131,250	19,200	-	150,450
<b>Non-Independent Executive Directors</b>					
Dr Nick Low	805,726	105,000	12,000	34,151	956,877
Datuk Wira Lim	615,326	147,392	12,000	41,722	816,440

^ Base salary, annual bonus and EPF contributions

^^ BIK is Benefits-in-kind ("BIK")

^^^ Appointed as a member of the Board on 30 August 2023

^^^^ Vacation of office on 1 June 2023

^^^^^ Redesignated as Non-Independent Non-Executive Director on 20 March 2024

## Corporate Governance Overview Statement (cont'd)

### PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. Board Responsibilities (cont'd)

##### Senior Management Remuneration

The NRC and the Board are of the opinion that, given the confidentiality and sensitivity of the remuneration matters, the competition for talent in the industry and the importance of retaining the Senior Management in ensuring stability and continuity of the overall Company's businesses, it is in the best interests of the Company to disclose the aggregate remuneration for the top 5 Senior Management.

The top 5 Senior Management's remuneration (excluding EDs) of the Company and its subsidiaries in alphabetical order in FY2024 are as follows:

- Alex Chan Choon Hoong
- Cheong Kee Yoong
- Herry Mukiat
- Tan Suet Guan (Madam)
- Thevakumar Kaliaperumal

The aggregate remuneration of the top 5 Senior Management was RM3.6 million which was computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, benefits-in-kind and other emoluments.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee

During the financial year, there have been changes in the AC composition. In May 2023, Mr. Stephen Wan was appointed as new addition member to the AC and Madam Leong So Seh ceased to be a member of the AC following her vacation of office effective 1 June 2023. Following the redesignation of Mr. Chung Kin Mun from AC chairman to AC member in February 2024, the AC has been recomposed. The AC is now chaired by Mr. Stephen Wan with Madam Debbie Choa and Mr. Chung Kin Mun as members. The changes in the AC composition were reviewed and recommended by the NRC according to its TOR in its meetings held in May 2023 and February 2024.

As at 31 March 2024, the AC comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the AC is not the Chairman of the Board and is chaired by an Independent Non-Executive Director who is a member of MIA as well as member of MICPA.

The roles and responsibilities as well as the summary of its work and activities carried out in FY2024, are set out in the AC Report on page 74 to page 77 of the AR 2024.

#### Risk Management and Internal Control Framework

It is the responsibility of the Board to ensure a sound system of risk management and internal control to safeguard shareholders' investment, the Company and its subsidiaries' assets and the interests of other stakeholders of the Company. Sustainability matter is included under the risk management.

In SAB, presently the primary risk management and internal control oversight responsibilities are under the purview of the AC. PwC RS has been appointed as the internal auditor to assist the AC in the areas of risks and controls and any other ad hoc assignments deemed relevant. Internally the AC is supported by the SRAB at management level.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on page 78 to page 82 of the AR 2024.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONS WITH STAKEHOLDERS

#### Communication with Stakeholders

The Board and Senior Management are committed to communicate with its shareholders, institutional investor and the investing public at large, and all the communication is transparent, timely and with quality disclosure as well as ensures impartial treatment of investors by promptly and equitably disseminating a clear and complete picture of the overall Company's financial performance and position.

The various channels of communications are through disclosures and announcements made to Bursa Malaysia from time to time, the Company's annual reports, annual general meetings, as well as the Company's website.

The Company also has a dedicated email address [kycheong@southernacids.com](mailto:kycheong@southernacids.com) which is listed on the Company's website, under Contact for Enquiries to which stakeholders can direct their queries and concerns.

#### Conduct of AGM

The AGM is the principal forum for dialogue and interaction with its shareholders at which shareholders are informed and updated annually on the current developments of the Company and its subsidiaries.

The overview of the overall Company's financial performance, including its prospects and challenges are presented to the shareholders where the shareholders are encouraged to participate in the Questions and Answers session. The Board members, Senior Management and the Company's external auditors, Deloitte PLT are present to respond to the shareholders' questions during the meeting. Valid suggestions and feedbacks given by the shareholders are duly noted by the Board for due consideration.

In line with Paragraph 8.29A of the Bursa Malaysia MMLR, all resolutions set out in the notice of AGM are voted by poll. The Company continues to leverage on technology to facilitate voting via e-polling. E-polling was conducted in last year's AGM, whereby poll results were announced almost immediately and displayed on the screen after the e-polling was conducted by the poll administrator and validated by the independent scrutineer.

This Corporate Governance Overview Statement was approved by the Board of SAB on 5 July 2024.



# AUDIT COMMITTEE REPORT



## Audit Committee Report

The Board is pleased to present the AC Report for FY2024 in compliance with paragraph 15.15(1) of the Bursa Malaysia MMLR. The function of the AC is to assist the Board in fulfilling its fiduciary responsibilities and overall responsibilities primarily in reviewing the adequacy and integrity of the Company's financial administration and reporting as well as risk management framework.

### Terms of Reference

In discharging its responsibilities, the AC is guided by its TOR which can be viewed on the Company's website at [www.southernacids.com](http://www.southernacids.com). The TOR was last reviewed and approved by the Board on 30 May 2024.

### Composition and Meetings

During the financial year, there have been several changes in the AC composition. Mr. Stephen Wan was appointed as the new AC member on 26 May 2023 whereas Madam Leong So Seh ceased to be a member of the AC following her vacation of office effective 1 June 2023. Following the redesignation of Mr. Chung Kin Mun from Independent Non-Executive Director to Non-Independent Non-Executive Director, Mr. Stephen Wan was appointed as the new AC Chairman on 29 February 2024. On the even date, Tan Sri Sulong ceased to be a member of the AC and was replaced by Madam Debbie Choa.

The present AC comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the AC is not the Chairman of the Board and is chaired by an Independent Non-Executive Director who is a member MIA as well as member of MICPA. Accordingly, the current AC composition complies with Paragraph 15.09(1)(a), (b) and (c) of the Bursa Malaysia MMLR as well as Practice 9.1 of the MCGG.

AC members who were in office during FY2024 and up to the date of this report including their respective attendance records of the five meetings held in FY2024, are as follows:

Name	Appointment	Ceasation Date	Position	Attendance
Stephen Wan (Note 1) Independent Non-Executive Director	29 February 2024	-	Chairman	4/4
Chung Kin Mun (Note 2) Non-Independent Non-Executive Director	29 February 2024	-	Member	5/5
Debbie Choa Independent Non-Executive Director	29 February 2024	-	Member	-
Tan Sri Sulong Independent Non-Executive Director	26 November 2020	29 February 2024	Member	5/5
Leong So Seh Independent Non-Executive Director	9 April 2009	1 June 2023	Member	1/1

#### Note 1

Appointed as AC Member on 26 May 2023

Redesignated as AC Chairman on 29 February 2024

#### Note 2

Redesignated from AC Chairman to AC member on 29 February 2024

The AC held five meetings during the financial year with full attendance recorded for all committee members. This also satisfied the minimum number of meetings stipulated in the AC TOR which requires the AC to meet at least four times in a financial year.

The MD, ED, CFO and other Senior Management were invited to attend meetings to provide clarifications on matters discussed, update on financial performance as well as operations. Internal auditors attended three of these meetings whereas the External Auditors attended two of these meetings.

The AC Chairman reported to the Board the activities that it had undertaken and the key recommendations for the Board's deliberation and decision. Minutes of each AC meeting was recorded and tabled for confirmation at the following meeting to subsequently presented to the Board for notation.

## Audit Committee Report (cont'd)

### Summary of Activities of the Audit Committee during the Financial Year

In line with the TOR of the AC, the AC had carried the following activities during the financial year.

#### 1 Financial Reporting

- Reviewed with the management and deliberated the unaudited quarterly interim financial results including announcements to the Bursa Malaysia; and
- Reviewed and recommended the 2023 Annual Financial Report of the Company.

#### 2 External Audit

- Reviewed and deliberated the audit progress report for FY2023 by Deloitte PLT;
- Assessed and deliberated the suitability, objectivity and independence of Deloitte PLT together with the proposed audit fees and their re-appointment; and
- Reviewed and deliberated the Professional Service Planning Memo by Deloitte PLT with regards to the audit of FY2024.

#### 3 Internal Audit

- Reviewed and deliberated the internal audit plan for SAB and its subsidiaries, and the proposed internal audit fees by PwC RS; and
- Reviewed and recommended the internal audit reports and the work performed by PwC RS including the audit findings and the proposed action plans. During the financial year under review, two internal audit reports were presented by PwC RS on the following segment:
  1. Oleochemical Manufacturing segment; and
  2. Milling and Cultivation segment.

#### 4 Risk Management & Internal Control Systems

- Regular briefing on Healthcare Services segment's enterprise risk management activities;
- Reviewed, deliberated and recommended the AC Report and Statement on Risk Management and Internal Control to the Board for approval for inclusion in the AR 2023; and
- Assessed and deliberated on the appointment of sustainability consultant for the preparing of the sustainability statement for the inclusion in the AR 2024.

#### 5 Related Party Transaction ("RPT")

- Reviewed and deliberated related party and recurrent related party transactions ("RRPTs") of the Company and its subsidiaries; and
- Reviewed, deliberated and approved the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Existing RRPTs of a Revenue or Trading Nature in respect of the proposed shareholders' mandate for RRPTs.

## Audit Committee Report (cont'd)

### Internal Audit Function

The Company outsourced its internal audit function to an independent professional firm, namely PwC RS who will assist the AC in discharging its duties and responsibilities. The key role of the internal auditors is to provide reasonable assurance to the AC on the effectiveness of the risk management and internal control processes within SAB and its subsidiaries.

To ensure its independence, PwC RS reports directly to the AC on a functional basis and to the MD administratively. The internal audit plan is formulated based on a risk-based approach and is presented to the AC for approval after due evaluation on the adequacy of the scope, functions, resources and the competency of PwC RS. Feedback from the MD and ED were also sought by the AC on the appropriateness and relevance of the suggested audit areas which reflects the changing risk landscape for consideration prior to the AC's approval of the Audit Plan for PwC RS to commence audit work.

The internal audit was performed in accordance with generally acceptable internal auditing practices.

The approach undertaken in carrying out the engagement were as follows:

- Discuss with management to understand the key issues in the organisation;
- Identify and test the key/ selected controls for the areas under review;
- Discuss the exceptions with the process owners and obtain their comments where exceptions were noted;
- Provide recommendations to address the gaps identified; and
- Present audit observations to the AC

The total costs incurred by PwC RS in discharging its function and responsibilities amounted to RM145,000.00 for FY2024.

The AC Report was approved by the Board on 5 July 2024.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL





# Statement On Risk Management And Internal Control

The Board is pleased to present the Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 March 2024. This statement outlines the nature and key features of SAB and its subsidiaries’ risk management and internal control. It is prepared in accordance with Paragraph 15.26 (b) of the Bursa Malaysia MMLR and is guided by the MCCG and the “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers”.

## Board Responsibility

The Board is collectively responsible for the long-term success of the Company, promoting good corporate governance practices, and ensuring effective risk management and internal control systems for the Company and its subsidiaries. To fulfill its fiduciary duties and leadership functions, the Board is supported by the AC and the SRAB.

Risk management and internal control systems are essential components of sound corporate governance, the systems are in place with the goal of safeguarding shareholders’ investment, stakeholders’ interest and the Company’s assets.

The Board acknowledges that these systems are designed to manage and mitigate risk exposures rather than to eliminate all risks. Therefore, they provide reasonable, but not absolute assurance against material misstatement of financial information, operational failures, financial losses or fraud.

## Risk Management and Risk Reporting Structure

The Board recognises the importance of identifying and managing principal risks of the Company’s businesses and that the identification as well as the management of such risk will critical to achieve the Company’s corporate objectives. As part of the integral process of risk management, the risk management framework is structured in which the existence of significant risk of the Company and its subsidiaries has been identified and quantified. Areas of high risks will be highlighted to the Board and senior management.

The Company’s risk management is implemented within a Control self-assessment (CSA) environment. CSA allows department heads and the risk reporting team, who are directly involved within their respective areas, divisions, functions or processes, to assess and identify risks at the operational level. This technique leads to improve internal controls, risk management, and overall performance of the Company and its subsidiaries.

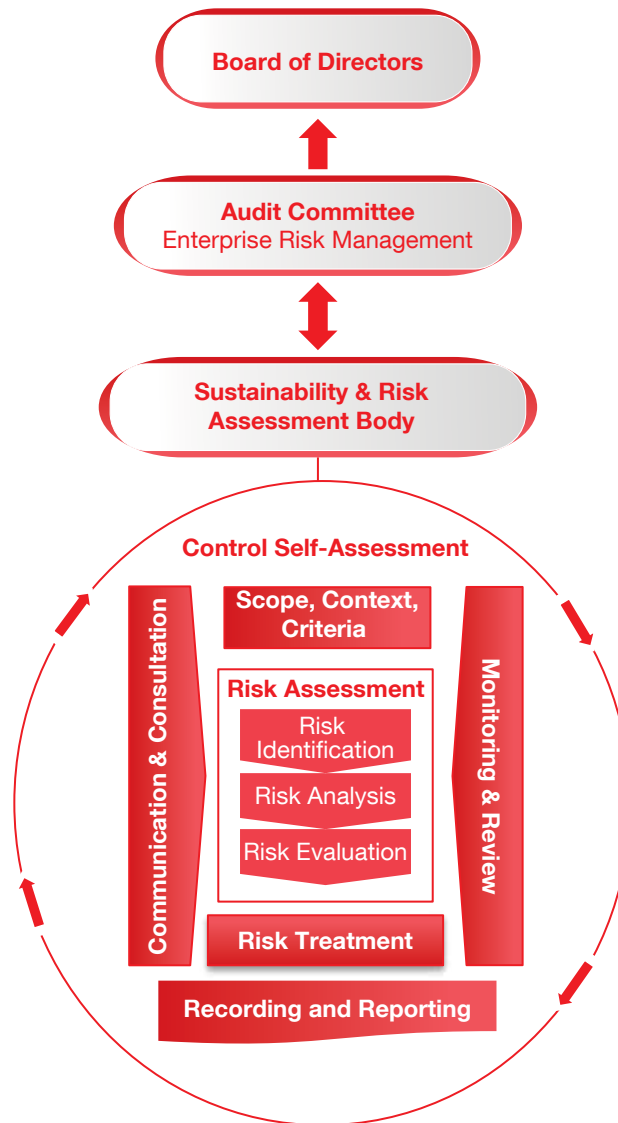
The AC chaired by an Independent Non-Executive Director, meets periodically to discuss the risk faced by the Company and its subsidiaries and ensures that existing mitigation actions are adequate. The AC would ultimately report to the Board level on issues.

The MD, ED, and Senior Management are the primary risk owners responsible for overseeing the overall enterprise risk managements (“ERM”). They demonstrate their strong dedication and commitment to ERM through the Annual Statement on Continuous Commitment, which aligns with the best practices in corporate governance guided by the MCCG. This commitment is an integral part of the overall business operations and financial performance.

## Statement On Risk Management And Internal Control (cont'd)

### Risk Management and Risk Reporting Structure (cont'd)

The Company adopted a holistic risk management process throughout the businesses. The diagram below illustrates the current risk management process:



## Statement On Risk Management And Internal Control (cont'd)

### Internal Control System

The Board recognises the vital role of internal control systems in ensuring operational efficiencies and promoting sound corporate governance. The system is designed to identify operational weaknesses, manage risk exposures effectively, protect assets, ensure accuracy of records, and encourage adherence to policies, rules, regulations, and laws. The following is the summary of the key elements of overall internal control systems:

Key Element	Details
1 <b>Organisational Structure</b>	The Company has established an organisational structure outlining the formal lines of responsibility and authorisation procedures within which senior management operates and is accountable.
2 <b>Centralised Key Functions</b>	As part of the Company's initiatives to promote greater efficiency, effective cost management and a higher degree of responsiveness to the business environment, certain key functions such as finance, investment, treasury, corporate affairs, compliances, tender committee, purchasing committee and human resources have been centralised.
3 <b>Operational Controls</b>	The following operational controls are in place: <ul style="list-style-type: none"> <li>• level of authority for each level of management staff,</li> <li>• approval processes for capital expenditure and operational expenditure, and</li> <li>• business planning and annual budgeting process for the respective business units with periodical monitoring of performance.</li> </ul>
4 <b>Financial Reporting Controls</b>	Financial reports are generated monthly and deliberated at appropriate management meetings. The financial statements are reviewed and deliberated by the AC and Board on a quarterly basis.
5 <b>Internal Audit</b>	<p>The Company has engaged PwC RS to conduct internal audits independently from the management. This outsourced internal audit function gives the AC assurance about the effectiveness of risk management, internal controls, anti-corruption, whistleblowing and governance processes.</p> <p>PwC RS report directly to the AC, providing valuable insights and recommendations to the AC and the Board on the areas of weakness or deficiencies in internal processes. Any significant internal control deficiencies that could impact the Company's strategic objectives are promptly escalated to the Board's attention during scheduled Board meetings.</p>
6 <b>External Audit</b>	Deloitte PLT perform an evaluation of the design and implementation of the internal controls that are relevant to their annual audit. They may report and make recommendations to the AC and management on any identified procedures, controls and other aspects that need improvement.
7 <b>ABAC Policy</b>	The Company has put in place this policy and guidelines which sets out the Company's responsibilities, and providing information and guidelines to Board, employees and stakeholders to conduct business with integrity and in accordance with all applicable laws, rules and regulations.
8 <b>CoCE</b>	The CoCE is established as an integral part of SAB's governance regime. It sets out the ethical principles and expected standard of conduct in conducting business and complying with applicable laws and regulations for all directors and employees within the Company and its subsidiaries.
9 <b>Whistleblower Policy</b>	The Company has set in place Whistleblower Policy outlining the Company's commitment towards enabling employees and stakeholders to raise concerns in a responsibly and confidentially regarding any wrongdoings without being subject to victimisation or discriminatory treatment.

## Statement On Risk Management And Internal Control (cont'd)

### Internal Control System (cont'd)

The ABAC Policy, the CoCE and the Whistleblower Policy are available on the Company's website.

For the financial year under review, some weaknesses in internal controls were identified, all of which have been or are being addressed. None of the weaknesses have resulted in material losses, contingencies or uncertainties that require disclosure in Annual report.

Please refer to the AC Report on page 74 to page 77 of the Annual Report on the risk management and internal control activities undertaken during FY2024.

### Review of the Statement by External Auditors

Pursuant to Paragraph 15.23 of the Bursa Malaysia MMLR, Deloitte PLT have reviewed this SORMIC. The review was performed in line with Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by MIA. Deloitte PLT have reported to the Board that nothing has come to their attention that would lead them to believe this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SORMIC: Guidelines for Directors of Listed Issuer, nor the Statement is factually inaccurate.

AAPG 3 does not require Deloitte PLT to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the overall risk management and internal control systems, including the assessment and opinion by the Board and management. Deloitte PLT are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

### Conclusion

For FY2024, and up to the date of approval of this Statement, the Board is of the opinion that the Company's overall risk management and internal control systems are sound and sufficient to safeguard shareholders' interest and the Company's assets in all material aspects. The Board has received the same assurance from both the MD and CFO of the Company. The Board, together with the Management, will continuously assess the adequacy and effectiveness of the overall system of risk management and internal control and will take corrective measures to enhance the system on an ongoing basis to meet the demand of this fast-moving and challenging business environment. There is no potential or present failure or weakness that has arisen from any inadequacy or failure of the overall systems of internal control that would require separate disclosure in the Company and its subsidiaries' financial statements.

The disclosures in this SORMIC do not include the risk management and internal control practices of its insignificant associate company.

This Statement was approved by the Board on 5 July 2024.

## Additional Compliance Information Disclosures

The information provided below is disclosed in compliance with the Bursa Malaysia MMLR:

### Utilisation of Proceeds Raised from Corporate Proposals

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

### Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to Deloitte PLT for FY2024 are as follows:

	The Company (RM'000)	The Company and Its Subsidiaries (RM'000)
Audit Fee	120	562
Non-audit Fee	10	10
<b>Total</b>	<b>130</b>	<b>572</b>

### Material Contracts

There were no material contracts, other than those in the ordinary course of business, entered into by the Company and/or its subsidiaries involving Directors' and/or major shareholders interests, either subsisting at the end of FY2024 or entered into since the previous financial year.

### Recurrent Related Party Transactions

At the 42<sup>nd</sup> AGM of the Company held on 30 August 2023, the Company obtained shareholders' mandate for the Company and its subsidiaries to enter into RRPTs of revenue or trading nature ("Shareholders' Mandate") which are necessary for its day-to-day operations. The Shareholders' Mandate shall expire at the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at the said AGM. The details of the Shareholders' Mandate to be sought will be furnished in the Circular to Shareholder dated 26 July 2024.

The aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year ended 31 March 2024 is disclosed in Note 26 of the financial statements.



## Statement Of Directors Responsibility For The Audited Financial Statements

The directors are required by the CA 2016 to prepare the financial statements for each financial year in accordance with applicable MFRS, IFRS, and the requirements of the CA 2016 in Malaysia.

The Directors are also responsible for ensuring that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Company as well as the Company and its subsidiaries for the financial year.

In preparing the financial statements, the directors have:

- Adopted appropriate, adequate and applicable accounting standards and policies, and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the quarterly reports and annual audited financial statements are released to Bursa Malaysia in a timely manner to keep our investing public informed on the most recent performance and developments of the Company.

The Directors are responsible for ensuring that the accounting records that disclose the financial position with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA 2016.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company, as well as to prevent and detect fraud and other irregularities.

# Financial Statements



# Financial Statements

## OUR FINANCIAL PERFORMANCE

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# Directors' Report

The Directors of **SOUTHERN ACIDS (M) BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services to the subsidiary companies.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in the subsidiary companies are disclosed in Note 16 to the financial statements.

## RESULTS OF OPERATIONS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	43,166	11,601
Income tax expense	(18,626)	-
Profit for the financial year	24,540	11,601
Attributable to:		
Equity holders of the Company	13,634	11,601
Non-controlling interests	10,906	-
	24,540	11,601

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

## DIVIDENDS

Final dividend of 5 sen per share, single tier, amounting to RM6,846,707, proposed in the previous financial year and dealt with in the previous directors' report was paid on 26 October 2023.

In respect of the current financial year, the Directors have proposed a final dividend of 5 sen per share, single tier, amounting to RM6,846,707.

The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 March 2025.

## RESERVES AND PROVISIONS

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

## Directors' Report (cont'd)

### ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

### SHARE OPTIONS

No options have been granted by the Company to any party during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

### OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- (b) 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 had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) 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.

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

- (a) 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 liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent 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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.



Directors' Report  
(cont'd)**DIRECTORS**

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Datuk Seri Panglima Sulong Matjeraie  
Dr. Low Kok Thye  
Datuk Wira Lim Kim Long  
Chung Kin Mun  
Stephen Wan Yeng Leong  
Leong So Seh (Vacation of office on 1 June 2023)  
Deborah Deb-bie Choa (Appointed on 30 August 2023)

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

Dr. Low Kok Thye  
Datuk Wira Lim Kim Long  
Chan Choon Hoong  
Cheong Kee Yoong  
Dr. Sadasivam A/L Kandiah  
Tiong Chuu Ling  
Herry Mukiat  
Low Swee Yim  
Low Wei Hao (Resigned on 16 June 2023)  
Lou Ai Choo (Resigned on 28 December 2023)

**DIRECTORS' INTERESTS**

The interests in shares in Company of those who were Directors of the Company at the end of the financial year, according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	As at 1.4.2023	Number of ordinary shares		As at 31.3.2024
		Acquired	Disposed	
<b>Shares in the Company</b>				
<b>Registered in name of the Directors</b>				
<b>Direct interest</b>				
Dr. Low Kok Thye	30,416	-	-	30,416
Datuk Wira Lim Kim Long	49,276	-	-	49,276
<b>Indirect interest</b>				
Dr. Low Kok Thye*	65,692,824	-	(2,487)	65,690,337
Datuk Wira Lim Kim Long**	68,754,296	-	-	68,754,296

Notes:

\* By virtue of his interest in Dataran Dagang Asia Sdn. Bhd., Banting Hock Hin Estate Company Sdn. Bhd., Southern Realty (Malaya) Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Bhd., Eng Leong Holdings Sdn. Berhad and family members.

\*\* By virtue of his interest in Dataran Dagang Asia Sdn. Bhd., Banting Hock Hin Estate Company Sdn. Bhd., Southern Realty (Malaya) Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Bhd., Lim Thye Peng Realty Sdn. Bhd. and family members.

## Directors' Report (cont'd)

By virtue of their interest in the shares of the Company, the Directors above are also deemed to have an interest in the shares of the subsidiary companies to the extent that the Company has an interest.

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate of remuneration received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain Directors of the Company are also Directors and/or have substantial financial interests as disclosed in Note 26 to the financial statements.

Details of the Directors' remuneration are as follows:

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Salaries and other emoluments	3,869	1,953
Contribution to EPF	260	152
	<hr/> 4,129	<hr/> 2,105

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM142,469 and RM75,873 respectively.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains Directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the Directors and officers of the Company and its group of companies. The amount of insurance premium paid during the year amounted to RM12,968.

There was no indemnity given to or insurance effected for the auditors of the Company.

### SUBSEQUENT EVENT

Significant event subsequent to the end of the financial year is disclosed in Note 45 to the financial statements.

Directors' Report  
(cont'd)**AUDITORS**

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

**AUDITORS' REMUNERATION**

The amount paid/payable as remuneration of the auditors for the financial year ended 31 March 2024 are as follows:

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Statutory audit fee	562	120
Non-statutory audit fee	10	10
	<hr/>	<hr/>
	572	130
	<hr/>	<hr/>

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

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**DR. LOW KOK THYE**

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**DATUK WIRA LIM KIM LONG**

Klang  
5 July 2024

# Independent Auditors' Report

## To The Members Of Southern Acids (M) Berhad (Incorporated In Malaysia)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **SOUTHERN ACIDS (M) BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 March 2024, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 95 to 176.

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 March 2024, 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 the IESBA Code.

#### Key Audit Matters

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

Key Audit Matter	How the Scope of our Audit Responded to the Key Audit Matter
<p><u>Impairment Assessment of Property, Plant and Equipment</u></p> <p>At 31 March 2024, included in property, plant and equipment are factory building and oleochemical plant ("assets") of a subsidiary with carrying value of RM28,699,924. These assets are located on land owned by a major shareholder of the Company, Southern Realty (Malaya) Sdn. Bhd. ("SRM").</p> <p>SRM has agreed to extend the lease agreement to 31 March 2026 which is significantly shorter than the remaining useful lives of the assets located on the land which range from 1 to 45 years. The subsidiary intends to apply for a renewal of the lease agreement with SRM prior to its expiry on 31 March 2026.</p> <p>Management judgement is involved in assessing the likelihood of renewal of the lease agreement for the near future. In the event that the lease agreement is not renewed, management may have to assess if the assets are impaired.</p> <p>The accounting policy for impairment of property, plant and equipment and the critical judgements involved in assessing the likelihood of renewal of the lease agreement which may have an impact on the carrying value of the property, plant and equipment are set out in Note 3 and Note 4(i)(a) to the financial statements respectively. The details of the property, plant and equipment have been disclosed in Note 13 to the financial statements.</p>	<p>We held discussions with the Directors of the Company to gain an understanding of the future plans of the subsidiary and likelihood of renewal of the lease agreement.</p> <p>We examined the latest lease agreement and read all relevant correspondence between the subsidiary and SRM to identify matters, if any, that would adversely affect the future likelihood of renewal of the lease agreement.</p> <p>We evaluated management's assessment of the renewal which includes the historical trend of the lease agreement being renewed.</p> <p>We have also assessed the adequacy and appropriateness of the disclosures made in Note 3, Note 4(i)(a) and Note 13 to the financial statements.</p>

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

## Independent Auditors' Report To The Members Of Southern Acids (M) Berhad (Incorporated in Malaysia) (cont'd)

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



## Independent Auditors' Report To The Members Of Southern Acids (M) Berhad (Incorporated in Malaysia) (cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

### **Other Matter**

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

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**MURALI A/L SAMY**  
**Partner - 03377/06/2026 J**  
**Chartered Accountant**

Kuala Lumpur  
5 July 2024

# Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 March 2024

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	907,963	1,099,875	21,263	23,096
Interest income	6	12,257	6,864	543	320
Other operating income		32,233	24,172	69	141
Changes in inventories of finished goods and work-in-progress		(530)	(18,707)	-	-
Raw materials and consumables used		(731,495)	(843,090)	-	-
Depreciation of property, plant and equipment	13	(23,487)	(22,868)	(554)	(441)
Depreciation of right-of-use assets	14	(1,377)	(1,460)	(26)	(35)
Depreciation of investment properties	15	(16)	-	-	-
Directors' remuneration	7	(4,129)	(4,109)	(2,105)	(2,000)
Employee benefits expenses	8	(77,397)	(77,152)	(5,209)	(4,885)
Other operating expenses		(69,500)	(87,822)	(2,380)	(2,424)
Finance costs	9	(808)	(929)	*	(1)
Share of results of an associate company	17	(548)	135	-	-
<b>Profit before tax</b>	8	<b>43,166</b>	<b>74,909</b>	<b>11,601</b>	<b>13,771</b>
Income tax expense	10	(18,626)	(20,935)	-	-
<b>Profit for the financial year</b>		<b>24,540</b>	<b>53,974</b>	<b>11,601</b>	<b>13,771</b>
<b>Profit for the financial year attributable to:</b>					
Equity holders of the Company		13,634	33,292	11,601	13,771
Non-controlling interests	16	10,906	20,682	-	-
		<b>24,540</b>	<b>53,974</b>	<b>11,601</b>	<b>13,771</b>
<b>Earnings per share (sen) attributable to equity holders of the Company</b>					
Basic and diluted	11	<b>9.96</b>	24.31		

\* Less than RM1,000

Statements Of Profit Or Loss And Other Comprehensive Income  
For The Financial Year Ended 31 March 2024  
(cont'd)

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Profit for the financial year</b>		<b>24,540</b>	53,974	11,601	13,771
<b>Other comprehensive income/(loss):</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences on foreign operation		<b>2,697</b>	1,639	-	-
Item that will not be reclassified subsequently to profit or loss:					
Profit/(loss) arising from fair value changes in other investments		<b>12,770</b>	(500)	<b>12,770</b>	(500)
Remeasurement of defined benefit obligations, net of tax		<b>246</b>	765	-	-
		<b>15,713</b>	1,904	<b>12,770</b>	(500)
<b>Total comprehensive income for the financial year, net of tax</b>		<b>40,253</b>	55,878	<b>24,371</b>	13,271
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<b>27,963</b>	34,304	<b>24,371</b>	13,271
Non-controlling interests	16	<b>12,290</b>	21,574	-	-
		<b>40,253</b>	55,878	<b>24,371</b>	13,271

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

# Statements Of Financial Position

As At 31 March 2024

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Land held for property development	12	139,868	139,868	-	-
Property, plant and equipment	13	209,633	199,267	4,175	4,334
Right-of-use assets	14	2,875	3,843	-	35
Investment properties	15	7,950	5,017	-	-
Investments in subsidiary companies	16	-	-	269,099	245,599
Investment in an associate company	17	1,889	2,437	917	917
Other investments	18	42,032	29,487	42,032	29,487
Deferred tax assets	20	1,996	2,743	-	-
<b>Total Non-Current Assets</b>		<b>406,243</b>	382,662	<b>316,223</b>	280,372
<b>Current Assets</b>					
Biological assets	21	1,444	1,953	-	-
Inventories	22	77,286	89,258	-	-
Derivative financial assets	23	2,521	195	-	-
Trade receivables	24 & 26	61,938	56,407	-	-
Other receivables, deposits and prepaid expenses	25 & 26	56,480	48,899	950	437
Amount owing by subsidiary companies	26	-	-	1,531	1,464
Amount owing by an associate company	27	864	924	57	81
Tax recoverable		15,145	6,860	-	-
Cash and cash equivalents	28	397,022	385,581	19,895	20,959
<b>Total Current Assets</b>		<b>612,700</b>	590,077	<b>22,433</b>	22,941
<b>TOTAL ASSETS</b>		<b>1,018,943</b>	972,739	<b>338,656</b>	303,313

Statements Of Financial Position  
As At 31 March 2024  
(cont'd)

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	29	171,255	171,255	171,255	171,255
Reserves	30	608,315	583,672	146,125	128,601
<hr/>					
Equity attributable to equity holders of the Company		779,570	754,927	317,380	299,856
Non-controlling interests	16	99,128	115,682	-	-
<hr/>					
<b>Total Equity</b>		<b>878,698</b>	<b>870,609</b>	<b>317,380</b>	<b>299,856</b>
<hr/>					
<b>Non-Current and Deferred Liabilities</b>					
Loans and borrowings	31	-	900	-	-
Hire purchase payables	32	368	436	-	-
Lease liabilities	33	1,720	2,807	-	-
Provision for retirement benefits	34	15,247	15,880	1,426	1,340
Other payables	35	13,000	-	13,000	-
Payables for KKPA Program	19	1,382	218	-	-
Deferred tax liabilities	20	5,871	5,957	-	-
<hr/>					
<b>Total Non-Current and Deferred Liabilities</b>		<b>37,588</b>	<b>26,198</b>	<b>14,426</b>	<b>1,340</b>
<hr/>					
<b>Current Liabilities</b>					
Trade payables	26 & 35	31,609	23,581	-	-
Other payables and accrued expenses	35	37,520	37,106	6,778	1,997
Amount owing to subsidiary companies	26	-	-	72	85
Contract liabilities	36	6,427	7,451	-	-
Derivative financial liabilities	23	1,428	423	-	-
Loans and borrowings	31	20,900	1,200	-	-
Hire purchase payables	32	406	400	-	-
Lease liabilities	33	1,421	1,297	-	35
Tax liabilities		2,946	4,474	-	-
<hr/>					
<b>Total Current Liabilities</b>		<b>102,657</b>	<b>75,932</b>	<b>6,850</b>	<b>2,117</b>
<hr/>					
<b>Total Liabilities</b>		<b>140,245</b>	<b>102,130</b>	<b>21,276</b>	<b>3,457</b>
<hr/>					
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,018,943</b>	<b>972,739</b>	<b>338,656</b>	<b>303,313</b>
<hr/>					

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



For The Financial Year Ended 31 March 2024

Attributable to equity holders of Company

# Statements Of Changes In Equity

## For The Financial Year Ended 31 March 2024

(cont'd)

	Note	Share capital RM'000	Non- distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>The Company</b>					
<b>As at 1 April 2022</b>		171,255	3,613	118,564	293,432
Profit for the financial year		-	-	13,771	13,771
Other comprehensive loss		-	(500)	-	(500)
Total comprehensive (loss)/income for the financial year		-	(500)	13,771	13,271
Dividends paid	38	-	-	(6,847)	(6,847)
<b>As at 31 March 2023</b>		171,255	3,113	125,488	299,856
<b>As at 1 April 2023</b>		171,255	3,113	125,488	299,856
Profit for the financial year		-	-	11,601	11,601
Other comprehensive income		-	12,770	-	12,770
Total comprehensive income for the financial year		-	12,770	11,601	24,371
Realisation on fair value of equity instruments		-	(223)	223	-
Dividends paid	38	-	-	(6,847)	(6,847)
<b>As at 31 March 2024</b>		<b>171,255</b>	<b>15,660</b>	<b>130,465</b>	<b>317,380</b>

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

# Statements Of Cash Flows

For The Financial Year Ended 31 March 2024

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM/(USED IN)</b>				
<b>OPERATING ACTIVITIES</b>				
Profit before tax	43,166	74,909	11,601	13,771
Adjustments for:				
Depreciation of property, plant and equipment	23,487	22,868	554	441
Depreciation of right-of-use assets	1,377	1,460	26	35
Depreciation of investment properties	16	-	-	-
Unrealised loss/(gain) on foreign exchange	60	(136)	-	-
Provision for retirement benefits	242	1,751	146	137
Net fair value change in biological assets	538	1,728	-	-
Loss/(Gain) on disposal of property, plant and equipment	121	(56)	-	(78)
Impairment losses on trade receivables	970	432	-	-
Reversal of impairment losses on trade receivables no longer required	-	(13)	-	-
Inventories written off	18	15	-	-
Write-down of inventories to net realisable value	-	5,017	-	-
Reversal of write-down of inventories	(2,733)	-	-	-
Finance costs	808	929	*	1
Property, plant and equipment written off	978	13	-	7
Share of results of an associate company	548	(135)	-	-
Waiver of specialist fee	(8)	(23)	-	-
Changes in fair value of derivatives	(1,321)	6,177	-	-
Dividend income	(3,125)	(5,140)	(15,137)	(17,152)
Interest income	(12,257)	(6,864)	(543)	(320)
Operating Profit/(Loss) Before Working Capital Changes	52,885	102,932	(3,353)	(3,158)
(Increase)/Decrease in:				
Inventories	14,826	18,194	-	-
Trade receivables	(6,522)	16,588	-	-
Other receivables, deposits and prepaid expenses	(4,203)	20,667	(513)	(210)
Amount owing by subsidiary companies	-	-	(67)	11,935
Amount owing by an associate company	60	(209)	24	(20)
Increase/(Decrease) in:				
Trade payables	7,917	(9,368)	-	-
Other payables and accrued expenses	(4,162)	(2,376)	281	153
Amount owing to subsidiary companies	-	-	(13)	3
Contract liabilities	(1,136)	3,297	-	-
Cash Generated From/(Used In) Operations	59,665	149,725	(3,641)	8,703
Retirement benefits paid	(663)	(1,348)	(60)	-
Income tax refunded	1,851	767	-	-
Income tax paid	(32,873)	(38,544)	-	-
Net Cash From/(Used In) Operating Activities	27,980	110,600	(3,701)	8,703

\* Less than RM1,000

## Statements Of Cash Flows

### For The Financial Year Ended 31 March 2024

(cont'd)

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>				
Interest income received	12,257	6,864	543	320
Dividends received	3,125	4,963	15,137	16,975
Proceeds from disposal of property, plant and equipment	65	93	-	80
Additions to investment properties	(2,949)	(1,699)	-	-
Disposal of/(Additions to) other investments	2	(430)	2	(430)
Additional investment in a subsidiary company	(6,000)	-	(6,000)	-
Proceeds from disposal of quoted warrants	223	-	223	-
Placement of fixed deposit with maturities in excess of three months	(447)	-	-	-
Additions to property, plant and equipment [Note (i)]	(33,877)	(25,795)	(395)	(474)
Amount recovered/(Additional to) for KKPA program	1,181	(1,205)	-	-
Net Cash (Used In)/From Investing Activities	(26,420)	(17,209)	9,510	16,471
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Drawdown/(Repayment) of loans and borrowings - net	18,800	(19,700)	-	-
Repayment of hire purchase payables	(607)	(324)	-	-
Repayment of lease liabilities	(1,372)	(1,552)	(26)	(35)
Dividend paid by:				
- Subsidiary companies to non-controlling interests	(1,817)	(1,772)	-	-
- The Company	(6,847)	(6,847)	(6,847)	(6,847)
Finance costs paid	(808)	(929)	-	(1)
Net Cash From/(Used In) Financing Activities	7,349	(31,124)	(6,873)	(6,883)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,909</b>	<b>62,267</b>	<b>(1,064)</b>	<b>18,291</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>385,581</b>	<b>322,288</b>	<b>20,959</b>	<b>2,668</b>
<b>EFFECT OF TRANSLATION DIFFERENCES</b>	<b>2,085</b>	<b>1,026</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (NOTE 28)</b>	<b>396,575</b>	<b>385,581</b>	<b>19,895</b>	<b>20,959</b>

#### Note (i) : Additions to property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Hire purchase	536	724	-	-
Cash payments	33,877	25,795	395	474
	34,413	26,519	395	474

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

# Notes To The Financial Statements

## 1. GENERAL INFORMATION

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

The principal activities of the Company are that of investment holding and the provision of management services to the subsidiary companies.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in the subsidiary companies are disclosed in Note 16.

The registered office of the Company is located at 9, Jalan Bayu Tinggi 2A/KS6, Taipan 2, Batu Unjur, 41200 Klang, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at Level 29, Centro Tower, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on 5 July 2024.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Group and of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

### Application of New Standard and Amendments to Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the new standard and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 April 2023.

MFRS 17	Insurance Contracts
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Amendments to:

MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17	Insurance Contracts
MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
MFRS 101	Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	International Tax Reform - Pillar Two Model Rules
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these new standard and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.



## Notes To The Financial Statements (cont'd)

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

#### Amendments to MFRS 101 *Disclosure of Accounting Policies*

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

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 3.

#### Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*

The Amendments to MFRS 112 apply to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'.

The Group and the Company have applied the temporary exception from accounting for deferred taxes arising from Pillar Two model rules, as provided in the International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*) issued on 2 June 2023. Accordingly, neither the Group nor the Company recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Based on information available for the current financial year, the management has assessed and expects that the Group and the Company would not have any potential tax exposure relating to the Pillar Two Model Rules since the Group and the Company does not fall within the scope of the Pillar Two Model Rules.

The management is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

#### **New Standard and Amendments to MFRSs in Issue But Not Yet Effective**

At the date of authorisation for issue of these financial statements, the new standard and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
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Amendments to:

MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
MFRS 101	Classification of Liabilities as Current or Non-current <sup>1</sup>
MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
MFRS 107 and MFRS 7	Supplier Finance Arrangements <sup>1</sup>
MFRS 121	Lack of Exchangeability <sup>2</sup>
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

<sup>4</sup> Effective date deferred a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new standard and amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these new standard and amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies adopted are set out below.

#### Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its return.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

#### Investments in Subsidiary Companies

Investments in subsidiary companies, which is eliminated on consolidation, is stated at cost less any impairment losses in the Company's separate financial statements. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Revenue

Revenue of the Company consists of dividend income and management fees through provision of group services.

Revenue of the Group consists mainly of sales of goods, medical charges for services rendered in connection with hospital operations, income from plantation, income from administrative services, provision of warehousing and port cargo handling services, dividend income, rental income and interest income.

The Group determines whether it is acting as a principal or an agent, and concluded that it is acting as an agent in its revenue arrangement for consultation charges for services rendered in connection with hospital operations.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or value-added tax. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised on the following basis:

Sales of goods - upon delivery of products and customer acceptance and when the control over the goods have passed to the buyer at gross invoiced value of sales less returns and discounts.

Services rendered in connection with management fees through provision of group services, hospital operations, administrative services and port cargo handling services - when services are rendered.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Revenue (cont'd)

Services rendered in provision of warehousing - on a time basis, based on the days of storage and applicable rate of rental.

Dividend income - when the shareholder's right to receive payment is established.

Rental income - over the tenure of the rental period of properties.

Interest income - on an accrual basis, by reference to the principal outstanding and at the effective interest rate.

#### Contract Liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. Contract liability is recognised as revenue when the Group performs its obligation under the contracts.

#### Foreign Currencies

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing on that date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### Employee Benefits

##### (i) Short-term employee benefits

Wages, salaries, bonuses, annual leave and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group and of the Company.

##### (ii) Post-employment benefits

###### (a) Defined contribution plan

The Group and the Company contribute to Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. The contributions to EPF are included under employee benefits expenses in Note 8.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Employee Benefits (cont'd)

##### (ii) Post-employment benefits (cont'd)

##### (b) Defined benefit plans

##### (i) Malaysia

The Company and its subsidiary companies operate an unfunded defined retirement benefit scheme for its eligible employees. An actuarial valuation carried out by a qualified actuary using the "Projected Unit Credit" method was undertaken on 31 March 2022, and the valuation covers the financial years ended 31 March 2022 to 31 March 2025.

##### (ii) Indonesia

The Group's subsidiary companies in Indonesia provide for employee benefit liabilities in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their services in the current and prior years is estimated. Provision for retirement benefits is made based on an actuarial valuation carried out by a qualified actuary using the "Projected Unit Credit" method. The latest actuarial valuation was undertaken on 31 March 2024.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified subsequently to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- (i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (ii) Net interest expense or income; and
- (iii) Remeasurement

The Group and the Company present the first two components of defined benefit costs in profit or loss in employee benefits expenses.

The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's and the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds and reductions in future contributions to the plan.

#### Land Held for Property Development

Land held for property development is classified as non-current asset and is stated at lower of cost and net realisable value. Land held for property development consists of land where no significant development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Cost includes cost of land, professional fees and other direct development expenditure and related overheads. Land held for property development is reclassified as property development costs at the point when development works have been undertaken and where it can be demonstrated that the development activities are expected to be completed within the normal operating cycle.



Notes To The Financial Statements  
(cont'd)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation of property, plant and equipment, other than freehold land and construction-in-progress which are not depreciated, is computed on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:

Leasehold land	Over the lease period of 35 years
Freehold office	2%
Factory buildings	2% - 10%
Palm oil mills	5% - 25%
Hospital building	2%
Medical equipment	10% - 15%
Plant, machinery, equipment and electrical installation	7.5% - 25%
Motor vehicles	10% - 25%
Office equipment, furniture and fittings	10% - 25%
Staff quarters cum office block	5% - 25%
Land improvements	5%
Renovation	10%
Bearer plants	5%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any change in estimates are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the statements of profit or loss and other comprehensive income.

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants (oil palm trees) include mature plantations (fresh fruit bunches), immature plantations and nursery that are established or acquired by the Group.

Mature plantations are stated at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years.

Costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance are stated at cost. The accumulated costs will be transferred to immature plantations account at the time of planting.

Immature plantations are stated at cost. The costs of immature plantations consist mainly of the accumulated cost of planting, fertilising and maintaining the plantation, including borrowing costs on such borrowings and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. An oil palm plantation is considered mature when such plantation starts to produce at the beginning of the fourth year.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposed. Any gains or losses on disposal of bearer plants are recognised in the statements of profit or loss and other comprehensive income in the year of disposal.

The residual values and useful lives of bearer plants are reviewed, and adjusted as appropriate, at the end of each reporting period.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Investment Properties

Investment properties are properties which is held either to earn rental income or for capital appreciation or for both. Investment property, which consists of freehold land and housing accommodations under construction, is stated at cost less impairment losses, if any.

Depreciation of housing accommodations under construction commences when they are ready for their intended use. One and a half storey semi-detached house is depreciated on a straight-line basis to write off the cost over its estimated useful life at a principal annual rate of 2% per annum.

#### Biological Assets

Biological assets comprise of produce growing on bearer plants. Produce growing on bearer plants are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

Changes in fair value of growing produce on bearer plants are recognised in the statements of profit or loss and other comprehensive income. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for bearer plants that are expected to be harvested on a date not more than 12 months after the reporting date, and the balance are classified as non-current.

At the time of harvest, produces are measured at fair value less costs to sell and transferred to inventories.

#### Investment in an Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that is not related to the Group.

Notes To The Financial Statements  
(cont'd)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****Impairment of Non-Financial Assets**

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

**Advances for KKPA Program**

Advances for Kredit Koperasi Primer untuk Anggotanya ("KKPA") program in respect of another subsidiary company in Indonesia, as further explained in Note 19, represent the accumulated costs to develop plasma plantations measuring 500 hectares out of total land required to be developed of 500 hectares of land which are self-financed by the said subsidiary company. Upon the Cooperative obtaining KKPA financing from the creditor bank, the said advances will be recovered from it.

An estimate is made at the end of each reporting period for losses on recovery of KKPA program based on a review of the recoverable development costs, and anticipated losses are provided for in full. In the event the planting development costs incurred exceeds the estimated agreed price during harvest time, an allowance for losses on conversion will be made on the advances extended and will be charged to profit or loss.

**Inventories**

Inventories are stated at the lower of cost (determined on the weighted average method) and net realisable value.

The costs of raw materials, medical and surgical supplies, spare parts and other supplies comprise the original purchase price plus the costs in bringing these inventories to their present location and condition. The costs of finished goods and work-in-progress include the cost of raw materials, direct labour and an appropriate allocation of direct manufacturing overheads.

The cost of fresh fruit bunches ("FFB") transferred from biological assets is its fair value less costs to sell at the date of harvest.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

**Financial Instruments**

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified as subsequently measured at amortised cost, FVTPL or fair value through other comprehensive income ("FVTOCI"). The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

#### (i) *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

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 the statements of profit or loss and other comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

#### (ii) *Financial assets at FVTPL*

Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statements of profit or loss and other comprehensive income.

Notes To The Financial Statements  
(cont'd)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****Financial Assets (cont'd)****(iii) Equity instruments designated as at FVTOCI**

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified subsequently to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9 *Financial Instruments*, unless the dividends clearly represent a recovery of part of the cost of the investment.

**Impairment of financial assets**

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on all trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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 historical experience and informed credit assessment and includes forward-looking information.

**Derecognition of financial assets**

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss, except for the derecognition of an investment in equity instruments measured at FVTOCI, the cumulative gain or loss is transferred within equity, not recognised in profit or loss.



## Notes To The Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Liabilities and Equity Instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statements of profit or loss and other comprehensive income.

##### Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

##### Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Notes To The Financial Statements  
(cont'd)**3. MATERIAL ACCOUNTING POLICIES (CONT'D)****Financial Liabilities and Equity Instruments (cont'd)**Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as FVTPL, are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance to MFRS 9; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

**Derivative Financial Instruments**

The Group and the Company enter into derivatives, namely foreign currency forward contracts and commodity future contracts, to manage foreign currency exposures and adverse price movements in commodities as a result of receipts in foreign currency and purchase of commodities.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on nature of the hedge relationship.

Derivatives with a positive fair value are recognised as a financial asset; and derivatives with a negative fair value are recognised as a financial liability.

**Segment Reporting**

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

## Notes To The Financial Statements (cont'd)

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### (i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except as disclosed below:

##### **Impairment of property, plant and equipment**

As referred to in Note 13:

- (a) The lease agreement for rental by a subsidiary company, Southern Acids Industries Sdn. Bhd. ("SAI"), of a parcel of land belonging to Southern Realty (Malaya) Sdn. Bhd. ("SRM") where the factory building and oleochemical plant of SAI are located is expiring on 31 March 2026, which is significantly shorter than the useful lives of the property, plant and equipment on the land. Pursuant to the said lease agreement, SAI intends to apply for a renewal of the lease agreement with SRM upon its expiry. Based on past experience of successful renewal of the lease agreement and since SRM is a major shareholder of the Company, the Directors of the subsidiary company are confident that the said lease agreement will be successfully renewed upon its expiry on 31 March 2026 and accordingly, no impairment loss needs to be considered for the factory building and plant, machinery and equipment of the oleochemical plant with carrying amount of RM28,699,924 (2023: RM31,326,915).
- (b) On 31 October 1995, Noble Interest Sdn. Bhd. ("NISB"), a subsidiary company, entered into a Sale and Purchase Agreement with SRM to purchase several parcels of freehold land at a total purchase consideration of RM4,950,000 where the hospital building is constructed. The said purchase consideration has been fully settled since 4 November 2000. In view of the delay in transferring the land title by SRM, NISB had since year 2010, lodged a caveat to protect its interest on the land. The Directors of NISB are confident that the land title will eventually be transferred as NISB has fully satisfied all the conditions as stipulated in the said agreement. Accordingly, the Directors of NISB believe that no impairment loss needs to be considered for the private hospital building with carrying amount RM20,420,446 (2023: RM16,785,546), which is constructed on the said land.

#### (ii) Key sources of estimation uncertainty

The directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

##### (a) Calculation for loss allowance

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"). The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Notes To The Financial Statements  
(cont'd)

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

## (ii) Key sources of estimation uncertainty (cont'd)

## (a) Calculation for loss allowance (cont'd)

As at the end of the reporting period, impairment losses on trade receivables provided by the Group are as follows:

	The Group	
	2024 RM'000	2023 RM'000
Trade receivables	2,211	1,287

## (b) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with future tax planning strategies.

As at the end of the reporting period, the total carrying amount of deferred tax assets recognised by the Group are as follows:

	The Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	1,996	2,743

## (c) Impairment loss on investments in subsidiary companies

Determining whether the investments in subsidiary companies are impaired requires an estimation of the recoverable amount of the investment. Management exercises its judgement in estimating the recoverable amounts of these investments. As at the end of the reporting period, the Company has recognised impairment losses as follows:

	The Company	
	2024 RM'000	2023 RM'000
Impairment losses on investments in subsidiary companies	7,742	7,742

## (d) Provision for retirement benefits

The Group makes contribution to a defined benefit plan that provides pension for eligible employees of the Group. The amount is determined based on the years of service and salaries of the employees at the time of pension. Due to the long-term nature of the defined benefit plan, such estimates are subject to significant uncertainty. The levels of future contributions to the plan which are used to assess this limit is subject to some uncertainty due to other assumptions which requires the Director's best estimate.

The carrying amount of provision for retirement benefits is disclosed in Note 34.

## Notes To The Financial Statements (cont'd)

### 5. REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from contracts with customers:</b>				
Sale of plantation products and produces	769,400	963,792	-	-
Healthcare services	117,959	112,727	-	-
Warehousing and bulk conveyor operations	7,009	8,320	-	-
Administrative services fees	10,167	9,628	-	-
Management fees	303	268	6,126	5,944
	<b>904,838</b>	<b>1,094,735</b>	<b>6,126</b>	<b>5,944</b>
<b>Revenue from other sources:</b>				
Dividend income	3,125	5,140	15,137	17,152
	<b>907,963</b>	<b>1,099,875</b>	<b>21,263</b>	<b>23,096</b>
Timing of revenue recognition for revenue from contract with customers:				
Point in time	894,368	1,084,839	-	-
Over time	10,470	9,896	6,126	5,944
	<b>904,838</b>	<b>1,094,735</b>	<b>6,126</b>	<b>5,944</b>

### 6. INTEREST INCOME

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income on fixed deposits and short-term placements	12,257	6,864	543	289
Interest income on advances to a subsidiary	-	-	-	31
	<b>12,257</b>	<b>6,864</b>	<b>543</b>	<b>320</b>

Notes To The Financial Statements  
(cont'd)

## 7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company</b>				
Executive Directors:				
Fees	180	180	180	180
Other emoluments	1,293	1,262	1,293	1,262
Contributions to EPF	152	148	152	148
	<b>1,625</b>	<b>1,590</b>	<b>1,625</b>	<b>1,590</b>
Non-executive Directors:				
Fees	428	361	428	361
Other emoluments	52	49	52	49
	<b>480</b>	<b>410</b>	<b>480</b>	<b>410</b>
	<b>2,105</b>	<b>2,000</b>	<b>2,105</b>	<b>2,000</b>
<b>Directors of the subsidiary companies</b>				
Fees	188	124	-	-
Other emoluments	1,728	1,830	-	-
Contributions to EPF	108	155	-	-
	<b>2,024</b>	<b>2,109</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,129</b>	<b>4,109</b>	<b>2,105</b>	<b>2,000</b>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM142,469 and RM75,873 (2023: RM113,041 and RM83,545) respectively.



## Notes To The Financial Statements (cont'd)

### 8. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Changes in fair value of derivatives	1,321	(6,177)	-	-
Rental income	1,273	1,084	69	69
Gain/(Loss) on foreign exchange (net):				
Unrealised	(60)	136	-	-
Realised	1,914	5,013	-	-
Fees paid/payable to external auditors:				
Statutory audit:				
Auditors of the Company	(405)	(380)	(120)	(110)
Other auditors	(157)	(116)	-	-
Non-audit services:				
Auditors of the Company	(10)	(10)	(10)	(10)
Other auditors	-	(90)	-	-
(Loss)/Gain on disposal of property, plant and equipment	(121)	56	-	78
Employee benefits expenses	(77,397)	(77,152)	(5,209)	(4,885)
Impairment losses on trade receivables (Note 24)	(970)	(432)	-	-
Reversal of impairment losses on trade receivables no longer required (Note 24)	-	13	-	-
Net fair value change in biological assets (Note 21)	(538)	(1,728)	-	-
Inventories written off (Note 22)	(18)	(15)	-	-
Write-down of inventories to net realisable value (Note 22)	-	(5,017)	-	-
Reversal of write-down of inventories (Note 22)	2,733	-	-	-
Property, plant and equipment written off	(978)	(13)	-	(7)
Waiver of specialist fee	8	23	-	-

Included in the employee benefits expenses are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Contributions to EPF	5,458	5,700	454	449
Provision for retirement benefits (Note 34)	242	1,751	146	137

Notes To The Financial Statements  
(cont'd)

## 9. FINANCE COSTS

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Hire purchase payables	92	57	-	-
Lease liabilities	171	115	*	1
Loans and borrowings	545	757	-	-
	<b>808</b>	<b>929</b>	<b>*</b>	<b>1</b>

\*Less than RM1,000

## 10. INCOME TAX EXPENSE

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
Current financial year	17,838	23,921	-	-
Under/(Over) provision in prior financial years	156	(527)	-	-
	<b>17,994</b>	<b>23,394</b>	<b>-</b>	<b>-</b>
Deferred tax (Note 20):				
Current financial year	803	(4,178)	-	-
(Over)/Under provision in prior financial years	(171)	1,719	-	-
	<b>632</b>	<b>(2,459)</b>	<b>-</b>	<b>-</b>
	<b>18,626</b>	<b>20,935</b>	<b>-</b>	<b>-</b>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the financial year. Taxation of other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

## Notes To The Financial Statements (cont'd)

### 10. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	43,166	74,909	11,601	13,771
Tax at the Malaysian statutory income tax rate of 24%	10,360	17,978	2,784	3,305
Different tax rates in other jurisdictions	(766)	(1,437)	-	-
Tax effects of:				
Non-deductible expenses	3,558	2,325	371	374
Non-taxable income	(3,709)	(2,821)	(3,808)	(4,179)
Realisation of deferred tax assets previously not recognised	-	(6)	-	-
Deferred tax assets not recognised	9,198	3,704	653	500
Under/(Over) provision in prior years:				
Current tax	156	(527)	-	-
Deferred tax	(171)	1,719	-	-
Income tax expense	18,626	20,935	-	-

The Company has tax-exempt income accounts arising from tax-exempt dividend income received and tax-exempt income under Paragraph 28, Schedule 6 of the Income Tax Act, 1967 totalling RM7,671,650 (2023: RM7,661,090) which, subject to agreement of the Inland Revenue Board, is available for distribution of its retained earnings as tax-exempt dividends.

A subsidiary company has tax-exempt accounts amounting to approximately RM177,930,000 (2023: RM177,930,000) arising from tax-exempt income earned during the pioneer period under the Promotion of Investments Act, 1986. The exempt income accounts are available for distribution of its retained earnings as tax-exempt dividends to the shareholder of the said subsidiary company and is subject to approval by the tax authorities.

A subsidiary company has tax-exempt income under the Income Tax (Amendment) Act, 1999 amounting to approximately RM715,000 (2023: RM715,000). This amount, which arose from tax waiver on the chargeable income earned in 1999, is available for distribution of its retained earnings as tax-exempt dividends.

A subsidiary company has tax-exempt account amounting to RM48,219,150 (2023: RM48,219,150) arising from foreign source dividend received from Indonesia subsidiary companies. This tax-exempt account, which is subject to approval by the tax authorities, is available for distribution of tax-exempt dividends.

Notes To The Financial Statements  
(cont'd)**10. INCOME TAX EXPENSE (CONT'D)**

The tax effects of deductible temporary differences, unused tax losses and unabsorbed capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. As at 31 March 2024, the estimated amount of deductible temporary difference, unused tax losses and unabsorbed capital allowances for which no deferred tax asset has been recognised in the financial statements due to uncertainty of realisation, is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deductible temporary differences arising from:				
Inventories	2,285	5,017	-	-
Financial derivatives	(1,092)	229	-	-
Provision for retirement benefits	8,133	7,598	1,426	1,339
Trade receivables	305	167	-	-
Other receivables	10	10	-	-
Other payables and accrued expenses	4,250	5,297	1,633	1,319
Unabsorbed capital allowances	(10,631)	(14,844)	2,771	2,438
Unused tax losses	75,613	37,074	20,915	18,928
	<b>78,873</b>	<b>40,548</b>	<b>26,745</b>	<b>24,024</b>

The comparative figures of the Group and of the Company have been revised to reflect the previous year's tax submission.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Finance Act 2021 was published on 31 December 2021 with extension of the time period for carrying forward unused tax losses to 10 years from existing 7 years. The expiry of the unused tax losses is as below:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Year of assessment 2028	13,952	13,952	12,024	12,024
Year of assessment 2029	1,260	1,260	1,260	1,260
Year of assessment 2030	1,057	1,057	1,057	1,057
Year of assessment 2031	1,293	1,293	1,293	1,293
Year of assessment 2032	1,799	1,799	1,799	1,799
Year of assessment 2033	17,713	17,713	1,495	1,495
Year of assessment 2034	38,539	-	1,987	-
	<b>75,613</b>	<b>37,074</b>	<b>20,915</b>	<b>18,928</b>

The unabsorbed capital allowances do not expire under the current tax legislation and is available for offset against future taxable profits indefinitely.

## Notes To The Financial Statements (cont'd)

### 11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the number of ordinary shares in issue during the financial year.

	2024	The Group 2023
Profit for the financial year attributable to ordinary equity holders of the Company (RM'000)	<b>13,634</b>	33,292
Number of ordinary shares in issue ('000)	<b>136,934</b>	136,934
Basic earnings per share (sen)	<b>9.96</b>	24.31

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

### 12. LAND HELD FOR PROPERTY DEVELOPMENT

	2024	The Group 2023
Freehold land at cost	<b>134,285</b>	134,285
Development costs	<b>5,583</b>	5,583
	<b>139,868</b>	139,868

Land held for property development comprises a land bank which is being held for future development.

Notes To The Financial Statements  
(cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT

The Group Cost	As at 1 April 2023 RM'000	Additions RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2024 RM'000
Leasehold land	3,273	-	-	-	-	33	3,306
Freehold land	4,950	-	-	-	-	-	4,950
Freehold office	8,544	-	-	-	-	-	8,544
Factory buildings	14,176	233	(45)	-	-	10	14,374
Palm oil mills	59,163	185	(1,068)	-	-	616	58,896
Hospital building	29,369	2,284	-	-	-	-	31,653
Medical equipment	55,071	4,099	(250)	(290)	-	-	58,630
Plant, machinery, equipment and electrical installation	196,003	6,626	(1,003)	-	-	203	201,829
Motor vehicles	12,048	752	(151)	-	-	41	12,690
Office equipment, furniture and fittings	39,179	1,479	(59)	(2,803)	-	13	37,809
Staff quarters cum office block	9,073	1,139	(3)	-	1,028	58	11,295
Land improvements	10,361	3,116	(48)	-	568	48	14,045
Construction in-progress:							
Plant and machinery	36	908	-	-	-	-	944
Palm oil mills	1,555	1,706	-	-	(1,596)	13	1,678
Renovation	5,302	310	-	-	-	-	5,612
Bearer plants	53,869	11,576	-	-	-	346	65,791
Total	501,972	34,413	(2,627)	(3,093)	-	1,381	532,046



Notes To The Financial Statements  
(cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group Cost	As at 1 April 2022 RM'000	Additions RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2023 RM'000
Leasehold land	3,251	-	-	-	-	22	3,273
Freehold land	4,950	-	-	-	-	-	4,950
Freehold office	8,544	-	-	-	-	-	8,544
Factory buildings	14,160	8	-	-	-	8	14,176
Palm oil mills	58,762	-	-	-	-	401	59,163
Hospital building	29,369	-	-	-	-	-	29,369
Medical equipment	51,939	4,942	(831)	(979)	-	-	55,071
Plant, machinery, equipment and electrical installation	191,037	5,478	(692)	-	-	180	196,003
Motor vehicles	11,085	1,560	(626)	-	-	29	12,048
Office equipment, furniture and fittings	36,068	3,141	(32)	(6)	-	8	39,179
Staff quarters cum office block	8,796	217	-	-	-	60	9,073
Land improvements	8,571	1,734	-	-	-	56	10,361
Construction in-progress:							
Plant and machinery	7	29	-	-	-	-	36
Palm oil mills	-	1,557	-	-	-	(2)	1,555
Renovation	4,410	900	-	(8)	-	-	5,302
Bearer plants	46,619	6,953	-	-	-	297	53,869
Total	477,568	26,519	(2,181)	(993)	-	1,059	501,972

Notes To The Financial Statements  
(cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	As at 1 April 2023 RM'000	Charge for the financial year RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2024 RM'000
<b>Accumulated Depreciation</b>							
Leasehold land	1,598	28	-	-	-	15	1,641
Freehold land	-	-	-	-	-	-	-
Freehold office	1,500	171	-	-	-	-	1,671
Factory buildings	5,702	361	(13)	-	-	4	6,054
Palm oil mills	34,512	2,378	(1,067)	-	-	330	36,153
Hospital building	12,583	591	-	-	-	-	13,174
Medical equipment	29,639	5,037	(158)	(272)	-	-	34,246
Plant, machinery, equipment and electrical installation	156,033	7,426	(957)	-	-	188	162,690
Motor vehicles	7,727	1,243	(152)	-	-	26	8,844
Office equipment, furniture and fittings	26,678	2,999	(53)	(1,843)	-	8	27,789
Staff quarters cum office block	6,670	447	(3)	-	-	61	7,175
Land improvements	5,808	610	(38)	-	-	50	6,430
Construction in-progress:							
Plant and machinery	-	-	-	-	-	-	-
oil mills	-	-	-	-	-	-	-
Renovation	1,638	448	-	-	-	-	2,086
Bearer plants	12,617	1,748	-	-	-	95	14,460
<b>Total</b>	<b>302,705</b>	<b>23,487</b>	<b>(2,441)</b>	<b>(2,115)</b>	<b>-</b>	<b>777</b>	<b>322,413</b>

Notes To The Financial Statements  
(cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group Accumulated Depreciation	As at 1 April 2022 RM'000	Charge for the financial year RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2023 RM'000
Leasehold land	1,526	62	-	-	-	10	1,598
Freehold land	-	-	-	-	-	-	-
Freehold office	1,329	171	-	-	-	-	1,500
Factory buildings	5,351	351	-	-	-	-	5,702
Palm oil mills	31,572	2,728	-	-	-	212	34,512
Hospital building	11,996	587	-	-	-	-	12,583
Medical equipment	26,922	4,519	(828)	(974)	-	-	29,639
Plant, machinery, equipment and electrical installation	148,718	7,847	(662)	-	-	130	156,033
Motor vehicles	7,159	1,172	(624)	-	-	20	7,727
Office equipment, furniture and fittings	24,056	2,651	(30)	(5)	-	6	26,678
Staff quarters cum office block	6,231	397	-	-	-	42	6,670
Land improvements	5,323	449	-	-	-	36	5,808
Construction in-progress:							
Plant and machinery	-	-	-	-	-	-	-
Palm oil mills	-	-	-	-	-	-	-
Renovation	1,286	353	-	(1)	-	-	1,638
Bearer plants	10,967	1,581	-	-	-	69	12,617
Total	282,436	22,868	(2,144)	(980)	-	525	302,705

Notes To The Financial Statements  
(cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Carrying Amount	
	2024 RM'000	2023 RM'000
Leasehold land	1,665	1,675
Freehold land	4,950	4,950
Freehold office	6,873	7,044
Factory buildings	8,320	8,474
Palm oil mills	22,743	24,651
Hospital building	18,479	16,786
Medical equipment	24,384	25,432
Plant, machinery, equipment and electrical installation	39,139	39,970
Motor vehicles	3,846	4,321
Office equipment, furniture and fittings	10,020	12,501
Staff quarters cum office block	4,120	2,403
Land improvements	7,615	4,553
Construction in-progress:		
Plant and machinery	944	36
Palm oil mills	1,678	1,555
Renovation	3,526	3,664
Bearer plants	51,331	41,252
Total	209,633	199,267

The Company	Freehold office RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
<b>Cost</b>					
As at 1 April 2022	3,593	2,618	1,558	1,500	9,269
Additions	-	-	447	27	474
Disposals	-	(187)	(9)	-	(196)
Write offs	-	-	-	(8)	(8)
As at 31 March 2023/1 April 2023	3,593	2,431	1,996	1,519	9,539
Additions	-	8	346	41	395
Write offs	-	-	(1)	-	(1)
As at 31 March 2024	3,593	2,439	2,341	1,560	9,933

## Notes To The Financial Statements (cont'd)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Freehold office RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
<b>Accumulated Depreciation</b>					
As at 1 April 2022	850	1,638	1,379	1,092	4,959
Charge for the financial year	72	244	74	51	441
Disposals	-	(185)	(9)	-	(194)
Write offs	-	-	-	(1)	(1)
As at 31 March 2023/1 April 2023	922	1,697	1,444	1,142	5,205
Charge for the financial year	72	243	184	55	554
Write offs	-	-	(1)	-	(1)
As at 31 March 2024	<b>994</b>	<b>1,940</b>	<b>1,627</b>	<b>1,197</b>	<b>5,758</b>
<b>Carrying Amount</b>					
As at 31 March 2024	<b>2,599</b>	<b>499</b>	<b>714</b>	<b>363</b>	<b>4,175</b>
As at 31 March 2023	2,671	734	552	377	4,334

- (i) A factory building and oleochemical plant of a subsidiary company, SAI was constructed on a parcel of land belonging to SRM. Accordingly, SRM charged SAI rental for the use of the said land. The existing rental agreement between SRM and SAI is expiring on 31 March 2026, which is significantly shorter than the remaining useful life of the property, plant and equipment on the land. SAI intends to apply for a renewal of the lease agreement with SRM upon its expiry on 31 March 2026 and accordingly, no impairment loss needs to be considered for the factory building and plant, machinery and equipment of the oleochemical plant with carrying amount of RM28,699,924 (2023: RM31,326,915).
- (ii) On 31 October 1995, NISB, a subsidiary company, entered into a Sale and Purchase Agreement ("SPA") with SRM, a major shareholder of the Company, to purchase several parcels of freehold land, where the hospital building is constructed, at a total purchase consideration of RM4,950,000. The said purchase consideration had been fully settled since 4 November 2000. In view of the delay in transferring the land title by SRM, NISB had since year 2010, lodged a caveat to protect its interest on the land. The Directors of NISB are confident that the land title will eventually be transferred as NISB had fully satisfied all the conditions as stipulated in the said agreement. Accordingly, the Directors of NISB believe that no impairment loss needs to be considered on the private hospital building with carrying amount of RM20,420,446 (2023: RM16,785,546), which is constructed on the said land.
- (iii) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets with cost amounting to RM191,395,758 (2023: RM172,635,936) and RM3,946,851 (2023: RM3,655,302) respectively, which are still in use.
- (iv) At the end of the reporting period, the carrying amount of property, plant and equipment of the Group acquired under hire purchase amounted to RM1,435,202 (2023: RM1,065,347) are pledged to the bank as described in Note 32.

Notes To The Financial Statements  
(cont'd)

## 14. RIGHT-OF-USE ASSETS

The Group	Land RM'000	Building RM'000	Total RM'000
<b>Cost</b>			
As at 1 April 2022	6,020	625	6,645
Addition due to lease modification	2,465	-	2,465
Addition	-	70	70
As at 31 March 2023/1 April 2023	8,485	695	9,180
Addition	-	409	409
As at 31 March 2024	8,485	1,104	9,589
<b>Accumulated Depreciation</b>			
As at 1 April 2022	3,593	284	3,877
Charge for the financial year	1,200	260	1,460
As at 31 March 2023/1 April 2023	4,793	544	5,337
Charge for the financial year	1,172	205	1,377
As at 31 March 2024	5,965	749	6,714
<b>Carrying Amount</b>			
As at 31 March 2024	2,520	355	2,875
As at 31 March 2023	3,692	151	3,843

The leases have contractual terms ranging from 2 to 10 years (2023: 2 to 10 years). The maturity analysis of lease liabilities is presented in Note 33.

The total cash outflow for leases amount to RM1,762,000 (2023: RM1,918,000).

The Company	Motor vehicle RM'000
<b>Cost</b>	
As at 1 April 2022	-
Addition	70
As at 31 March 2023/1 April 2023	70
Modification	(9)
As at 31 March 2024	61
<b>Accumulated Depreciation</b>	
As at 1 April 2022	-
Charge for the financial year	35
As at 31 March 2023/1 April 2023	35
Charge for the financial year	26
As at 31 March 2024	61
<b>Carrying Amount</b>	
As at 31 March 2024	-
As at 31 March 2023	35

The lease of the Company has contractual term of 2 years. The maturity analysis of lease liabilities is presented in Note 33.

The total cash outflow of the Company for leases amount to RM27,000 (2023: RM50,000).



## Notes To The Financial Statements (cont'd)

### 14. RIGHT-OF-USE ASSETS (CONT'D)

Amounts recognised in statements of profit or loss and other comprehensive income

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation expense on right-of-use assets	1,377	1,460	26	35
Finance costs on lease liabilities (Note 33)	171	115	*	1
Expense relating to short-term leases	104	149	-	-
Expense relating to leases of low-value assets	115	102	-	14

### 15. INVESTMENT PROPERTIES

	The Group	
	2024	2023
	RM'000	RM'000
<b>Cost</b>		
At beginning of the financial year	5,017	3,318
Additions	2,949	1,699
At end of the financial year	7,966	5,017
<b>Accumulated Depreciation</b>		
At beginning of the financial year	-	-
Additions	16	-
At end of the financial year	16	-
<b>Carrying Amount</b>	7,950	5,017
<b>Fair value</b>	16,200	14,200

Investment properties consist of a piece of vacant freehold land in Klang, one and a half storey semi-detached house in Shah Alam and two parcels of housing accommodations under construction in Kuala Lumpur.

A valuation was carried out by an independent firm of professional valuers on the piece of vacant freehold land in Klang in May 2019, using the comparison method, involving comparison to other similar properties in the same location to arrive at a fair value of RM14,200,000 of the freehold land. In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the valuation method and estimates are reflective of current market conditions. The fair value of the housing accommodations under construction is not reliably determinable until the construction is complete. The fair value of the one and a half storey semi-detached house is estimated at RM2,000,000 based on directors' assessment of the current prices in an active market for the property within the vicinity.

No rental income earned from the investment properties since prior years.

Direct operating expenses arising from the investment properties during the financial year amounted to RM73,389 (2023: RM73,389).

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Fair value
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2024	-	-	16,200	16,200
As at 31 March 2023	-	-	14,200	14,200

Notes To The Financial Statements  
(cont'd)

## 16. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2024 RM'000	2023 RM'000
Unquoted shares at cost		
At beginning of the financial year	253,341	253,341
Additions	23,500	-
At end of the financial year	276,841	253,341
Less: Accumulated impairment losses:		
At beginning and end of the financial year	(7,742)	(7,742)
Total	269,099	245,599

The Directors have reviewed the Company's investments in subsidiary companies for indications of impairment and concluded that the allowance for impairment loss amounting to RM7,742,000 (2023: RM7,742,000) as at the end of the reporting period is deemed adequate in respect of investments in the subsidiary companies.

The details of subsidiary companies are as follows:

Direct subsidiary companies	Country of incorporation	Equity interest		Principal activities
		2024	2023	
Southern Acids Cronos Resource Sdn. Bhd.	Malaysia	100%	100%	Provision of administrative and accounting services
Southern Acids Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of oleochemical products for commercial use
PKE Transport (Malaysia) Sdn. Berhad	Malaysia	100%	100%	Provision of overhead conveyor goods loading services
Pembinaan Gejati Sdn. Bhd.	Malaysia	100%	100%	Property development and oil palm plantation operations
SAB Properties Development Co. Sdn. Berhad	Malaysia	100%	100%	Investment holding and lease of property
Noble Interest Sdn. Bhd.	Malaysia	100%	100%	Property holding and lease of a hospital building
Southern Medicare Sdn. Bhd.	Malaysia	100%	100%	Private hospital and healthcare services
Wilstar Sdn. Bhd.	Malaysia	100%	100%	Dormant
SAB Plantation Sdn. Berhad	Malaysia	100%	100%	Pre-operating
Firstview Development Sdn. Bhd.	Malaysia	100%	90%	Investment holding
Parson Medithor Medical Sdn. Bhd.	Malaysia	100%	100%	Dormant

## Notes To The Financial Statements (cont'd)

### 16. INVESTMENTS IN SUBSIDIARY COMPANIES

The details of subsidiary companies are as follows (cont'd):

Direct subsidiary companies	Country of incorporation	Equity interest		Principal activities
		2024	2023	
SAB Bio-Fuel Sdn. Bhd.	Malaysia	100%	100%	Pre-operating
Imayos Letting Sdn. Bhd.	Malaysia	100%	100%	Pre-operating
SAB (East Asia) Holdings Ltd.*	Hong Kong	100%	100%	Dormant
<b>Indirect subsidiary companies</b>				
PT Mustika Agro Sari* (Held through Firstview Development Sdn. Bhd.)	Indonesia	70%	63%	Oil palm plantation operations and commercial milling
PT Wanasari Nusantara* (Held through Firstview Development Sdn. Bhd. and PT Mustika Agro Sari)	Indonesia	70%	63%	Oil palm plantation operations and commercial milling

\* The subsidiary companies are audited by firms of auditors other than Deloitte PLT.

On 8 February 2024, the Group announced that the Company has entered into a share sale agreement ("SSA") with Low Mong Hua Sdn Bhd ("LMHSB") for the acquisition of 300,000 ordinary shares in Firstview Development Sdn Bhd ("FVD"), representing 10% of the remaining equity interest in FVD for a total cash consideration of RM23,500,000 of which RM6,000,000 has been paid during the year, the remaining outstanding are to be repaid as described in Note 35.

On 19 February 2024, the SSA had set to be unconditional and the acquisition had completed in accordance with the terms and conditions of the SSA.

Upon completion of the SSA, FVD had become a wholly-owned subsidiary of the Company. The effective interest in PT Mustika Agro Sari and PT Wanasari Nusantara had increased from 63% to 70%, with the balance of 30% equity interest held by the Indonesian parties, namely Winianty and Herry Amin.

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiary companies	
		2024	2023
Manufacturing and marketing of oleochemical products	Malaysia	1	1
Managing and operating of private hospital	Malaysia	1	1
Sale of oil palm fruit	Malaysia	1	1
Bulk conveyor operations	Malaysia	1	1
Others	Malaysia	9	8
Others	Hong Kong	1	1
		<b>14</b>	<b>13</b>

Notes To The Financial Statements  
(cont'd)**16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)**

Information about the composition of the Group at the end of the reporting period is as follows (cont'd):

Principal activity	Place of incorporation and operation	Number of non-wholly-owned subsidiary companies 2024	2023
Sale of oil palm fruit, crude palm oil and palm kernel	Indonesia	2	2
Others	Malaysia	-	1
		<b>2</b>	<b>3</b>

The table below shows details of non-wholly-owned subsidiary companies of the Group that have material non-controlling interests:

Subsidiary companies	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests	Profit/(Loss) allocated to non-controlling interest RM'000	Total comprehensive income/(loss) allocated to non-controlling interests RM'000	Carrying amount of non-controlling interests RM'000
<b>2024</b>					
PT Mustika Agro Sari (Held through Firstview Development Sdn. Bhd.)	Indonesia	30.0%	5,402	6,319	61,647
PT Wanasari Nusantara (Held through Firstview Development Sdn. Bhd. and PT Mustika Agro Sari)	Indonesia	30.0%	5,600	6,067	37,481
Total			<b>11,002</b>	<b>12,386</b>	<b>99,128</b>
<b>2023</b>					
Firstview Development Sdn. Bhd.	Malaysia	10.0%	(116)	(116)	12,828
PT Mustika Agro Sari (Held through Firstview Development Sdn. Bhd.)	Indonesia	37.0%	10,325	10,902	67,049
PT Wanasari Nusantara (Held through Firstview Development Sdn. Bhd. and PT Mustika Agro Sari)	Indonesia	37.0%	10,473	10,788	35,805
Total			<b>20,682</b>	<b>21,574</b>	<b>115,682</b>

## Notes To The Financial Statements (cont'd)

### 16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information in respect of each of the Company's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	<b>Firstview Development Sdn. Bhd. 2023 RM'000</b>	<b>2024 RM'000</b>	<b>PT Mustika Agro Sari 2023 RM'000</b>	<b>2024 RM'000</b>	<b>PT Wanasari Nusantara 2023 RM'000</b>
<u>Statement of financial position</u>					
Current assets	33,555	<b>210,481</b>	204,203	<b>55,654</b>	119,590
Non-current assets	17,940	<b>62,831</b>	53,886	<b>88,594</b>	75,938
Current liabilities	416	<b>13,131</b>	15,356	<b>16,803</b>	83,024
Non-current liabilities	-	<b>5,002</b>	4,507	<b>3,862</b>	4,427
Equity attributable to equity holders of the Company	38,251	<b>193,532</b>	171,177	<b>86,102</b>	72,272
Non-controlling interests	12,828	<b>61,647</b>	67,049	<b>37,481</b>	35,805
<u>Statement of profit or loss and other comprehensive income</u>					
Revenue	4,164	<b>167,363</b>	215,595	<b>241,631</b>	264,454
Other expenses	(725)	<b>(149,153)</b>	(180,296)	<b>(221,499)</b>	(227,846)
Profit before tax	3,439	<b>18,210</b>	35,299	<b>20,132</b>	36,608
Income tax expense	(487)	<b>(3,465)</b>	(7,391)	<b>(5,045)</b>	(8,300)
Profit for the financial year	2,952	<b>14,745</b>	27,908	<b>15,087</b>	28,308
Profit attributable to equity holders of the Company	3,068	<b>9,343</b>	17,583	<b>9,487</b>	17,835
(Loss)/Profit attributable to non-controlling interests	(116)	<b>5,402</b>	10,325	<b>5,600</b>	10,473
Profit for the financial year	2,952	<b>14,745</b>	27,908	<b>15,087</b>	28,308
Other comprehensive income for the financial year	-	<b>1,978</b>	1,561	<b>969</b>	850
Total comprehensive income attributable to equity holders of the Company	3,068	<b>10,404</b>	18,567	<b>9,989</b>	18,370
Total comprehensive (loss)/income attributable to non-controlling interests	(116)	<b>6,319</b>	10,902	<b>6,067</b>	10,788
Total comprehensive income for the financial year	2,952	<b>16,723</b>	29,469	<b>16,056</b>	29,158
<u>Statement of cash flows</u>					
Net cash from operating activities	18,007	<b>75,472</b>	23,044	<b>15,602</b>	40,086
Net cash from/(used in) investing activities	5,011	<b>(5,971)</b>	1,446	<b>(18,475)</b>	(10,622)
Net cash from/(used in) financing activities	52	<b>(6,329)</b>	(6,234)	<b>(68,455)</b>	(1,872)
Net cash inflow/(outflow)	23,070	<b>63,172</b>	18,256	<b>(71,328)</b>	27,592
Dividend paid to non-controlling interests	-	<b>(1,817)</b>	(1,772)	-	-

Notes To The Financial Statements  
(cont'd)

## 17. INVESTMENT IN AN ASSOCIATE COMPANY

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost				
At beginning of the financial year	2,977	2,977	917	917
Share of post-acquisition reserve				
At beginning of the financial year	(540)	(675)	-	-
Share of results of an associate company	(548)	135	-	-
	(1,088)	(540)	-	-
At end of the financial year	1,889	2,437	917	917

Associate company	Country of incorporation	Proportion of ownership interest		Principal activities
		2024	2023	
PKE (Malaysia) Sdn. Berhad.	Malaysia	38.5%	38.5%	Provision of warehousing and overhead conveyor goods loading services

Summarised financial information in respect of the Group's material associate company is set out below. The summarised financial information below represents amounts shown in associate company's financial statements prepared in accordance with MFRSs.

	2024 RM'000	2023 RM'000
<b>PKE (Malaysia) Sdn. Berhad.</b>		
<u>Statement of financial position</u>		
Current assets	4,626	4,725
Non-current assets	8,284	9,775
Current liabilities	(4,879)	(3,583)
Non-current liabilities	(2,977)	(4,439)
Net assets	5,054	6,478
<u>Statement of profit or loss and other comprehensive income</u>		
Revenue	10,855	11,770
Expenses	(12,279)	(11,418)
(Loss)/Profit for the financial year	(1,424)	352
Remeasurement of defined benefit obligations	-	-
Total comprehensive (loss)/income for the financial year	(1,424)	352
Group's share of net assets	1,945	2,493
Group's share of results of an associate company	(548)	135
Group's share of other comprehensive income of an associate company	-	-



## Notes To The Financial Statements (cont'd)

### 18. OTHER INVESTMENTS

	The Group and the Company	
	2024 RM'000	2023 RM'000
<b>Shares in Malaysia:</b>		
Quoted shares - at fair value	42,032	29,487

Movement in the quoted shares in Malaysia during the reporting period is as follows:

	The Group and the Company	
	2024 RM'000	2023 RM'000
At beginning of the financial year	29,487	29,380
Additions	-	607
Disposals	(2)	-
Realisation on fair value of equity instruments	(223)	-
Changes in fair value	12,770	(500)
At end of the financial year	42,032	29,487

### 19. PAYABLES FOR KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA ("KKPA") PROGRAM

	The Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	(218)	(1,411)
Movement during the financial year	(1,181)	1,205
Effects of foreign exchange translation	17	(12)
At end of the financial year	(1,382)	(218)

Under an existing government policy in Indonesia, oil palm plantation owners/operators are required to assist in the development of plantations for small holders (herein referred to as the "Plasma Farmers") through a program called "Kredit Koperasi Primer untuk Anggotanya" or "KKPA". Under the KKPA programs, all participating Plasma Farmers are under the coordination of a cooperative, and any investment credit availed during the development of the plantations (land preparation up to the end of the immature stage) shall also be rendered to the cooperative. The oil palm plantation owners/operators, on the other hand, served as the contractors for developing the plantations, train and develop the skills of the plasma farmers, and purchase the fresh fruit bunches ("FFB") harvested by plasma farmers at prevailing prices determined by the Indonesian Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion of the plasma plantation projects, either through direct repayments from the plasma farmers or netted-off with the FFB purchased from the plasma farmers.

Notes To The Financial Statements  
(cont'd)**19. PAYABLES FOR KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA ("KKPA") PROGRAM (CONT'D)**

Advances for KKPA program represent the accumulated costs to maintain plasma plantations, totalling 500 hectares, which are currently being self-financed by a subsidiary company. The allowance for loss on conversion of KKPA program is based on a periodic review of the recoverability of the development costs.

Accumulated plasma plantation development costs are presented net of the proceeds received from plasma plantations investment credit and the FFB purchased from the plasma farmers as Advances or Payables for KKPA Program.

**20. DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred tax assets/(liabilities) pertaining to the Company and the subsidiary companies are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	(3,214)	(5,456)	-	-
Credited/(Charged) to profit or loss (Note 10):				
Property, plant and equipment	(82)	4,368	-	-
Right-of-use assets	114	913	-	-
Biological assets	137	357	-	-
Trade receivables	216	85	-	-
Other receivables	-	(30)	-	-
Other payables and accrued expenses	(857)	(1,136)	-	-
Lease liabilities	(87)	(1,007)	-	-
Provision for retirement benefits	(182)	(899)	-	-
Unabsorbed capital allowances	109	(192)	-	-
	(632)	2,459	-	-
Credited/(Charged) to other comprehensive income:				
Provision for retirement benefits	(69)	(234)	-	-
Translation of foreign operations	40	17	-	-
At end of the financial year	(3,875)	(3,214)	-	-

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	1,996	2,743	-	-
Deferred tax liabilities	(5,871)	(5,957)	-	-
	(3,875)	(3,214)	-	-

## Notes To The Financial Statements (cont'd)

### 20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Deferred tax assets (before offsetting)</b>				
Temporary differences arising from:				
Trade receivables	458	242	-	-
Other payables and accrued expenses	1,298	2,144	-	-
Provision for retirement benefits	1,594	1,822	-	-
Lease liabilities	307	394	-	-
Unabsorbed capital allowances	424	315	-	-
Unused tax losses	28	28	-	-
	<b>4,109</b>	<b>4,945</b>	<b>-</b>	<b>-</b>
Offsetting	<b>(2,113)</b>	<b>(2,202)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (after offsetting)</b>	<b>1,996</b>	<b>2,743</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities (before offsetting)</b>				
Temporary differences arising from:				
Property, plant and equipment	(7,494)	(7,424)	-	-
Biological assets	(273)	(404)	-	-
Right-of-use assets	(217)	(331)	-	-
	<b>(7,984)</b>	<b>(8,159)</b>	<b>-</b>	<b>-</b>
Offsetting	<b>2,113</b>	<b>2,202</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities (after offsetting)</b>	<b>(5,871)</b>	<b>(5,957)</b>	<b>-</b>	<b>-</b>

### 21. BIOLOGICAL ASSETS

	The Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	1,953	3,655
Net fair value changes (Note 8)	(538)	(1,728)
Effects of foreign exchange translation	29	26
At end of the financial year	<b>1,444</b>	<b>1,953</b>

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. The fair value measurement of the biological assets is determined by using the present value of net cash flows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy. Changes to the estimated oil content of unharvested FFB included in the valuation will have a direct effect on the reported valuation.

Notes To The Financial Statements  
(cont'd)**21. BIOLOGICAL ASSETS (CONT'D)**

If the Group's FFB tonnage changes by 10% (2023: 10%), the impact of the fair value of FFB would be as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
FFB tonnage increase by 10% (2023: 10%)	<b>144</b>	200
FFB tonnage decrease by 10% (2023: 10%)	<b>(144)</b>	(200)

During the financial year, the Group harvested approximately 97,537 tonnes of FFB (2023: 99,024 tonnes). The quantity of unharvested FFB of the Group as at 31 March 2024 included in the fair valuation of FFB was 2,228 tonnes (2023: 3,403 tonnes).

**22. INVENTORIES**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost and net realisable value:</b>		
Raw materials	<b>2,289</b>	15,366
Work-in-progress	<b>32,421</b>	37,708
Finished goods	<b>25,267</b>	20,674
Medical and surgical supplies	<b>3,361</b>	3,561
Consumables	<b>13,948</b>	11,949
<b>Total</b>	<b>77,286</b>	89,258

For the financial year ended 31 March 2024, cost of inventories recognised as an expense of the Group amounted to RM732,025,000 (2023: RM861,797,000).

The cost of inventories recognised is after taking into consideration a reversal of write down of RM2,733,000 (2023: write down of RM5,017,000) on the inventories to net realisable value is due to fluctuation of market condition and inventories written off of RM18,000 (2023: RM15,000).

## Notes To The Financial Statements (cont'd)

### 23. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	The Group	
	2024 RM'000	2023 RM'000
<b>Derivative financial assets</b>		
Commodity future contracts	2,521	195
<b>Derivative financial liabilities</b>		
Commodity future contracts	(554)	(317)
Foreign currency forward contracts	(874)	(106)
	<b>(1,428)</b>	<b>(423)</b>

For the financial year ended 31 March 2024, the unrealised fair value gain of the foreign currency forward contracts amounting to RM1,753,000 (2023: fair value loss of RM342,000) and unrealised fair value loss of the commodity future contracts amounting to RM432,000 (2023: fair value loss of RM5,835,000) has been recognised in statement of profit or loss and other comprehensive income. The details of the derivatives are disclosed in Note 42.

### 24. TRADE RECEIVABLES

	The Group	
	2024 RM'000	2023 RM'000
Trade receivables	64,149	57,694
Less: Impairment losses	(2,211)	(1,287)
	<b>61,938</b>	<b>56,407</b>

Trade receivables comprise amounts receivable for the sale of goods and services rendered. The credit period granted on sale of goods and services rendered ranges from 7 to 90 days (2023: 7 to 90 days).

An allowance of RM2,211,000 (2023: RM1,287,000) for the Group has been made for estimated irrecoverable amounts from the sale of goods and services rendered. This allowance has been determined based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Included in the Group's trade receivables balance are debtors with a carrying amount of RM14,719,000 (2023: RM14,796,000), which are past due at the end of reporting period for which no allowance has been provided for by the Group as there has not been a significant change in credit quality and the Group believes that the amounts are fully recoverable. The Group does not hold any collateral over these balances. The past due aging for these receivables ranges from 30 days and below to 120 days (2023: 30 days and below to 120 days).

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"). The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Notes To The Financial Statements  
(cont'd)**24. TRADE RECEIVABLES (CONT'D)**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The table below is an analysis of trade receivables as at the end of the reporting period:

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Neither past due nor impaired	<b>47,219</b>	41,611
Past due but not impaired:		
30 days and below	<b>6,611</b>	3,917
31 - 60 days	<b>5,899</b>	7,144
61 - 90 days	<b>1,708</b>	2,800
91 - 120 days	<b>501</b>	935
	<b>14,719</b>	14,796
Past due and impaired:		
More than 120 days	<b>2,211</b>	1,287
Total trade receivables	<b>64,149</b>	57,694

The Group's current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Description</b>	<b>Basis for recognising expected credit losses ("ECL")</b>
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Movement in the impairment losses for trade receivables during the reporting period is as follows:

	<b>The Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
At beginning of the financial year	<b>1,287</b>	945
Charge for the financial year	<b>970</b>	432
Bad debts written off	<b>(46)</b>	(77)
Reversal of loss allowance no longer required	<b>-</b>	(13)
At end of the financial year	<b>2,211</b>	1,287



## Notes To The Financial Statements (cont'd)

### 24. TRADE RECEIVABLES (CONT'D)

In determining the recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

The Group has no significant concentration of credit risk except for amounts due from 5 (2023: 4) major customers, which constitutes approximately 32% (2023: 29%) of the total trade receivables.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Analysis of currency profile of trade receivables is as follows:

	The Group	
	2024 RM'000	2023 RM'000
United States Dollar	32,874	28,055
Ringgit Malaysia	25,248	27,003
Pound Sterling	203	-
Euro	3,613	1,349
	<b>61,938</b>	<b>56,407</b>

### 25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables	39,575	39,893	121	119
Less: Impairment losses	(142)	(142)	-	-
	<b>39,433</b>	<b>39,751</b>	<b>121</b>	<b>119</b>
Refundable deposits	3,879	477	53	53
Prepaid expenses	13,168	8,671	776	265
	<b>56,480</b>	<b>48,899</b>	<b>950</b>	<b>437</b>

The movement in the impairment losses for other receivables during the reporting period is as follows:

	The Group	
	2024 RM'000	2023 RM'000
At beginning/end of the financial year	142	142

Notes To The Financial Statements  
(cont'd)**25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)**

Analysis of currency profile of other receivables and refundable deposits is as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	<b>10,949</b>	9,171
Hong Kong Dollar	<b>93</b>	87
Indonesian Rupiah	<b>32,269</b>	30,969
United States Dollar	<b>1</b>	1
	<b>43,312</b>	40,228

**26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS****(a) Amount owing by subsidiary companies**

Amount owing by subsidiary companies represent mainly unsecured advances, dividend and management fees receivable and payments made on behalf, net of administrative charges. These amounts are unsecured, interest-free and repayable on demand.

**(b) Amount owing to subsidiary companies**

Amount owing to subsidiary companies represents mainly unsecured advances and payments made on behalf, net of management fees receivable. The amount is unsecured, interest-free and repayable on demand.

Analysis of currency profile of the amount owing to subsidiary companies is as follows:

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	-	13
Hong Kong Dollar	<b>72</b>	72
	<b>72</b>	85

## Notes To The Financial Statements (cont'd)

### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

#### (c) Related party transactions with group companies

The significant related party credits/(charges) arising from related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Subsidiary companies</b>		
Management fees received/ receivable		
Southern Acids Industries Sdn. Bhd.	<b>2,196</b>	2,153
PKE Transport (Malaysia) Sdn. Berhad	<b>535</b>	530
Southern Medicare Sdn. Bhd.	<b>1,481</b>	1,447
Southern Acids Cronos Resource Sdn. Bhd.	<b>67</b>	64
Noble Interest Sdn. Bhd.	<b>26</b>	-
Pembinaan Gejati Sdn. Bhd.	<b>145</b>	129
Firstview Development Sdn. Bhd.	<b>1,373</b>	1,353
Dividends received/receivable		
Southern Medicare Sdn. Bhd.	<b>12,012</b>	12,012

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Associate company</b>				
PKE (Malaysia) Sdn. Berhad				
Management fee received/receivable	<b>303</b>	268	<b>303</b>	268
Rental of overhead conveyor system received/receivable	<b>7,009</b>	8,320	-	-
Administrative charge received/receivable	<b>307</b>	255	-	-
Administrative charge paid/payable	<b>(805)</b>	(953)	-	-

#### (d) Related parties

The related parties in which the Group has transacted with and their relationships with the Group are as follows:

<b>Name of related parties</b>	<b>Relationship</b>
Banting Hock Hin Estate Company Sdn. Bhd., Southern Edible Oil Industries (M) Sdn. Berhad, Southern Realty (Malaya) Sdn. Bhd., Torita Rubber Works Sdn. Bhd., Torita Trading (M) Sdn. Bhd., SKP Borneo Sdn. Bhd., Southern Keratong Plantations Sdn. Bhd., Bukit Rotan Palm Oil Sdn. Bhd., Southern Products Marketing Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Southern Realty Plantations Company Sdn. Bhd., Kumsobina Development Sdn. Bhd., Perindustrian Sawit Karak Sdn. Bhd., Guan Heng Edible Oil Industries Sdn. Bhd., Southern Realty Resource Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Victory Investment Land (J) Sdn. Bhd., Victory Enghoe Plantations Sdn. Bhd., Victory Investment Company Sdn. Bhd., Kee Hup Oil & Cake Sdn. Bhd., Maxcentury Oil Palm (Sabah) Sdn. Bhd. and Fermanagan Biobridge Sdn. Bhd.	Companies in which Dr. Low Kok Thye and Datuk Wira Lim Kim Long, who are Directors of the Company, are also Directors and/or have substantial financial interests.

Notes To The Financial Statements  
(cont'd)

## 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

## (e) Related party transactions with related parties

The significant related party credits/(charges) arising from related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

	The Group	
	2024 RM'000	2023 RM'000
<b>Related parties</b>		
Southern Realty (Malaya) Sdn. Bhd.		
Administrative charges	4,425	4,343
Share of property, plant and equipment charges	42	37
Purchases of goods	(1,768)	(8,446)
Plantation advisory paid/ payable	(96)	(96)
Leases paid/payable for:		
Factory land	(962)	(1,054)
Short-term leases	(141)	(98)
Bukit Rotan Palm Oil Sdn. Bhd.		
Administrative charges	30	31
Southern Edible Oil Industries (M) Sdn. Berhad		
Sales of goods	119	-
Purchases of goods	(4,802)	(5,278)
Administrative charges	1,035	1,205
Share of property, plant and equipment charges	42	37
Southern Keratong Plantations Sdn. Bhd.		
Purchase of goods	(668)	(1,166)
Administrative charges	1,701	1,512
Share of property, plant and equipment charges	3	3
Torita Rubber Works Sdn. Bhd.		
Administrative charges	17	32
Southern Hockjoo Plantation Sdn. Bhd.		
Administrative charges	201	188
Banting Hock Hin Estate Company Sdn. Bhd.		
Administrative charges	217	215

## Notes To The Financial Statements (cont'd)

### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

#### (e) Related party transactions with related parties (cont'd)

	2024 RM'000	The Group 2023 RM'000
Southern Products Marketing Sdn. Bhd. Administrative charges	93	104
Kumsobina Development Sdn. Bhd. Administrative charges	92	78
Southern Realty Plantations Company Sdn. Bhd. Administrative charges	38	38
Kee Hup Oil & Cake Sdn. Bhd. Rental paid/ payable for staff quarters Administrative charges	(46) 81	(46) 59
Torita Trading (M) Sdn. Bhd. Administrative charges	4	16
Victory Investment Company Sdn. Bhd. Administrative charges	48	47
Victory Enghoe Plantations Sdn. Bhd. Administrative charges	1,243	1,314
Bekalan Utama Sdn. Berhad Administrative charges	33	33
Naga Wira Sdn. Berhad Administrative charges	29	24
Perindustrian Sawit Karak Sdn. Bhd. Administrative charges	28	29

Notes To The Financial Statements  
(cont'd)**26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)****(e) Related party transactions with related parties (cont'd)**

	<b>2024</b> <b>RM'000</b>	<b>The Group</b> <b>2023</b> <b>RM'000</b>
Guan Heng Edible Oil Industries Sdn. Bhd. Administrative charges	<b>24</b>	22
Maxcentury Oil Palm (Sabah) Sdn. Bhd. Administrative charges	<b>102</b>	102
Southern Realty Resource Sdn. Bhd. Administrative charges	<b>48</b>	47
Fermanagan Biobridge Sdn. Bhd. Administrative charges	<b>293</b>	-
Kelompok Tani Anugrah Logas Purchase of goods	<b>(1,826)</b>	(1,265)
Kelompok Tani Anugrah Tanjung Medang Purchase of goods	<b>(614)</b>	(705)
Kelompok Tani Anugerah Sahabat Sejati Purchase of goods	<b>(588)</b>	(622)
PT Swarna Bhumi Perkasa Purchase of goods	-	(156)
PT Mikroba Anugerah Perkasa Purchase of goods	<b>(844)</b>	(645)



## Notes To The Financial Statements (cont'd)

### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

#### (f) Related party balances

Included under the following accounts of the Group are significant outstanding balances arising from trade and non-trade transactions which were determined based on negotiations, as agreed with the above related parties:

	The Group	
	2024 RM'000	2023 RM'000
<b>Trade receivables</b>		
Southern Realty (Malaya) Sdn. Bhd.	229	564
Southern Keratong Plantations Sdn. Bhd.	107	487
Victory Enghoe Plantations Sdn. Bhd.	186	244
Southern Edible Oil Industries (M) Sdn. Berhad	167	180
Southern Hockjoo Plantation Sdn. Bhd.	12	22
Southern Products Marketing Sdn. Bhd.	31	33
Banting Hock Hin Estate Company Sdn. Bhd.	11	25
Kumsobina Development Sdn. Bhd.	6	8
Kee Hup Oil & Cake Sdn. Bhd.	6	7
Maxcentury Oil Palm (Sabah) Sdn. Bhd.	15	19
Victory Investment Company Sdn. Bhd.	6	6
Southern Realty Plantation Company Sdn. Bhd.	2	5
Southern Realty Resource Sdn. Bhd.	3	6
Bekalan Utama Sdn. Berhad	2	4
Bukit Rotan Palm Oil Sdn. Bhd.	2	4
Guan Heng Edible Oil Industries Sdn. Bhd.	1	3
Naga Wira Sdn. Berhad	1	3
Perindustrian Sawit Karak Sdn. Bhd.	2	3
Torita Rubber Works Sdn. Bhd.	1	4
Torita Trading (M) Sdn. Bhd.	1	1
Fermanagan Biobridge Sdn Bhd	71	-
	<b>862</b>	<b>1,628</b>
<b>Other receivables, deposits and prepaid expenses</b>		
Southern Edible Oil Industries (M) Sdn. Berhad	163	151
<b>Trade payables</b>		
Southern Realty (Malaya) Sdn. Bhd.	146	41
Bukit Rotan Palm Oil Sdn. Bhd.	5	5
Southern Keratong Plantations Sdn. Bhd.	-	493
	<b>151</b>	<b>539</b>

Notes To The Financial Statements  
(cont'd)**26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)****Compensation of Key Management Personnel**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Company and heads of major subsidiary companies of the Group.

The remuneration of Directors and other members of key management during the financial year are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term employment benefits	<b>9,584</b>	9,267	<b>3,461</b>	3,392
Post-employment benefits	<b>1,066</b>	873	<b>333</b>	333
	<b>10,650</b>	10,140	<b>3,794</b>	3,725

Included in the total compensation of key management personnel are:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Directors' remuneration (Note 7)	<b>4,129</b>	4,109	<b>2,105</b>	2,000

The estimated monetary value of benefit-in-kind received by the Directors and other members of key management otherwise than in cash from the Group and the Company amounted to RM299,917 and RM114,138 (2023: RM272,702 and RM118,545) respectively.

**27. AMOUNT OWING BY AN ASSOCIATE COMPANY**

The amount owing by an associate company, which arose from trade and non-trade transactions, are unsecured, interest free and repayable on demand.

**28. CASH AND CASH EQUIVALENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	<b>208,621</b>	206,363	<b>13,019</b>	4,974
Fixed deposits with licensed banks	<b>51,221</b>	50,704	-	-
Short-term placements	<b>137,180</b>	128,514	<b>6,876</b>	15,985
	<b>397,022</b>	385,581	<b>19,895</b>	20,959
Less:				
Deposits with maturities in excess of three months	<b>(447)</b>	-	-	-
	<b>396,575</b>	385,581	<b>19,895</b>	20,959

## Notes To The Financial Statements (cont'd)

### 28. CASH AND CASH EQUIVALENTS (CONT'D)

The short-term placements of the Group and of the Company represent investment in trust funds managed by licensed investment management companies, which is tax exempt, fixed-deposit-linked and allows prompt redemption at any time.

The effective interest rates for fixed deposits of the Group range from 2.40% to 4.25% (2023: 2.25% to 9.50%) per annum and have maturity periods ranging from 1 day to 1 year (2023: 1 day to 90 days).

The effective interest rates for short-term placements of the Group range from 2.98% to 3.55% (2023: 2.97% to 3.85%) and have no fixed maturity period which allows prompt redemption on demand.

Analysis of cash and cash equivalents by currency is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	165,169	163,746	19,895	20,959
Indonesian Rupiah	207,604	209,554	-	-
United States Dollar	24,242	12,262	-	-
Hong Kong Dollar	7	19	-	-
	<b>397,022</b>	<b>385,581</b>	<b>19,895</b>	<b>20,959</b>

### 29. SHARE CAPITAL

	The Group and the Company			
	2024		2023	
	No. of shares (‘000)	Amount RM'000	No. of shares (‘000)	Amount RM'000
<b>Issued and fully paid:</b>				
Ordinary shares:				
At beginning/end of the financial year	<b>136,934</b>	171,255	<b>136,934</b>	171,255

### 30. RESERVES

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-distributable:</b>				
Foreign exchange reserve	(9,065)	(10,452)	-	-
Other reserve	(322)	(322)	-	-
Fair value reserve	15,660	3,113	15,660	3,113
	<b>6,273</b>	<b>(7,661)</b>	<b>15,660</b>	<b>3,113</b>
<b>Distributable:</b>				
Retained earnings	602,042	591,333	130,465	125,488
	<b>608,315</b>	<b>583,672</b>	<b>146,125</b>	<b>128,601</b>

Notes To The Financial Statements  
(cont'd)**30. RESERVES (CONT'D)****Foreign exchange reserve**

Exchange differences arising on the translation of the financial statements of the foreign controlled entities are taken to the foreign exchange reserve, as described in the accounting policies.

**Other reserve**

Other reserve comprises excess of consideration paid for the acquisition of additional carrying amount of non-controlling interests in a subsidiary company.

**Fair value reserve**

Fair value reserve comprises fair value changes of other investments.

**Retained earnings**

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available for distribution of dividends under the single tier tax system.

**31. LOANS AND BORROWINGS**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured:		
Bankers' acceptance	20,000	-
Term loan	900	2,100
	<b>20,900</b>	<b>2,100</b>
Less:		
Current portion:		
Bankers' acceptance	20,000	-
Term loan	900	1,200
	<b>20,900</b>	<b>1,200</b>
Non-current portion	-	900

The non-current portion is payable as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Between 1 - 2 years	-	900

The unsecured term loan and bankers' acceptance of the Group bore effective interest rate at 5.12% and 4.07% (2023: 3.97% and 3.92%) per annum, respectively.

## Notes To The Financial Statements (cont'd)

### 32. HIRE PURCHASE PAYABLES

	2024 RM'000	The Group 2023 RM'000
Minimum lease payments	842	942
Less: Future finance charges	(68)	(106)
Present value of hire purchase liabilities	774	836
Less: Amount due within 12 months (shown under current liabilities)	(406)	(400)
Non-current portion	368	436

The non-current portion is payable as follows:

	2024 RM'000	The Group 2023 RM'000
Between 1 - 2 years	358	248
Between 2 - 5 years	10	188
	368	436

The average term of hire purchase is approximately 3 years (2023: 3 years). For the financial year ended 31 March 2024, the effective borrowing rate ranged from 8.35% to 11.00% (2023: 6.66% to 13.11%) per annum. Interest rates are fixed at the inception of the hire purchase arrangements. The Group's hire purchase payables are denominated in Indonesian Rupiah and are secured by the financial institutions' charge over the assets under hire purchase.

### 33. LEASE LIABILITIES

	2024 RM'000	The Group 2023 RM'000
At beginning of the financial year	4,104	3,121
Additions due to lease modification	-	2,465
Additions	409	70
Finance costs (Note 9)	171	115
Payment of lease rental	(1,543)	(1,667)
At end of the financial year	3,141	4,104
Payable within 1 year	1,421	1,297
Payable more than 1 year but less than 5 years	1,720	2,807
	3,141	4,104

Notes To The Financial Statements  
(cont'd)**33. LEASE LIABILITIES (CONT'D)**

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	35	-
Additions	-	70
Modification	(9)	-
Finance costs (Note 9)	*	1
Payment of lease rental	(26)	(36)
At end of the financial year	-	35
Payable within 1 year	-	35

\* Less than RM1,000

The minimum lease payments for the lease liabilities are payable as follows:

<b>The Group</b>	<b>Future minimum lease payments RM'000</b>	<b>Interest RM'000</b>	<b>Present value of minimum payments RM'000</b>
<b>31 March 2024</b>			
Outstanding contracts			
Less than 1 year	1,757	(336)	1,421
Between 1 - 5 years	1,828	(108)	1,720
	3,585	(444)	3,141
<b>31 March 2023</b>			
Outstanding contracts			
Less than 1 year	1,460	(163)	1,297
Between 1 - 5 years	2,953	(146)	2,807
	4,413	(309)	4,104
<b>The Company</b>			
<b>31 March 2023</b>			
Outstanding contracts			
Less than 1 year	35	-	35

The incremental borrowing rates of the Group applied to the lease liabilities ranges from 2.27% to 5.15% (2023: 2.27% to 5.15%) per annum.

The incremental borrowing rate of the Company applied to the lease liabilities is 2.27% per annum.



## Notes To The Financial Statements (cont'd)

### 34. PROVISION FOR RETIREMENT BENEFITS

The Group and the Company operate unfunded defined Retirement Benefit Gratuity Schemes for the eligible employees. A lump sum benefit is payable to the eligible employees on attaining the mandatory retirement age range from 55 to 60 (2023: 55 to 60) calculated with reference to their length of service and last drawn salary. The eligible employees are those who have served a minimum of 10 years with the Group and the Company.

Movements in net liability during the financial year are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
As at 1 April 2022	7,767	8,649	16,416
Adjustment due to change in attribution period (Note 8)	-	(435)	(435)
Additions in current financial year (Note 8)	784	1,402	2,186
Actuarial gain arising from changes in financial assumptions	-	(999)	(999)
Benefits paid	(954)	(394)	(1,348)
Effects of foreign exchange translation	-	60	60
As at 31 March 2023/1 April 2023	7,597	8,283	15,880
Adjustment due to change in attribution period (Note 8)	-	(2,025)	(2,025)
Additions in current financial year (Note 8)	800	1,467	2,267
Actuarial gain arising from changes in financial assumptions	-	(316)	(316)
Benefits paid	(266)	(397)	(663)
Effects of foreign exchange translation	-	104	104
As at 31 March 2024	<b>8,131</b>	<b>7,116</b>	<b>15,247</b>

	The Company	
	2024 RM'000	2023 RM'000
At beginning of the financial year	1,340	1,203
Additions in current financial year (Note 8)	146	137
Benefits paid	(60)	-
At end of the financial year	<b>1,426</b>	<b>1,340</b>

The amount recognised in the statements of financial position are analysed as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
<b>2024</b>			
Present value of defined benefit obligations	<b>8,131</b>	<b>7,116</b>	<b>15,247</b>
<b>2023</b>			
Present value of defined benefit obligations	7,597	8,283	15,880
		The Company	
		2024 RM'000	2023 RM'000
Present value of defined benefit obligations		<b>1,426</b>	<b>1,340</b>

Notes To The Financial Statements  
(cont'd)**34. PROVISION FOR RETIREMENT BENEFITS (CONT'D)**

Movements in present value of defined benefit obligations during the financial year are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
<b>2024</b>			
At beginning of the financial year	7,597	8,283	15,880
Adjustment due to change in attribution period (Note 8)	-	(2,025)	(2,025)
Current service cost (Note 8)	466	897	1,363
Interest cost on obligation (Note 8)	334	570	904
Actuarial gain arising from changes in financial assumptions	-	(316)	(316)
Benefits paid	(266)	(397)	(663)
Effects of foreign exchange translation	-	104	104
At end of the financial year	8,131	7,116	15,247
<b>2023</b>			
At beginning of the financial year	7,767	8,649	16,416
Adjustment due to change in attribution period (Note 8)	-	(435)	(435)
Current service cost (Note 8)	461	922	1,383
Interest cost on obligation (Note 8)	323	480	803
Actuarial gain arising from changes in financial assumptions	-	(999)	(999)
Benefits paid	(954)	(394)	(1,348)
Effects of foreign exchange translation	-	60	60
At end of the financial year	7,597	8,283	15,880

The amounts recognised in the statements of profit or loss and other comprehensive income are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
<b>2024</b>			
Adjustment due to change in attribution period (Note 8)	-	(2,025)	(2,025)
Current service cost (Note 8)	466	897	1,363
Interest cost on obligation (Note 8)	334	570	904
	800	(558)	242
<b>2023</b>			
Adjustment due to change in attribution period (Note 8)	-	(435)	(435)
Current service cost (Note 8)	461	922	1,383
Interest cost on obligation (Note 8)	323	480	803
	784	967	1,751

## Notes To The Financial Statements (cont'd)

### 34. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

	The Company	
	2024	2023
	RM'000	RM'000
Current service cost (Note 8)	109	105
Interest cost on obligation (Note 8)	37	32
	<b>146</b>	<b>137</b>

The principal actuarial assumptions used as at the end of the reporting period are as follows:

	2024	2023
<b>Malaysia</b>		
Discount rate (%)	4.70	4.70
Future salary increments (%)	5.00	5.00
Normal retirement age:		
Male	60	60
Female	60	60
<b>Indonesia</b>		
Discount rate (%)	6.90	7.04
Future salary increments (%)	10.00	10.00
Normal retirement age:		
Male	55	55
Female	55	55

#### Sensitivity analysis on defined benefit plan

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. If the discount rate decrease/(increase) by 1%, the defined benefit obligation would increase and decrease by RM1,254,000 (2023: RM1,446,000) and RM1,226,000 (2023: RM1,265,000) respectively.
2. If the expected salary growth increase/(decrease) by 1%, the defined benefit obligation would increase and decrease by RM1,500,000 (2023: RM1,517,000) and RM1,332,000 (2023: RM1,350,000) respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statements of financial position.

Notes To The Financial Statements  
(cont'd)**35. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES****(a) Trade Payables**

Trade payables comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranges from 7 to 60 (2023: 7 to 60) days.

Analysis of currency profile of trade payables is as follows:

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	<b>14,130</b>	8,790
Indonesian Rupiah	<b>17,380</b>	14,791
United States Dollar	<b>99</b>	-
	<b>31,609</b>	23,581

**(b) Other Payables and Accrued Expenses**

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	<b>23,659</b>	4,154	<b>17,500</b>	102
Accrued expenses	<b>26,565</b>	32,657	<b>2,157</b>	1,774
Deposits received	<b>175</b>	174	-	-
Dividend payable	<b>121</b>	121	<b>121</b>	121
	<b>50,520</b>	37,106	<b>19,778</b>	1,997
Less: Amount due within 12 months	<b>(37,520)</b>	(37,106)	<b>(6,778)</b>	(1,997)
Non-current portion	<b>13,000</b>	-	<b>13,000</b>	-

The non-current portion is payable as follows:

	<b>The Group and The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Between 1 - 2 years	<b>9,000</b>	-
Between 2 - 5 years	<b>4,000</b>	-
	<b>13,000</b>	-

Other payables arose mainly in respect of indirect costs and administrative expenditures. These amounts are unsecured, interest-free and are repayable within 60 days (2023: 60 days) from the transaction dates.

Included in other payables of the Group and the Company is the outstanding amount payable to Low Mong Hua Sdn Bhd ("LMHSB") for the acquisition of 300,000 ordinary shares in Firstview Development Sdn Bhd ("FVD") totalling RM17,500,000, of which RM4,500,000 is to be repaid in the next financial year and the remaining amount in the following years as mentioned in the table above.

## Notes To The Financial Statements (cont'd)

### 35. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

Analysis of currency profile of other payables, accrued expenses, deposits received and dividend payable is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	42,967	29,203	19,778	1,997
Indonesian Rupiah	7,316	7,651	-	-
Hong Kong Dollar	221	206	-	-
Euro	-	1	-	-
United States Dollar	16	45	-	-
	<b>50,520</b>	<b>37,106</b>	<b>19,778</b>	<b>1,997</b>

### 36. CONTRACT LIABILITIES

The contract liabilities represent advance consideration received from customers for trade purchases.

The revenue recognised in these current reporting period amounting to RM7,451,000 (2023: 4,138,000) relates to brought-forward advance from customers. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Analysis of currency profile of contract liabilities is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	2,308	528
Indonesian Rupiah	2,767	5,916
United States Dollar	1,352	-
Chinese Renminbi	-	1,007
	<b>6,427</b>	<b>7,451</b>

### 37. BANKING FACILITIES

The Group and the Company have bank guarantee and other credit facilities amounting to RM77,000,000 and RM6,000,000 (2023: RM77,000,000 and RM6,000,000) respectively, out of which RM65,000,000 (2023: RM65,000,000) of the Group's credit facilities are secured by the corporate guarantee from the Company.

These facilities bear interest at rate of 3.92% - 3.97% (2023: 3.92% - 3.97%) per annum.

As at 31 March 2024, the Group and the Company have utilised RM31,842,000 and RM760,000 (2023: RM12,875,000 and RM760,000) respectively, of the bank guarantee and other credit facilities.

### 38. DIVIDENDS

	The Group and the Company	
	2024 RM'000	2023 RM'000
Final dividend of 5 sen, single tier, in respect of financial year ended:		
- 31 March 2023	6,847	-
- 31 March 2022	-	6,847

Notes To The Financial Statements  
(cont'd)**39. SEGMENTAL INFORMATION**

For the Group's chief operating decision maker ("CODM") purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Oleochemical Manufacturing
- (ii) Healthcare Services
- (iii) Milling & Cultivation
- (iv) Investments & Services

The entities included in the respective reportable operating segments have changed from the financial year ended 31 March 2024 due to the changes in the internal management reporting structure to the CODM. Comparatives have been restated to conform to the revised reportable operating segments.

Segment revenue, expenses and results include transactions between business segments and are eliminated on consolidation.

The inter-segment transactions, terms, conditions, and prices are determined based on negotiations agreed between the parties.

<b>The Group 2024</b>	<b>Oleochemical Manufacturing RM'000</b>	<b>Healthcare Services RM'000</b>	<b>Milling &amp; Cultivation RM'000</b>	<b>Investment &amp; Services RM'000</b>	<b>Eliminations RM'000</b>	<b>The Group RM'000</b>
<b>Revenue</b>						
External sales	356,142	117,959	413,259	17,478	-	904,838
External dividend income	-	-	-	3,125	-	3,125
Inter-segment sales	-	-	-	9,324	(9,324)	-
<b>Total revenue</b>	<b>356,142</b>	<b>117,959</b>	<b>413,259</b>	<b>29,927</b>	<b>(9,324)</b>	<b>907,963</b>
<b>Financial Results</b>						
Segment results	(32,090)	35,827	49,020	(8,235)	-	44,522
<b>Profit from operations</b>						<b>44,522</b>
Finance costs						(808)
Share of results of an associate company						(548)
<b>Profit before tax</b>						<b>43,166</b>
Income tax expense						(18,626)
<b>Profit for the financial year</b>						<b>24,540</b>



## Notes To The Financial Statements (cont'd)

### 39. SEGMENTAL INFORMATION (CONT'D)

The Group 2024	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
<b>Other Information:</b>						
Capital expenditure	1,023	5,032	24,582	5,734	-	36,371
<b>Non-cash expenses/(income):</b>						
Depreciation of property, plant and equipment	3,787	7,697	8,532	3,471	-	23,487
Depreciation of right-of-use assets	821	205	-	351	-	1,377
Depreciation of investment properties	-	-	-	16	-	16
Provision for retirement benefits	433	-	(555)	364	-	242
Property, plant and equipment written off	6	24	-	948	-	978
Inventories written off	-	18	-	-	-	18
Reversal of write-down of inventories	(2,733)	-	-	-	-	(2,733)
Impairment losses on trade receivables	27	943	-	-	-	970
Unrealised loss on foreign exchange - net	20	-	40	-	-	60
(Gain)/Loss on disposal of property, plant and equipment	(7)	86	42	-	-	121
Gain arising from fair value change in derivatives	(1,321)	-	-	-	-	(1,321)
Loss arising from fair value change in biological assets	-	-	538	-	-	538
<b>Statement of Financial Position</b>						
<b>Assets</b>						
Segment assets	169,686	139,255	548,593	144,268	-	1,001,802
Deferred tax assets	-	-	1,996	-	-	1,996
Tax recoverable	2,775	-	11,675	695	-	15,145
Consolidated assets						1,018,943
<b>Liabilities</b>						
Segment liabilities	47,829	25,946	38,006	19,647	-	131,428
Deferred tax liabilities	-	2,764	-	3,107	-	5,871
Tax liabilities	-	1,401	1,514	31	-	2,946
Consolidated liabilities						140,245

Notes To The Financial Statements  
(cont'd)

## 39. SEGMENTAL INFORMATION (CONT'D)

The Group 2023	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
<b>Revenue</b>						
External sales	478,996	112,727	484,796	18,216	-	1,094,735
External dividend income	-	-	-	5,140	-	5,140
Inter-segment sales	-	-	-	9,201	(9,201)	-
Total revenue	478,996	112,727	484,796	32,557	(9,201)	1,099,875
<b>Financial Results</b>						
Segment results	(26,484)	31,543	74,609	(3,965)	-	75,703
Profit from operations						75,703
Finance costs						(929)
Share of results of an associate company						135
Profit before tax						74,909
Income tax expense						(20,935)
Profit for the financial year						53,974
<b>Other Information:</b>						
Capital expenditure	3,728	7,227	13,710	1,854	-	26,519
<b>Non-cash expenses/(income):</b>						
Depreciation of property, plant and equipment	3,867	6,869	8,710	3,422	-	22,868
Depreciation of right- of-use assets	848	203	-	409	-	1,460
Provision for retirement benefits	443	-	969	339	-	1,751
Property, plant and equipment written off	-	6	-	7	-	13
Inventories written off	-	15	-	-	-	15
Inventories written down	5,017	-	-	-	-	5,017
(Reversal of impairment losses)/Impairment losses on trade receivables	(13)	432	-	-	-	419
Unrealised loss/(gain) on foreign exchange - net	(132)	-	(4)	-	-	(136)
(Gain)/Loss on disposal of property, plant and equipment	(15)	(39)	14	(16)	-	(56)
Loss arising from fair value change in derivatives	6,177	-	-	-	-	6,177
Loss arising from fair value change in biological assets	-	-	1,728	-	-	1,728

## Notes To The Financial Statements (cont'd)

### 39. SEGMENTAL INFORMATION (CONT'D)

The Group 2023	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
<b>Statement of Financial Position</b>						
<b>Assets</b>						
Segment assets	178,446	125,236	522,427	137,027	-	963,136
Deferred tax assets	-	-	2,743	-	-	2,743
Tax recoverable	3,798	-	2,032	1,030	-	6,860
Consolidated assets						972,739
<b>Liabilities</b>						
Segment liabilities	22,195	24,013	38,202	7,289	-	91,699
Deferred tax liabilities	-	2,837	-	3,120	-	5,957
Tax liabilities	-	1,470	3,004	-	-	4,474
Consolidated liabilities						102,130

#### Geographical Segments

The Group's operations are located in Malaysia and Indonesia.

The following is an analysis of the Group's revenue by geographical market:

	<b>Sales revenue by geographical market</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Asia:		
Malaysia	223,986	261,260
Indonesia	408,414	479,587
Others	145,394	216,586
Europe	56,486	45,754
America	38,253	61,539
Others	35,430	35,149
	907,963	1,099,875

Notes To The Financial Statements  
(cont'd)**39. SEGMENTAL INFORMATION (CONT'D)**

The following is an analysis of the carrying amount of total assets and capital expenditure by the geographical area in which the assets are located:

	Carrying amount of total assets		Capital expenditure	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Asia:				
Malaysia	612,663	598,751	11,917	12,918
Indonesia	376,959	348,744	24,454	13,601
Others	11,124	12,552	-	-
Europe	10,933	6,322	-	-
America	4,689	2,360	-	-
Others	2,575	4,010	-	-
	<b>1,018,943</b>	<b>972,739</b>	<b>36,371</b>	<b>26,519</b>

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. There is no single customer that contributed 10% or more to the Group's revenue.

**40. CAPITAL COMMITMENTS**

As at 31 March 2024, the Group has approved and contracted for capital commitments in respect of purchase of property, plant and equipment amounting to RM21,505,000 (2023: RM16,626,000).

**41. CORPORATE GUARANTEES**

As at 31 March 2024, the Company has issued corporate guarantees without security to licensed financial institutions for credit facilities totalling RM65,000,000 (2023: RM65,000,000) granted to a Malaysian subsidiary company. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary company's banking facilities and it is not probable that the counterparties to financial guarantee contracts will claim under the contracts.

## Notes To The Financial Statements (cont'd)

### 42. FINANCIAL INSTRUMENTS

#### Capital risk management

The objective of the Group's and of the Company's capital risk management is to safeguard the Group's and the Company's ability to continue as a going-concern while maximising the return to shareholders through the optimisation of equity balance.

The capital structure of the Group and of the Company comprises mainly of issued share capital and reserves. The Group and the Company review their capital structure at least annually to ensure that the Group and the Company will be able to continue as a going-concern.

The Group and the Company are not subject to any externally imposed capital requirements.

#### Categories of financial instruments

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets</b>				
FVTOCI:				
Other investments	42,032	29,487	42,032	29,487
FVTPL:				
Derivative financial assets	2,521	195	-	-
Short-term placements	137,180	128,514	6,876	15,985
Amortised cost:				
Trade receivables	61,938	56,407	-	-
Other receivables and refundable deposits	43,312	40,228	174	172
Amount owing by subsidiary companies	-	-	1,531	1,464
Amount owing by an associate company	864	924	57	81
Cash and bank balances	208,621	206,363	13,019	4,974
Fixed deposits with licensed banks	51,221	50,704	-	-
<b>Financial liabilities</b>				
FVTPL:				
Derivative financial liabilities	1,428	423	-	-
Amortised cost:				
Trade payables	31,609	23,581	-	-
Other payables and accrued expenses	50,520	37,106	19,778	1,997
Amount owing to subsidiary companies	-	-	72	85
Payables for KKPA Program	1,382	218	-	-
Loans and borrowings	20,900	2,100	-	-
Hire purchase payables	774	836	-	-
Lease liabilities	3,141	4,104	-	35

#### Material accounting policies

Details of the material accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instrument are disclosed in Note 3.

Notes To The Financial Statements  
(cont'd)**42. FINANCIAL INSTRUMENTS (CONT'D)****Financial risk management objectives**

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, price fluctuation risk, credit risk and liquidity risk. The Group and the Company have taken measures to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

**Foreign currency risk management**

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

The Group and the Company undertake trade transactions in foreign currencies, which are mainly denominated in United States Dollar, Euro, Pound Sterling, and Indonesian Rupiah, with their trade debtors and trade creditors where the amounts outstanding are exposed to currency fluctuation risks.

The Group also holds cash and bank balances denominated in United States Dollar, Hong Kong Dollar and Indonesian Rupiah for working capital purposes.

The Group and the Company enter into foreign currency forward contracts in the normal course of business to manage their exposure against foreign currency fluctuations on sales and purchase transactions denominated in foreign currencies.

The Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	<b>Assets</b>		<b>Liabilities</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>The Group</b>				
United States Dollar ("USD")	57,117	40,318	115	45
Indonesian Rupiah ("IDR")	239,873	240,523	26,852	23,496
Euro ("EUR")	3,613	1,349	-	1
Pound Sterling ("GBP")	203	-	-	-
Hong Kong Dollar ("HKD")	100	106	221	206
<b>The Company</b>				
HKD	-	-	72	72

## Notes To The Financial Statements (cont'd)

### 42. FINANCIAL INSTRUMENTS (CONT'D)

#### Sensitivity analysis on translation of foreign currency denominated assets and liabilities

The Group and the Company conduct business transactions in foreign currency and hence are subject to risks associated with fluctuations in rates of exchange of foreign currencies. The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of each group entity, profit or loss will increase/(decrease) by:

	USD RM'000	HKD RM'000	GBP RM'000	EUR RM'000	IDR RM'000
<b>The Group</b>					
<b><u>2024</u></b>					
Strengthened 10%	5,700	(12)	20	361	21,302
Weakened 10%	(5,700)	12	(20)	(361)	(21,302)
<b><u>2023</u></b>					
Strengthened 10%	4,027	(10)	-	135	21,703
Weakened 10%	(4,027)	10	-	(135)	(21,703)
<b>The Company</b>					
<b><u>2024</u></b>					
Strengthened 10%	-	(7)	-	-	-
Weakened 10%	-	7	-	-	-
<b><u>2023</u></b>					
Strengthened 10%	-	(7)	-	-	-
Weakened 10%	-	7	-	-	-

The above sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.



Notes To The Financial Statements  
(cont'd)**42. FINANCIAL INSTRUMENTS (CONT'D)****Forward foreign exchange contracts**

At the end of the reporting period, the Group has foreign currency forward contracts, with maturities within the next twelve months, for the following notional amounts:

**Outstanding contracts**

	<b>Average exchange rate</b>	<b>Foreign currency USD'000</b>	<b>Notional value RM'000</b>	<b>Fair value RM'000</b>
<b>31 March 2024</b>				
<b>Sell USD</b>				
- Less than 3 months	4.6837	11,927	55,861	56,300
- 3 to 6 months	4.6809	4,255	19,918	20,087
- More than 6 months	4.6365	3,175	14,721	14,987
		<b>19,357</b>	<b>90,500</b>	<b>91,374</b>
<b>31 March 2023</b>				
<b>Sell USD</b>				
- Less than 3 months	4.4159	11,143	49,207	49,219
- 3 to 6 months	4.3931	3,722	16,351	16,440
- More than 6 months	4.4080	656	2,892	2,897
		<b>15,521</b>	<b>68,450</b>	<b>68,556</b>

**Price fluctuation risk management**

The Group is exposed to the price fluctuation of raw materials used in the operations in particular commodities such as crude palm oil and refined palm oils. The Company mitigates its risk to the price fluctuation on these key raw materials by entering into commodity future contracts to minimise exposure to adverse price movements of these key raw materials.

**Commodity future contracts**

During the reporting period, the Group entered into commodity future contracts, with maturities within the next twelve months.

## Notes To The Financial Statements (cont'd)

### 42. FINANCIAL INSTRUMENTS (CONT'D)

#### Commodity future contracts (cont'd)

The following table details the commodity future contracts outstanding as at the end of the reporting period:

#### Outstanding contracts

	Quantity (metric tonne) MT	Notional value/ Contract value RM'000	Fair value RM'000
<b>Buy Crude Palm Oil</b>			
<b>31 March 2024</b>			
Contract period for 4 months	7,725	29,733	32,253
<b>31 March 2023</b>			
Contract period for 9 months	3,450	13,568	13,251
<b>Sell Crude Palm Oil</b>			
<b>31 March 2024</b>			
Contract period for 4 months	3,025	12,440	12,995
<b>31 March 2023</b>			
Contract period for 9 months	1,350	5,470	5,275

#### Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investments, cash and cash equivalents and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises primarily from amount owing by subsidiary companies. The maximum exposure to credit risk in relation to the financial corporate guarantees given amounts to RM5,082,427 (2023: RM6,115,914) as at the end of the reporting period representing the outstanding banking facilities of the subsidiary as at the end of financial year as described in Note 41. The Company monitors on an ongoing basis the results of the subsidiary companies, and repayments made by the subsidiary companies.

Credit risk is controlled by careful selection of customers, setting credit limit and the period of credit.

The Group has no significant concentration of credit risk except for amounts due from 5 (2023: 4) major customers, which constitutes approximately 32% (2023: 29%) of the total trade receivables as disclosed in Note 24.

The Group's objective is to seek continual growth while minimising losses incurred due to credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers are subject to credit verification procedures. Receivables are monitored on an ongoing basis.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Notes To The Financial Statements  
(cont'd)**42. FINANCIAL INSTRUMENTS (CONT'D)****Liquidity risk management**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The financial liabilities of the Group and of the Company, categorised as financial liabilities measured at amortised cost and FVTPL are non-interest bearing and have maturities within the next twelve months except for loans and borrowings, hire purchase payables, and lease liabilities.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total contractual amount RM'000	Total carrying amount RM'000
<b>The Group</b>						
<b>31 March 2024</b>						
<b>Financial liabilities</b>						
<u>Non-interest bearing:</u>						
Derivative financial liabilities	-	1,428	-	-	1,428	1,428
Trade payables	-	31,609	-	-	31,609	31,609
Other payables and accrued expenses	-	37,520	13,000	-	50,520	50,520
Payables for KKPA Program	-	-	1,382	-	1,382	1,382
		70,557	14,382	-	84,939	84,939
<u>Interest bearing:</u>						
Loans and borrowings	4.07 - 5.12	21,760	-	-	21,760	20,900
Hire purchase payables	8.35 - 11.00	453	389	-	842	774
Lease liabilities	2.27 - 5.15	1,757	1,828	-	3,585	3,141
		23,970	2,217	-	26,187	24,815
		94,527	16,599	-	111,126	109,754

## Notes To The Financial Statements (cont'd)

### 42. FINANCIAL INSTRUMENTS (CONT'D)

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total contractual amount RM'000	Total carrying amount RM'000
<b>The Group</b>						
<b>31 March 2023</b>						
<b>Financial liabilities</b>						
<u>Non-interest bearing:</u>						
Derivative financial liabilities	-	423	-	-	423	423
Trade payables	-	23,581	-	-	23,581	23,581
Other payables and accrued expenses	-	37,106	-	-	37,106	37,106
Payables for KKPA Program	-	-	218	-	218	218
		61,110	218	-	61,328	61,328
<u>Interest bearing:</u>						
Loans and borrowings	3.97	1,248	936	-	2,184	2,100
Hire purchase payables	6.66 - 13.11	465	477	-	942	836
Lease liabilities	2.27 - 5.15	1,460	2,953	-	4,413	4,104
		3,173	4,366	-	7,539	7,040
		64,283	4,584	-	68,867	68,368
<b>The Company</b>						
<b>31 March 2024</b>						
<b>Financial liabilities</b>						
<u>Non-interest bearing:</u>						
Other payables and accrued expenses		19,778	-	-	19,778	19,778
Amount owing to a subsidiary company		72	-	-	72	72
		19,850	-	-	19,850	19,850
Financial guarantee contracts		5,082	-	-	5,082	-
<b>31 March 2023</b>						
<b>Financial liabilities</b>						
<u>Non-interest bearing:</u>						
Other payables and accrued expenses		1,997	-	-	1,997	1,997
Amount owing to a subsidiary company		85	-	-	85	85
		2,082	-	-	2,082	2,082
<u>Interest bearing:</u>						
Lease liabilities	2.27	35	-	-	35	35
		2,117	-	-	2,117	2,117
Financial guarantee contracts		6,116	-	-	6,116	-

Notes To The Financial Statements  
(cont'd)**42. FINANCIAL INSTRUMENTS (CONT'D)****Fair values of financial instruments****(a) Financial instruments carried at amortised cost**

The Directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the financial statements approximate their fair values due to their relatively short maturity periods except for non-current portion of other payables, term loan, hire purchase payables, and lease liabilities for which the fair value changes are determined to be immaterial. The fair value is estimated based on discounted cash flow using current interest rate for similar instruments at the end of the reporting period.

**(b) Other financial instruments at fair value****(i) Other investments**

The fair value of other investments in quoted shares is estimated based on the market value as at the end of the reporting period.

**(ii) Derivative financial assets/liabilities**

The fair values of derivatives are calculated using quoted prices. Foreign currency forward contracts and commodity future contracts are measured using quoted forward exchange rates, future rates and yield curves derived from independent and reputable sources matching maturities of the contracts.

**(iii) Short-term placements**

Fair value of the short-term placements has been determined by reference to the net assets value of the placements at the end of the reporting period as quoted by the fund managers.

**Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes To The Financial Statements (cont'd)

### 42. FINANCIAL INSTRUMENTS (CONT'D)

#### Fair value hierarchy (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 March 2024</b>				
<b>Financial Assets/(Liabilities)</b>				
<b>The Group</b>				
Other investments	42,032	-	-	42,032
Commodities future contracts	-	1,967	-	1,967
Foreign currency forward contracts	-	(874)	-	(874)
Short-term placements	137,180	-	-	137,180
<hr/>				
<b>The Company</b>				
Other investments	42,032	-	-	42,032
Short-term placements	6,876	-	-	6,876
<hr/>				
<b>31 March 2023</b>				
<b>Financial Assets/(Liabilities)</b>				
<b>The Group</b>				
Other investments	29,487	-	-	29,487
Commodities future contracts	-	(122)	-	(122)
Foreign currency forward contracts	-	(106)	-	(106)
Short-term placements	128,514	-	-	128,514
<hr/>				
<b>The Company</b>				
Other investments	29,487	-	-	29,487
Short-term placements	15,985	-	-	15,985
<hr/>				

### 43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing are those for which cash flows were, or future cash flows will be, classified as financing activities in the statements of cash flows of the Group and of the Company.

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Loans and borrowings (Note 31)</b>		
At beginning of the financial year	2,100	21,800
Drawdown	20,000	118,500
Repayment	(1,200)	(138,200)
Finance costs paid	(545)	(757)
Accretion of interest	545	757
<hr/>		
At end of the financial year	20,900	2,100
<hr/>		

Notes To The Financial Statements  
(cont'd)

## 43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

	The Group	
	2024 RM'000	2023 RM'000
<b>Hire purchase payables (Note 32)</b>		
At beginning of the financial year	836	433
Acquisition of property, plant and equipment by hire purchase	536	724
Repayment	(607)	(324)
Finance costs paid	(92)	(57)
Accretion of interest	92	57
Effect of foreign exchange translation	9	3
At end of the financial year	774	836
<b>Lease liabilities (Note 33)</b>		
At beginning of the financial year	4,104	3,121
Addition due to lease modification	-	2,465
Additions	409	70
Repayment	(1,372)	(1,552)
Finance costs paid	(171)	(115)
Accretion of interest	171	115
At end of the financial year	3,141	4,104
	The Company	
	2024 RM'000	2023 RM'000
<b>Lease liabilities (Note 33)</b>		
At beginning of the financial year	35	-
Additions	-	70
Modification	(9)	-
Repayment	(26)	(35)
Finance costs paid	*	(1)
Accretion of interest	*	1
At end of the financial year	-	35



## Notes To The Financial Statements (cont'd)

### 44. OPERATING LEASE COMMITMENTS

Operating lease, in which the Group is the lessor, relates to a lease contract with lease term of 30 years. The lease contract contains upward revision of the rental charges every 10 years over the lease period.

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturity analysis of operating lease receivable:		
Year 1	70	70
Year 2	70	70
Year 3	70	70
Year 4	70	70
Year 5	70	70
Year 6 and onwards	4,603	4,673
	<b>4,953</b>	<b>5,023</b>

### 45. SUBSEQUENT EVENT

On 10 June 2024, subsequent to the financial year ended 31 March 2024, the Company subscribed 5,000,000 ordinary shares in its wholly-owned subsidiary, Southern Acids Industries Sdn Bhd. This investment was in response to the subsidiary increasing its share capital by 5,000,000 ordinary shares, for a total consideration of RM5,000,000.

# Statement By Directors

The Directors of **SOUTHERN ACIDS (M) BERHAD** state that, in their opinion, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

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

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**DR. LOW KOK THYE**

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**DATUK WIRA LIM KIM LONG**

Klang  
5 July 2024

## Declaration By The Officer Primarily Responsible For The Financial Management Of The Company

I, **CHEONG KEE YOONG**, the officer primarily responsible for the financial management of **SOUTHERN ACIDS (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the requirements of the Statutory Declarations Act, 1960.

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**CHEONG KEE YOONG**  
(MIA Membership No. 12292)

Subscribed and solemnly declared by the  
abovenamed CHEONG KEE YOONG at  
KLANG in the state of SELANGOR this  
5th day of July 2024.

Before me,

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**COMMISSIONER FOR OATHS**

## List Of Properties

No	Company and Location of Property	Date of acquisition/ completion	Approximate Area	Type of Property/ Existing use	Tenure	Approximate Age of Building	Carrying Amount 31-Mar-24 RM'000
1	<b>Pembinaan Gejati Sdn Bhd</b> Thangamallay Estate, Lot 14480, 14481, 14482, 14483 & Lot 1095, Batu 7, Jalan Kebun Kampung Jaya, 42450 Klang Selangor	25-Jun-1995	261 hectares	Land/ Oil Palm Plantation	Freehold	N/A	139,868
2	<b>PT Wanasari Nusantara</b> Kebun Wanasari Province of Riau, Sumatera Indonesia	Aug-2002	5,316 hectares	Land & building/ Oil Palm Cultivation, Palm Oil Mill, Workers Quarters	Leasehold expiring on 31.12.2029 and 29-1-2032	Ranging from 9 years to 35 years	23,756
3	<b>Noble Interest Sdn Bhd</b> P.T. 1288, Seksyen 14, Mukim Klang, Daerah Klang, Selangor	Sep-1999	1.62 acres/ 262,000 sq. ft.	Land & building / Hospital Building	Freehold	25 years	23,428
4	<b>Southern Acids Industries Sdn Bhd</b> Golconda Estate, Persiaran Hamzah Alang, 10th Mile, Jalan Kapar, 42200 Kapar, Klang, Selangor	Apr-1983	27.90 acres	Industrial building/ Oleochemical factory	N/A	Ranging from 29 years to 43 years	7,472
5	<b>Imayos Letting Sdn Bhd</b> Level 30 Centro Tower No 8 Jalan Batu Tiga Lama 41300 Klang, Selangor	24-Jan-2017	12,178 sq. ft.	Office building / Vacant	Freehold	17 years	4,275
6	<b>SAB Properties Development Co. Sdn. Berhad</b> G.M. 2172 Lot 2824, Mukim Klang, Daerah Klang, Selangor	Nov-1997	3.25 acres	Industrial land/ Vacant	Freehold	N/A	3,318
7	<b>PT Mustika Agro Sari</b> Kebun Tanjung Pauh & Kebun Petai, Province of Riau, Sumatera Indonesia	Jun-2002	1,921 hectares	Vacant Land & building/Oil Palm Cultivation, Palm Oil Mill, Workers Quarters	Leasehold expiring on 20-3-2036 and 9-4- 2036	22 years	3,168
8	<b>Southern Acids (M) Berhad</b> Level 29 Centro Tower No 8 Jalan Batu Tiga Lama 41300 Klang, Selangor	1-Dec-2009	12,178 sq ft	Office building/ Corporate Office	Freehold	17 years	2,599
9	<b>PT Mustika Agro Sari</b> Hak milik no. 1666 and no. 1214 Jl. OK M Jamil, Simpang Tiga Province of Riau, Pekanbaru Indonesia	30-Apr-2013	38,427 sq. ft	Land & building/ Office and Staff Quarters	Leasehold expiring 2044	11 years	2,076
10	<b>Noble Interest Sdn Bhd</b> No. 31, Jalan Setia Duta U13/23W, Setia Eco Park, 40170 Shah Alam, Selangor Darul Ehsan	28-Aug-2023	3,498 sq. ft	1 1/2 storey semi-detached house/ vacant	Freehold	1 year	1,943

# Statistics Of Shareholdings

## AS AT 28 JUNE 2024

### DISTRIBUTION SCHEDULE OF SHARE AS AT 28 JUNE 2024

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	241	10.75	6,347	0.00
100 to 1,000	577	25.72	392,075	0.28
1,001 to 10,000	1,026	45.74	3,974,181	2.90
10,001 to 100,000	325	14.49	9,555,164	6.98
100,001 to 6,846,706 (less than 5% of issued shares)	70	3.12	45,763,510	33.42
6,846,707 (5% of issued shares) and above	4	0.18	77,242,855	56.42
<b>TOTAL</b>	<b>2,243</b>	<b>100.00</b>	<b>136,934,132</b>	<b>100.00</b>

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2024

No.	Names	Shareholding	%
1.	Southern Palm Industries Sdn. Bhd.	42,840,270	31.29
2.	Lembaga Tabung Haji	15,482,500	11.31
3.	Southern Realty (Malaya) Sdn. Bhd.	11,527,419	8.42
4.	Rasional Sdn. Berhad	7,392,666	5.40

### INFORMATION ON DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2024

No.	Name of Directors	Direct Holdings		Deemed Holdings	
		No of Shares	%	No of Shares	%
1.	Tan Sri Datuk Seri Panglima Sulong Matjeraie	0	0.00	0	0.00
2.	Dr. Low Kok Thye	30,416	0.02	65,690,337	47.97
3.	Datuk Wira Lim Kim Long	49,276	0.04	68,754,296	50.21
4.	Chung Kin Mun	0	0.00	0	0.00
5.	Stephen Wan Yeng Leong	0	0.00	0	0.00
6.	Deborah Debbie Choa	0	0.00	0	0.00

## Statistics Of Shareholdings

### As At 28 June 2024

(cont'd)

#### LIST OF TOP 30 HOLDERS

No.	Name	No. of Shares Held	% of Shares Held
1	Southern Palm Industries Sdn. Bhd.	42,840,270	31.285
2	Lembaga Tabung Haji	15,482,500	11.307
3	Southern Realty (Malaya) Sdn. Bhd.	11,216,419	8.191
4	Rasional Sdn. Berhad	7,392,666	5.399
5	Southern Edible Oil Industries (M) Sdn. Berhad	4,958,332	3.621
6	Low Mong Hua Sdn. Bhd.	3,806,940	2.780
7	Lim Thye Peng Realty Sdn. Bhd.	3,101,159	2.265
8	Ng Kin Lan	2,801,941	2.046
9	Angsana Sutera Sdn. Bhd.	2,714,942	1.983
10	Dataran Dagang Asia Sdn. Bhd.	2,102,632	1.536
11	Olive Lim Swee Lian	2,047,300	1.495
12	Banting Hock Hin Estate Company Sdn. Bhd.	1,487,500	1.086
13	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd Pledged Securities Account for Teo Siew Lai	1,453,200	1.061
14	Low Mun Chong	1,188,398	0.868
15	Southern Hockjoo Plantation Sdn. Bhd.	991,666	0.724
16	Tan Lay Hoon	951,318	0.695
17	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Ai Fuah	951,148	0.695
18	Ng Phaik Lean	919,000	0.671
19	Low Ai Hong	900,104	0.657
20	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Kwee Hock (7004011)	900,000	0.657
21	Teo Kwee Hock	823,300	0.601
22	Sai Yee @ Sia Say Yee	800,000	0.584
23	Naga Wira Sdn. Berhad	720,938	0.526
24	Neong Kok Hooi	703,200	0.514
25	Bekalan Utama Sdn. Berhad	694,166	0.507
26	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Oh Boon Hong (TM RAYA-CL)	680,732	0.497
27	Mong Teck Sdn. Berhad	559,972	0.409
28	Moomoo Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Kok Bo	500,000	0.365
29	Low Ai Fuen	476,138	0.348
30	Low Kok Bo	396,104	0.289
<b>TOTAL</b>		<b>114,561,985</b>	<b>83.662</b>

# Abbreviations

Abbreviation	Description
AAPG	Audit and Assurance Practice Guide
ABAC Policy	Anti-Bribery & Anti-Corruption Policy
AC	Audit Committee
AGM	Annual General Meeting
AR	Annual Report
ASP	Average Selling Price
BIK	Benefits-in-kind
BNM	Bank Negara Malaysia
Bursa Malaysia	Bursa Malaysia Securities Malaysia
CA 2016	Companies Act 2016
CFO	Chief Financial Officer
CG Report 2024	Corporate Governance Report 2024
CoCE	Code of Conduct & Ethics
CPA	Certified Practising Accountant
CPO	Crude Palm Oil
CSA	Control-Self Assessment
CSR	Corporate Social Responsibility
Datuk Wira Lim	Datuk Wira Lim Kim Long
Deloitte PLT	External Auditors
DOSH	Department of Occupational Safety and Health
ED	Executive Director
ERM	Enterprise Risk Management
FFB	Fresh Fruit Bunches
FY	Financial Year
FY2023	Financial Year Ended 31 March 2023
FY2024	Financial Year Ended 31 March 2024
FY2025	Financial Year Ending 31 March 2025
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
Ha	Hectares
HACCP	Hazard Analysis Critical Control Point
HCV	High Conservation Values
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
ISPO	Indonesian Sustainable Palm Oil
LBT	Loss Before Tax
Madam Debbie Choa	Deborah Debbie Choa
Madam Jennifer Low	Jennifer Low Swee Yim
Madam Tan	Tan Suet Guan
MCCG	Malaysian Code of Corporate Governance
MD	Managing Director
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants

## Abbreviations (cont'd)

Abbreviation	Description
MICPA	The Malaysian Institute of Certified Public Accountants
MMLR	Main Market Listing Requirements
MOH	Ministry of Health
Mr. Alex Chan	Alex Chan Choon Hoong
Mr. Cheong	Cheong Kee Yoong
Mr. Chung	Chung Kin Mun
Mr. Khoo	Khoo Chin Tee
Mr. Mukiat	Herry Mukiat
Mr. Stephen Wan	Stephen Wan Yeng Leong
Mr. Thevakumar	Thevakumar Kaliaperumal
Mr. Tiong	Tiong Chuu Ling
MS	Malaysian Standard
MSPO	Malaysian Sustainable Palm Oil
MSQH	Malaysian Society for Quality in Health
MT	Metric Tonnes
NRC	Nomination & Remuneration Committee
OSH	Occupational Safety and Health
PBT	Profit Before Tax
PDPA	Personal Data Protection Act
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluents
PPE	Personal Protective Equipment
PTMAS	PT Mustika Agro Sari
PTWan	PT Wanasari Nusantara
PwC RS or Internal Auditors	PricewaterhouseCoopers Risk Services Sdn. Bhd.
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RSPO	Roundtable on Sustainable Palm Oil
SAB or the Company	Southern Acids (M) Berhad
SAI	Southern Acids Industries Sdn. Bhd.
SCCS	Supply Chain Certification Standard
Senior Management	Senior Management of the Company
SEOI	Southern Edible Oil Industries (M) Sdn. Bhd.
Shareholders' Mandate	Shareholders' mandate for the Company and its subsidiaries to enter into RRPTs of revenue or trading nature
SOP	Standard Operation Procedures
SORMIC	Statement on Risk Management and Internal Control
SRAB	Sustainability & Risk Assessment Body
Sri Kota	Sri Kota Specialist Medical Center
Statement	Corporate Governance Overview Statement
Tan Sri Sulong	Tan Sri Datuk Seri Sulong Matjeraie
the Board	Board of Directors
TOR	Terms of Reference
WSO	World Stroke Organisation



# Notice Of The Forty-Third Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Forty-Third (“43<sup>rd</sup>”) Annual General Meeting (“AGM”) of Southern Acids (M) Berhad (“the Company”) to be conducted virtually through live streaming from the broadcast venue at Level 29, Centro Tower, the Edison Board Room, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIH Online website at <https://tiih.online> on Monday, 26 August 2024 at 11.30 a.m. for the following purposes:

## AGENDA

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. [Note 7]
2. To approve the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2024. **Ordinary Resolution 1**
3. To approve the payment of Directors’ fees amounting to RM608,234 for the financial year ended 31 March 2024. **Ordinary Resolution 2**
4. To approve the payment of Directors’ Benefits up to an amount of RM250,000 for the period from 27 August 2024 until the next AGM of the Company to be held in 2025. [Note 8] **Ordinary Resolution 3**
5. To re-elect the following Directors who are retiring under Clause 113 of the Company’s Constitution, and being eligible, have offered themselves for re-election:- [Note 9]
  - (a) Dr. Low Kok Thye **Ordinary Resolution 4**
  - (b) Tan Sri Datuk Seri Panglima Sulong bin Matjeraie **Ordinary Resolution 5**
6. To re-elect Madam Deborah Debbie Choa who is retiring under Clause 112 of the Company’s Constitution, and being eligible, has offered herself for re-election. [Note 9] **Ordinary Resolution 6**
7. To re-appoint Deloitte PLT as Auditors to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors. **Ordinary Resolution 7**

### SPECIAL BUSINESS

To consider and, if thought fit, adopt the following resolutions, with or without modification, as Ordinary Resolutions:

8. **Proposed retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company.** [Note 10] **Ordinary Resolution 8**

“THAT Tan Sri Datuk Seri Panglima Sulong bin Matjeraie who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director until the conclusion of the next AGM.”

9. **Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016** [Note 11] **Ordinary Resolution 9**

“That subject always to the Companies Act 2016, and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may in 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 issued shares of the Company as at the date of this AGM and that the Directors be and are also empowered to obtain approval for the listing of and quotation for additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

## Notice Of The Forty-Third Annual General Meeting (cont'd)

### 10. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature** Ordinary Resolution 10 [Note 12]

"That subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of shareholders' mandate for the Company and/ or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature and with those Related Parties ("Proposed Renewal of Shareholders' Mandate") as specified in the Circular to Shareholders dated 26 July 2024 subject further to the following:

- i. that the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- ii. that the transactions are made on an arm's length basis and on normal commercial terms; and
- iii. that disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year, based on the following information: -
  - the type of the Recurrent Related Party Transactions made; and
  - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- iv. that such approvals shall only continue to be in force until: -
  - the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
  - the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA); or
  - revoked or varied by resolution passed by the shareholders in General Meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.

### 11. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature** Ordinary Resolution 11 [Note 13]

"That subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the new shareholders' mandate for the Company and/ or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature and with those Related Parties ("Proposed New Shareholders' Mandate") as specified in the Circular to Shareholders dated 26 July 2024 subject further to the following:

## Notice Of The Forty-Third Annual General Meeting (cont'd)

- i. that the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- ii. that the transactions are made on an arm's length basis and on normal commercial terms; and
- iii. that disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year, based on the following information: -
  - the type of the Recurrent Related Party Transactions made; and
  - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- iv. that such approvals shall only continue to be in force until: -
  - the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
  - the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA); or
  - revoked or varied by resolution passed by the shareholders in General Meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend the 43<sup>rd</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 78 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 19 August 2024. Only a depositor whose name appears on the Record of Depositors as at 19 August 2024 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

### NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the shareholders' approval for the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2024 ("Dividend") under Ordinary Resolution 1 at the 43<sup>rd</sup> AGM of the Company on 26 August 2024, the Dividend will be paid to the shareholders on 11 November 2024. The entitlement date for the Dividend shall be 18 October 2024.

A depositor shall qualify for the entitlement only in respect of: -

- a) shares deposited into the Depositor's Securities Account before 12:30 p.m. on 16 October 2024 (in respect of shares which are exempted from Mandatory Deposit);
- b) shares transferred into the Depositor's Securities Account before 4:30 p.m. on 18 October 2024 (in respect of ordinary transfer); and
- c) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## Notice Of The Forty-Third Annual General Meeting (cont'd)

### By Order of the Board of Directors

**Lim Kui Suang**

SSM PC No. 202008001175

MAICSA 0783327

**Ng Shu Ling**

SSM PC No. 201908001194

MAICSA 7068807

Secretaries

**Klang, Selangor Darul Ehsan**

Date: 26 July 2024

**Notes:****1. Virtual Meeting**

The 43<sup>rd</sup> AGM of the Company will be conducted virtually through live streaming from the broadcast venue at Level 29, Centro Tower, the Edison Board Room, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for the 43<sup>rd</sup> AGM in order to register, participate and vote remotely via the RPV Facilities.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

No members or proxies shall be physically present at the Broadcast Venue on the day of the meeting.

2. A member entitled to attend and vote at this meeting is entitled to appoint any person(s) to be his/her proxy(ies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak and vote at the meeting. A member who has appointed a proxy to Participate at the meeting must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at <https://tiih.online>.
3. Where a member 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 authorised nominee may appoint in respect of each omnibus account it holds.
4. When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company's Poll Administrator, Tricor, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof:
  - (a) Lodgement of Form of Proxy in hardcopy - To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
  - (b) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission.

## Notice Of The Forty-Third Annual General Meeting (cont'd)

### 7. Directors' Report, Audited Financial Statements and Auditors' Report

Agenda No 1 is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, the matter will not be put forward for voting.

### 8. Directors' Benefits Payable

The Directors' Benefits comprised the following:

Description of Benefits	
Meeting Allowance per Meeting based on Attendance	(i) Board Chairman - RM1,600 (ii) Board Committee Chairman - RM1,600 (iii) Board member - RM800 each (iv) Board Committee member - RM800 each
Other benefits	Directors and Officers Liability Insurance, travelling allowance, medical and other claimable benefits

The Ordinary Resolution 3, if approved, will authorise the payment of Directors' benefits of an amount up to RM250,000 to the Directors by the Company from 27 August 2024 up to the next AGM of the Company to be held in 2025. The estimated amount of RM250,000 is calculated based on the expected number of meetings for the Board and Board Committees and benefits for the period from 27 August 2024 up to the next AGM of the Company to be held in 2025.

### 9. Re-Election of Directors

Dr. Low Kok Thye and Tan Sri Datuk Seri Panglima Sulong bin Matjeraie were retiring under Clause 113 of the Company's Constitution, whilst Madam Deborah Debbie Choa who was appointed on 30 August 2023 was retiring under Clause 112 of the Company's Constitution. They, being eligible, have offered themselves for re-election at this AGM.

The performance of each Director subject for re-election had been assessed through the annual Board Effectiveness Evaluation. The Nomination & Remuneration Committee and the Board are satisfied with the performance of the Directors, and are of the view that their continued service would benefit the Company and its stakeholders.

The profile of Dr. Low Kok Thye, Tan Sri Datuk Seri Panglima Sulong bin Matjeraie and Madam Deborah Debbie Choa are set out in the Directors' Profile on pages 52, 53 and 57 of the Annual Report.

### 10. Proposed Retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as Independent Director

The Ordinary Resolution 8, if approved, will enable the retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as an Independent Non-Executive Director of the Company.

Tan Sri Datuk Seri Panglima Sulong bin Matjeraie has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. He is currently the Independent Non-Executive Chairman of Company.

The Board of Directors via the Nomination & Remuneration Committee, after having assessed the collective skills, experience and independence of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie through the conduct of annual performance evaluation and assessment, regarded him to be independent based on among others, the following justifications and strongly recommends that Tan Sri Datuk Seri Panglima Sulong bin Matjeraie be retained as an Independent Non-Executive Director of the Company, subject to the approval from the shareholders of the Company:-

- (a) He has demonstrated and continues to be able to exercise independent judgement and to act in the best interest of the Company;
- (b) He has also the necessary knowledge of the business and has proven commitment, experience and competency;
- (c) He has participated and contributed actively during deliberations or discussions at Board meetings; and
- (d) He has met the criteria for independence under the definition of an independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## Notice Of The Forty-Third Annual General Meeting (cont'd)

### 11. Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 9, if approved, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this AGM and unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

The approval is a renewed general mandate and is sought to provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit. This would avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 30 August 2023 and which lapse at the conclusion of the 43<sup>rd</sup> AGM.

### 12. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 10, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of Company. Please refer to the Circular to Shareholders dated 26 July 2024, which is despatched together with the Company's Annual Report 2024, for more information.

### 13. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 11, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of Company. Please refer to the Circular to Shareholders dated 26 July 2024, which is despatched together with the Company's Annual Report 2024, for more information.

### 14. Voting by poll

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be voted by poll.

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Statement Accompanying Notice Of Annual General Meeting

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

1. The following are the Directors who are seeking re-election at the 43<sup>rd</sup> Annual General Meeting:-
  - (i) Dr. Low Kok Thye, pursuant to Clause 113 of the Company's Constitution.
  - (ii) Tan Sri Datuk Seri Panglima Sulong bin Matjeraie, pursuant to Clause 113 of the Company's Constitution.
  - (iii) Deborah Debbie Choa, pursuant to Clause 112 of the Company's Constitution.
2. The details of the three (3) Directors seeking re-election are set out in the Directors' Profile on pages 52, 53 and 57 of the Annual Report.





**SOUTHERN ACIDS (M) BERHAD [198001010791 (64577-K)]**  
**FORTY-THIRD ANNUAL GENERAL MEETING**

## PROXY FORM

I/We (FULL NAME IN CAPITAL LETTERS) \_\_\_\_\_  
NRIC No./Passport No./Company No. \_\_\_\_\_  
of (FULL ADDRESS) \_\_\_\_\_

being a member/member(s) of Southern Acids (M) Berhad hereby appoint

First Proxy

Full Name of Proxy in capital letters	NRIC No. / Passport No.	Proportion of shareholdings	
		Number of shares	Percentage (%)
Address			

and/or failing him/her  
Second Proxy

Full Name of Proxy in capital letters	NRIC No. / Passport No.	Proportion of shareholdings	
		Number of shares	Percentage (%)
Address			

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Forty-Third (43<sup>rd</sup>) Annual General Meeting ("AGM") of Southern Acids (M) Berhad ("the Company") to be conducted virtually through live streaming from the broadcast venue at Level 29, Centro Tower, the Edison Board Room, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIH Online website at <https://tiah.online> on Monday, 26 August 2024 at 11.30 a.m. and at any adjournment thereof in respect of my/our holdings of shares in the manner indicated below: -

No.	Resolutions	For	Against
1	<b>Ordinary Resolution 1</b> To approve the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2024.		
2	<b>Ordinary Resolution 2</b> To approve the payment of Directors' fees amounting to RM608,234 for the financial year ended 31 March 2024.		
3	<b>Ordinary Resolution 3</b> To approve the payment of Directors' benefits up to an amount of RM250,000 for the period from 27 August 2024 until the next AGM of the Company to be held in 2025.		
4	<b>Ordinary Resolution 4</b> To re-elect Dr. Low Kok Thye as Director of the Company in accordance with Clause 113 of the Company's Constitution.		
5	<b>Ordinary Resolution 5</b> To re-elect Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as Director of the Company in accordance with Clause 113 of the Company's Constitution.		
6	<b>Ordinary Resolution 6</b> To re-elect Madam Deborah Debbie Choa as Director of the Company in accordance with Clause 112 of the Company's Constitution.		
7	<b>Ordinary Resolution 7</b> To re-appoint Deloitte PLT as Auditors to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors.		
8	<b>Ordinary Resolution 8</b> To retain Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as Independent Non-Executive Director.		
9	<b>Ordinary Resolution 9</b> To approve the Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
10	<b>Ordinary Resolution 10</b> To approve the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.		
11	<b>Ordinary Resolution 11</b> To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with (X) in the appropriate box whether you wish your vote to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fits.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Number of Shares held

Signature/Common Seal of Shareholder(s)

CDS Account No.

### MEMBERS ENTITLED TO ATTEND

For purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 78 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 19 August 2024. Only a depositor whose name appears on the General Record of Depositors as at 19 August 2024 shall be entitled to attend the said meeting or appoint a proxy to attend and vote on such depositor's behalf.

**NOTES:**1. Virtual Meeting

The 43<sup>rd</sup> AGM of the Company will be conducted virtually through live streaming from the broadcast venue at Level 29, Centro Tower, the Edison Board Room, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIH Online website at <https://tiah.online>. Please follow the procedures provided in the Administrative Guide for the 43rd AGM in order to register, participate and vote remotely via the RPV Facilities. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

No members or proxies shall be physically present at the Broadcast Venue on the day of the meeting.

2. A member entitled to attend and vote at this meeting is entitled to appoint any person(s) to be his/her proxy(ies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak and vote at the meeting. A member who has appointed a proxy to Participate at the meeting must request his/her proxy to register himself/herself for the RPV at Tricor's TIH Online website at <https://tiah.online>.
3. Where a member 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 authorised nominee may appoint in respect of each omnibus account it holds.
4. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company's Poll Administrator, Tricor, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof:
  - (a) Lodgement of Form of Proxy in hardcopy - To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
  - (b) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide for further information on electronic submission.
7. Directors' Report, Audited Financial Statements and Auditors' Report  
Agenda No 1 is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, the matter will not be put forward for voting.
8. Voting by poll  
In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be voted by poll.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 July 2024.

**Fold Here****STAMP****The Poll Administrator**

**SOUTHERN ACIDS (M) BERHAD** [198001010791 (64577-K)]  
c/o Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur,  
Malaysia

**Fold Here**



**Southern Acids (M) Berhad**

[Registration No. 198001010791 (64577-K)]  
(Incorporated in Malaysia)

Level 29, Centro Tower,  
No. 8, Jalan Batu Tiga Lama 41300 Klang,  
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