



Management Discussion and Analysis

Property Development and Construction



SEGMENT RESULTS AND ANALYSIS

THIS DIVISION RECORDED LOWER REVENUE OF RM580.0 MILLION (FY2023: RM587.6 MILLION) AND PBT OF RM40.8 MILLION (FY2023: RM56.6 MILLION) RESPECTIVELY FOLLOWING THE COMPLETION AND HANDING OVER VACANT POSSESSION OF DEVELOPMENT PROJECTS, NAMELY NEXUS @ KAJANG STATION AND IRIS @ HILLPARK SHAH ALAM AND THE NEWLY LAUNCHED DEVELOPMENT PROJECTS IN SEPTEMBER 2024, NAMELY RESIDENSI NALURI AND GAYA RESIDENCY WHICH ARE STILL AT PRELIMINARY STAGE OF DEVELOPMENT.



As at 30 September 2024, the Group has locked-in unbilled sales value of RM547.3 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses and were mainly contributed from the ongoing development projects namely Hillpark Shah Alam (RM5.0 million), MIRAI Residences @ Kajang 2 Precinct 1 (RM24.8 million), Nexus @ Taman Pertama (RM81.0 million), TR2 Residence @ Jalan Tun Razak (RM339.7 million), Akina @ Kajang 2 Precinct 3 Phase 1 (RM15.3 million), Kajang East Avenue 2 Shops (RM17.6 million), Akina @ Kajang 2 Precinct 3 Phase 2 (RM9.2 million), Residensi Naluri (RM33.0 million) and Gaya Residency (RM21.7 million).

The Group is well positioned to unlock the value of its current development landbank for its transit-oriented development projects strategically located in Kuala Lumpur, Kajang and Cheras.

MIRAI Residences @ Kajang 2 Precinct 1 Phase 1 and 2, launched in September 2020 and February 2021 with a gross development value (GDV) of approximately RM470.6 million has achieved a take-up rate of approximately 95% and MIRAI retail shops with GDV of approximately RM61.2 million has achieved a take-up rate of approximately 73%.

Nexus @ Taman Pertama with GDV of approximately RM255.1 million launched in November 2020, achieved a take-up rate of approximately 65%.

TR2 Residence @ Jalan Tun Razak with GDV of approximately RM506.2 million launched in November 2021 and June 2022 has achieved a take-up rate of approximately 90%.

Akina @ Kajang 2 Precinct 3 Phase 1 with GDV of approximately RM195.1 million launched in September 2022 achieved a take-up rate of approximately 82%.



Artist's impression of the double-storey terrace homes at Akina in Kajang 2 Precinct 3



Management Discussion and Analysis

Kajang East Avenue 2 with GDV of approximately RM45.9 million launched in March 2023 has achieved a 100% take-up rate.

Akina @ Kajang 2 Precinct 3 Phase 2 with GDV of RM122.9 million launched in July 2023 achieved a take-up rate of approximately 25%.

Residensi Naluri (Block A and B) with GDV of RM230.6 million launched in September 2024 achieved a take-up rate of approximately 14%.

Gaya Residency (Tower C) with GDV of RM168.3 million launched in September 2024 achieved a take-up rate of approximately 13%.

Paired with good product design and strategic location with contemporary lifestyle facilities, our ongoing projects recorded a good average take-up rate of 69%.





Artist's impression of the double-storey shophouse at Kajang 2 Precinct 3 Avenue



Management Discussion and Analysis

Plantation



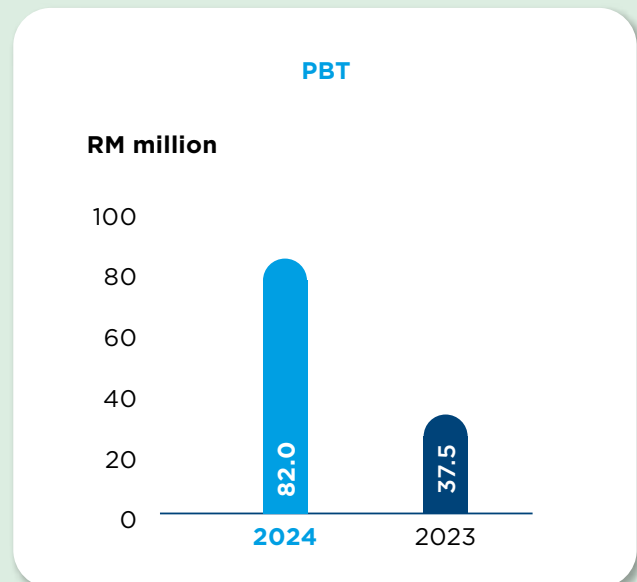
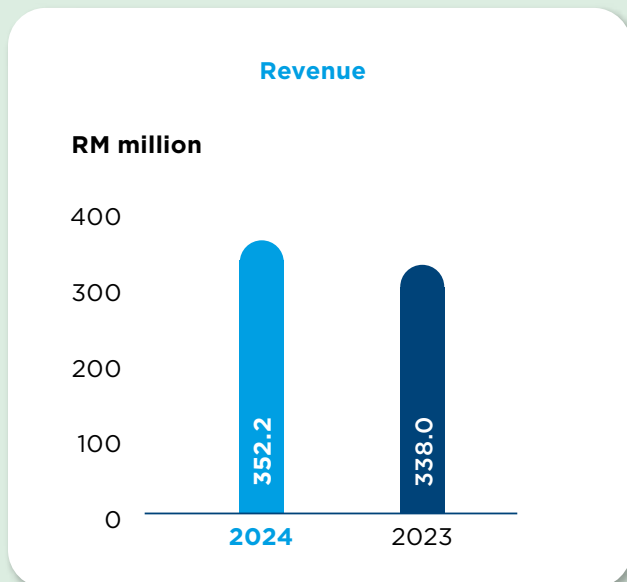
SEGMENT RESULTS AND ANALYSIS




THE FOLLOWING TABLE SUMMARISES THE PERFORMANCE OF THE DIVISION FOR THE PAST THREE (3) YEARS:

Production for Estate	FY2024	FY2023	FY2022
FFB production (MT)	406,658	410,230	382,752
CPO production (MT)	91,635	89,017	74,942
Average CPO Price per MT	RM3,494	RM3,348	RM3,847
Oil Extraction Rate (OER)	21.2%	20.6%	18.5%
FFB Yield/hectare per year (Overall)	23.9 MT/ha	24.1 MT/ha	23.2 MT/ha

Note: Figures exclude CPO purchased from outside parties for resale.





▼ Aerial view of our jetty loading bay beside the Mahakam river in East Kalimantan, Indonesia

For FY2024, the Plantation Division recorded higher revenue of RM352.2 million and a 119% increase in profit before tax to RM82.0 million for the current year as compared to the preceding year of RM338.0 million and RM37.5 million respectively mainly due to higher CPO production as a result of higher OER of 21.2% in the current year as compared to the preceding year of 20.6%, coupled with the increase in average CPO and palm kernel selling price per MT.

Recognising the importance of innovation in creating value for our businesses, our oil palm plantation in East Kalimantan, Indonesia continue to enhance the usage of mechanical assisted fresh fruit bunches (FFB) collection and drones to monitor palm growth, palm census and water flow management. The Plantation Division updated



PMMS Apps to track FFB evacuation from field to mill, fertiliser application, harvesting interval and monitor contractors' trucks, optimising FFB crop evacuation efficiency. These measures contribute to efficient estate management and enable us to maximise CPO production and operational efficiency.



Management Discussion and Analysis

119%
increase in
PBT to
RM82.0
million



These efforts have contributed to an increase in FFB production and OER for FY2024, enabling our Plantation Division to record a 119% increase in PBT to RM82.0 million for FY2024.

These efforts have contributed to an increase in FFB production and OER for FY2024 coupled with higher CPO and PK selling price, enabling our Plantation Division to record a 119% increase in PBT to RM82.0 million.

As at 30 September 2024, the total area planted for this division was approximately 17,008.8 hectares and all of these plantations have reached the mature age for harvest. Specifically, PT Maju Kalimantan Hadapan has 15,012.4 hectares of oil palm trees planted aged between 13 to 16 years old, while PT Sawit Prima Sakti has 1,996.4 hectares of oil palm trees planted between 4 to 16 years old.



A serene view of our oil palm plantation, showcasing vibrant fruit clusters and well-maintained rows of trees

Management Discussion and Analysis

Hotel and Property Investment

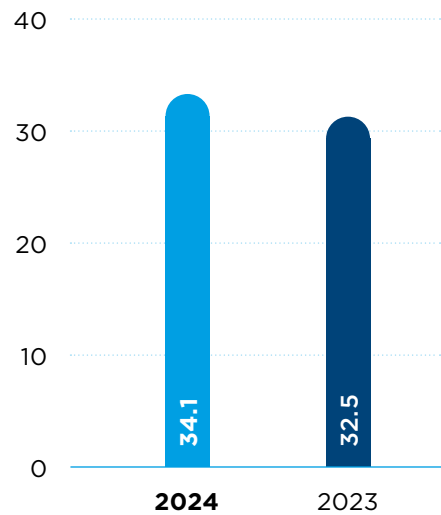


SEGMENT RESULTS AND ANALYSIS

FOR FY2024, THIS DIVISION RECORDED A HIGHER REVENUE OF RM34.1 MILLION (FY2023: RM32.5 MILLION) AND PROFIT BEFORE TAX OF RM18.5 MILLION (FY2023: RM10.5 MILLION) RESPECTIVELY MAINLY DUE TO INCLUSION OF CHANGES IN FAIR VALUE GAINS ON INVESTMENT PROPERTIES OF RM7.7 MILLION (FY2023: CHANGES IN FAIR VALUE LOSSES ON INVESTMENT PROPERTIES OF RM0.9 MILLION).

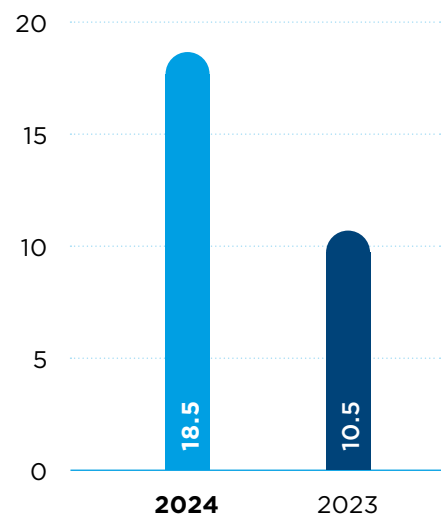
Revenue

RM million



PBT

RM million





Management Discussion and Analysis

PROSPECTS



THE BOARD IS OPTIMISTIC AND EXPECTS TO ACHIEVE SATISFACTORY RESULTS FOR FINANCIAL YEAR ENDING 30 SEPTEMBER 2025 (FY2025) SUPPORTED BY ONGOING AND PLANNED NEW DEVELOPMENT PROJECTS AS WELL AS PROFIT CONTRIBUTION FROM OUR OIL PALM PLANTATION DIVISION.

Property Development and Construction

With the locked-in unbilled sales of RM547.3 million (FY2023: RM841.2 million), the Group is well positioned for FY2025 with new and ongoing developments such as MIRAI Residences @ Kajang 2 Precinct 1, Nexus @ Taman Pertama, TR2 Residence @ Jalan Tun Razak, Kajang East Avenue 2 Shops, Akina @ Kajang 2 Precinct 3 Phase 1 and Phase 2, Residensi Naluri and Gaya Residency. These sales will ensure sustainable income recognition for the next two years, with additional contributions from strategically located projects in Kuala Lumpur, Cheras and Kajang.

The Group's planned launches in FY2025 comprising of landed retail shops development known as Kajang 2 Precinct 3 Avenue and MKH Avenue II, landed residential development known as Annya @ Kajang 2 Precinct 3 (Phase 3), low-rise apartment development known as RSKU @ Hillpark Shah Alam and high-rise service apartments known as TR Prestige @ Jln Cochrane Kuala Lumpur with a total estimated GDV of approximately RM835.6 million will be phased according to prevailing market sentiments.

Plantation

The CPO prices remain well supported with current CPO price trading at approximately RM3,800 to RM4,000 per MT (net of export levy and duty) in Indonesia due to strong demand and tighter global supply. Supported by enhanced production efficiencies and favourable CPO prices, we anticipate to achieve satisfactory results from our plantation division for FY2025.

The Group will continue to expand on the use of mechanical assisted collection of FFB to increase production efficiencies and to maximise oil extraction in the CPO mill.

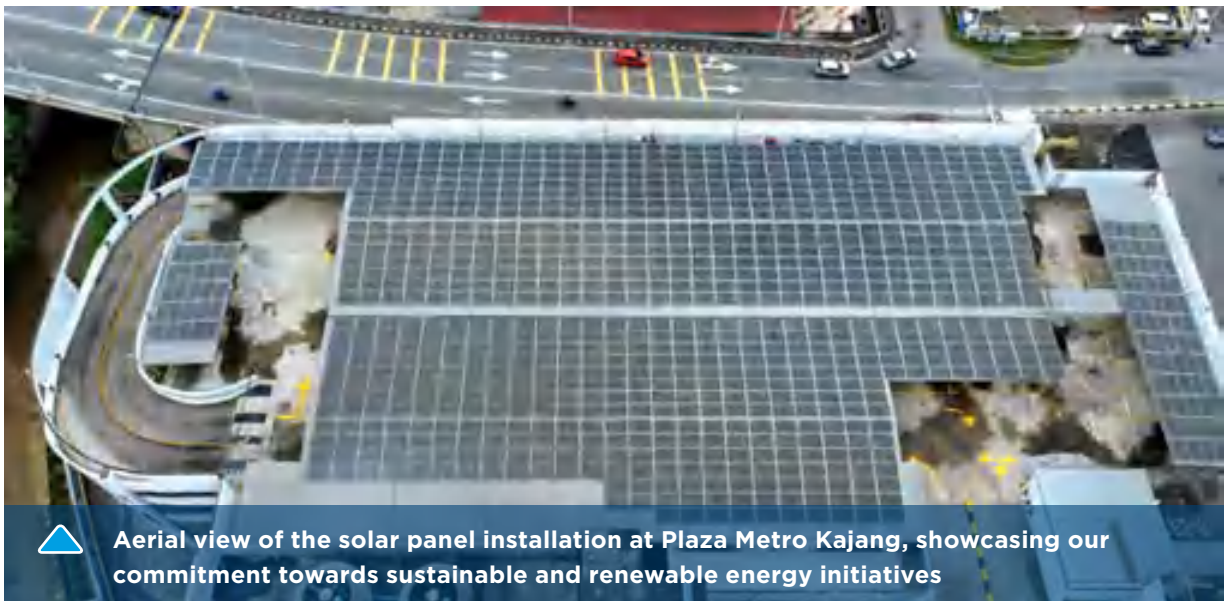
The CPO prices remain well supported with current CPO price trading at approximately RM3,800 to RM4,000 per MT (net of export levy and duty) in Indonesia due to strong demand and tighter global supply.

Hotel and Property Investment

Our two eco-conscious shopping malls, Plaza Metro Kajang and Metro Point Complex have solar panel to harness sunlight to generate clean energy, contributing to sustainability.

Plaza Metro Kajang and Metro Point Complex have also invested in car EV charging facilities. These proactive steps support our sustainable environmental objectives and reflect our forward-thinking approach to urban planning and environmental responsibility.

This division is also expected to sustain an average occupancy rate of above 95% and maintaining an average rental yield of approximately 3% to 4% for FY2025 based on fair values of the properties as at 30 September 2024.

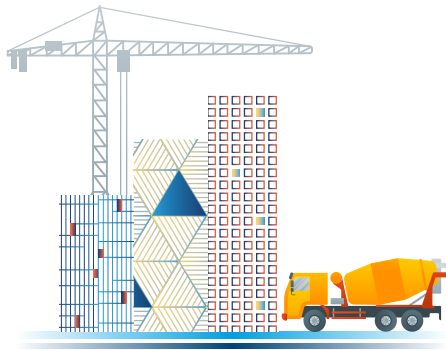


Aerial view of the solar panel installation at Plaza Metro Kajang, showcasing our commitment towards sustainable and renewable energy initiatives



**Corporate Structure
As at 31 December 2024**

A Framework for Growth



PROPERTY AND CONSTRUCTION DIVISION



NON-PROPERTY DIVISION

Achieve Acres Sdn. Bhd.	85%
Aliran Perkasa Sdn. Bhd.	100%
Amona MKH Ventures Sdn. Bhd.	50.00001%
Budi Bidara Sdn. Bhd.	100%
Dapat Jaya Builder Sdn. Bhd.	100%
└ Rimbunan Melati Sdn. Bhd.	45%
Everland Asia Development Sdn. Bhd.	100%
Gabung Wajib Sdn. Bhd.	100%
└ Alif Mesra Sdn. Bhd.	65%
└ Amona Metro Development Sdn. Bhd.	60%
└ Temara Pekeliling Sdn. Bhd.	84%
└ Danau Saujana Sdn. Bhd.	65%
Gerak Teguh Sdn. Bhd.	100%
GK Resort Berhad	100%
└ PNSB-GK Resort Sdn. Bhd.	70%
Intelek Kekal (M) Sdn. Bhd.	100%

MKH Oil Palm (East Kalimantan) Berhad	64.86%
└ PT Maju Kalimantan Hadapan	100%
└ PT Sawit Prima Sakti	100%
└ Hala Maju Sdn. Bhd.	100%
Metro Kajang (Oversea) Sdn. Bhd.	100%
└ PT Nusantara Makmur Jaya	100%
└ Restu Mesra Sdn. Bhd.	100%
└ Vast Furniture Manufacturing (Kunshan) Co. Ltd.	100%
MKH Plantation Sdn. Bhd.	100%

Intra Tegas (M) Sdn. Bhd.	100%	MKH Innovate Sdn. Bhd. (f.k.a. Global Landscape Creation Sdn. Bhd.)	100%
└ Knowledge Builder Sdn. Bhd.	60%	Pelangi Seri Alam Development Sdn. Bhd.	100%
Kajang Resources Corporation Sdn. Bhd.	100%	└ Hillpark Resources Sdn. Bhd.	100%
└ MKH Property Ventures Sdn. Bhd.	51%	Perkasa Bernas (M) Sdn. Bhd.	100%
└ Panasonic Homes MKH Malaysia Sdn. Bhd.	49%	└ Daksina Harta Sdn. Bhd.	40%
Kumpulan Indah Bersatu Sdn. Bhd.	100%	Petik Mekar Sdn. Bhd.	100%
└ Palga Sdn. Bhd.	100%	Serba Sentosa Sdn. Bhd.	100%
└ Hiliran Juara Sdn. Bhd.	100%	Serentak Maju Corporation Sdn. Bhd.	100%
Metro K.L. City Sdn. Bhd.	100%	Srijang Kemajuan Sdn. Bhd.	99.99%
Metro Kajang Construction Sdn. Bhd.	100%	Stand Allied Corporation Sdn. Bhd.	100%
MKH Development Sdn. Bhd.	100%	Sumber Lengkap Sdn. Bhd.	100%
MKH Land (Aust) Pty Ltd	100%	Suria Villa Sdn. Bhd.	100%
Nexus Starship Sdn. Bhd.	100%	Vista Haruman Development Sdn. Bhd.	55%
└ Quantum Density Sdn. Bhd.	50.0004%		
Pelangi Binaraya Sdn. Bhd.	50.0002%		

Intelek Murni (M) Berhad	100%	MKH Management Sdn. Bhd.	100%
MKH Healthcare Sdn. Bhd. (f.k.a. Pelangi Semenyih Sdn. Bhd.)	100%	MKH Resources Sdn. Bhd.	100%
Metro Nusantara Sdn. Bhd.	100%	Srijang Indah Sdn. Bhd.	100%
Metro Readymix Sdn. Bhd.	100%	└ Laju Jaya Sdn. Bhd.	100%
Metro Tiara (M) Sdn. Bhd.	100%	└ Maha Usaha Sdn. Bhd.	100%
MKH Building Materials Sdn. Bhd.	100%		
└ Sunway MKH Marketing Sdn. Bhd.	49%		
MKH Credit Corporation Sdn. Bhd.	100%		
MKH Food Sdn. Bhd.	100%		



Corporate Information

Corporate Essentials That Drive Impact



BOARD OF DIRECTORS

Y. Bhg. Tan Sri Dato' Chen Kooi Chiew
@ **Cheng Ngj Chong**
Group Executive Chairman

Y. Bhg. Tan Sri Datuk Chen Lok Loi
Group Managing Director

Y. Bhg. Datuk Chen Fook Wah
Deputy Managing Director

Y. Bhg. Dato' Lim Hong Shuan
Senior Independent Non-Executive Director

Ms. Hoon Shat Mei
Independent Non-Executive Director

Ms. Lee Pei Yee
Independent Non-Executive Director

En. Jeffrey bin Bosra
Non-Independent Non-Executive Director



Audit Committee

Ms. Hoon Shat Mei
(Chairperson)

Y. Bhg. Dato' Lim Hong Shuan
(Member)

Ms. Lee Pei Yee
(Member)

En. Jeffrey bin Bosra
(Member)

Nomination Committee

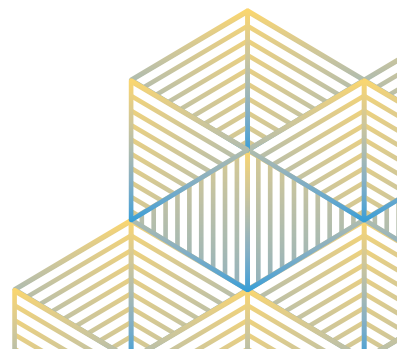
Y. Bhg. Dato' Lim Hong Shuan
(Chairman)

Ms. Hoon Shat Mei
(Member)

Remuneration Committee

Y. Bhg. Dato' Lim Hong Shuan
(Chairman)

Ms. Lee Pei Yee
(Member)



Chief Financial Officer

Kok Siew Yin (MIA 15343)

Group Company Secretary

Tan Wan San (MIA 10195)
(SSM Practicing Certificate No. 201908001048)

External Auditors

MKH Berhad & certain subsidiaries

Deloitte PLT (AF 0080)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel No : (603) 7610 8888
Fax No: (603) 7726 8986

Certain subsidiaries of MKH Berhad

Ricky Liew & Associates (AF 2322)
C-19-3A, Floor 3A
Block C, Dataran 32
No. 2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan
Tel No : (603) 7931 8919
Fax No: (603) 7960 2993

Panel Solicitors

- Khaled Mutang Chan & Lim
- Ling & Theng Book
- Markiman & Associates
- Michael Chen & Co.
- Steven Tai, Wong & Partners

Principal Bankers

- Affin Bank Berhad
- Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
- AmBank (M) Berhad
- AmBank Islamic Berhad
- Bank of China (Malaysia) Berhad
- Bank Islam Malaysia Berhad
- Bank Muamalat Malaysia Berhad
- CIMB Islamic Bank Berhad
- Hong Leong Bank Berhad
- Hong Leong Islamic Bank Berhad
- HSBC Amanah Malaysia Berhad
- HSBC Bank Malaysia Berhad
- Industrial and Commercial Bank of China (Malaysia) Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- OCBC Al-Amin Bank Berhad
- OCBC Bank (Malaysia) Berhad
- RHB Bank Berhad
- RHB Islamic Bank Berhad
- United Overseas Bank (Malaysia) Berhad

Share Registrar

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
Tel No : (603) 2783 9299
Fax No: (603) 2783 9222

Registered Office

Suite 1, 5th Floor
Wisma MKH, Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan
Tel No : (603) 8737 8228
Fax No: (603) 8736 5436

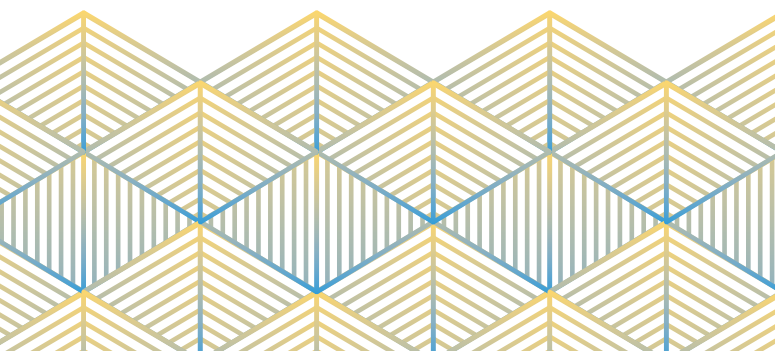
Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Code : MKH
Stock No : 6114

Corporate Website

www.mkhberhad.com







SUSTAINING LIVES, EMPOWERING COMMUNITIES

- 62 Sustainability Framework
- 64 Sustainability Report





SUSTAINABILITY FRAMEWORK

OUR VISION

To be a **leading corporation** in delivering sustainable growth.

OUR MISSION

- To lead the market by continually developing and innovating quality products and projects that meet and exceed market expectations.
- To be responsive to market trends and customer needs.
- To provide sustainable return to shareholders.
- To provide conducive working environment that will encourage the application of creative energy that is guided by best industry practices.
- To be a good and responsible corporate citizen.

Board of Directors

- Review the Group’s sustainability matters and provide advice and direction on sustainability for the Group as and when necessary.
- Approve sustainability report.

Group Managing Director

- Lead and drive the sustainability initiatives in the Group.
- Discuss, review and monitor progress of sustainability matters regularly.
- Report to the Board of Directors on sustainability matters.

Sustainability Committee

- Responsible for assessing and identifying sustainability matters.
- Oversees the implementation of sustainability-related strategies and initiatives.
- Undertake actions as and when necessary to address sustainability concerns.

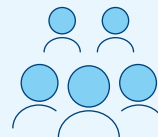
THEMES



Economic



Environment



Social

DESCRIPTION	MATERIALITY	SDG GOALS
<p>An organisation's impact on the economic conditions of its stakeholders and on economic systems at local, national and global levels. It does not focus on the financial condition of the organisation.</p>	<ul style="list-style-type: none">  Economic & Business Performance  Governance, Ethics & Integrity  Innovation 	
<p>An organisation's impact on living and non-living natural systems, including land, air, water and ecosystems.</p>	<ul style="list-style-type: none">  Climate Change Related Risk  Energy Consumption  Waste & by Product Management  Green Development 	   
<p>The impact an organisation has on the social systems within which it operates.</p>	<ul style="list-style-type: none">  Community Investment  Occupational Health & Safety  Risk Management  Stakeholders Engagement  Customer Satisfaction  Employee Engagement & Retention  Responsible Marketing  Traceability & Sustainable Procurement  Assurance & Certification 	     

Sustainability
Report

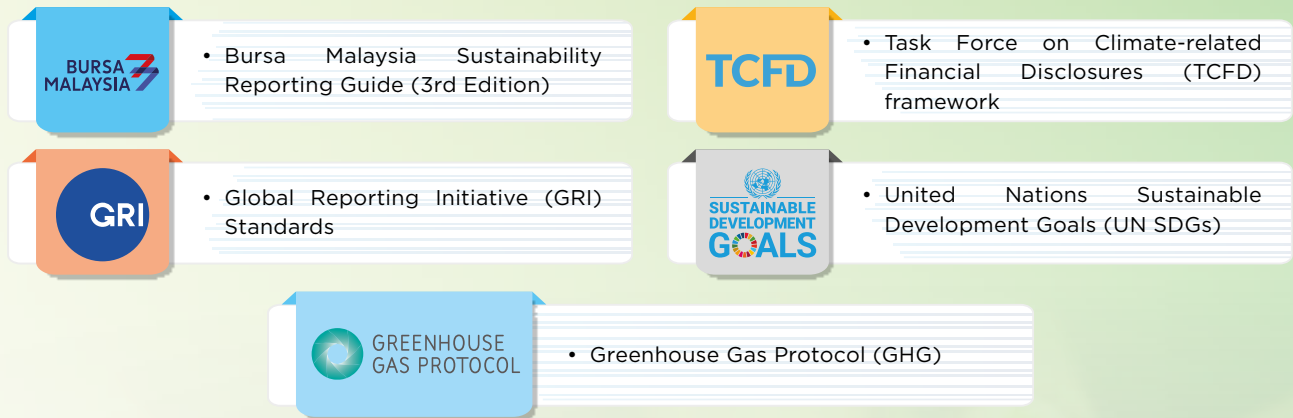
Green Living for People and Planet

THIS SUSTAINABILITY REPORT (REPORT) NARRATES MKH'S SUSTAINABILITY EFFORTS FROM 1ST OCTOBER 2023 TO 30TH SEPTEMBER 2024, WITH FUTURE STRATEGIES AND TARGET MOVING FORWARD. IT OFFERS INSIGHTS INTO THE COMPANY'S HOLISTIC APPROACH TOWARDS ECONOMIC, ENVIRONMENTAL AND SOCIAL (EES) ASPECTS OF OUR BUSINESS OPERATION IN MALAYSIA AND INDONESIA, WHERE OUR KEY BUSINESSES ARE LOCATED. THE REPORT PROVIDES AN OVERVIEW OF MKH'S INITIATIVES AND ACCOMPLISHMENTS IN PROMOTING SUSTAINABLE PRACTICES ACROSS THESE REGIONS.



This report serves as a testament to the Group's steadfast commitment in integrating sustainable practices across its diverse business portfolio. It has been prepared with reference to the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia), detailing the Board's assessment of crucial sustainability risks and opportunities collectively referred to as Material Sustainability matters. These factors influence the execution of the Group's operations and our management decisions. The Board's preparation of this report is guided by the sustainability reporting guide and associated toolkits published by Bursa.

Framework and Guidelines - Our report incorporates Bursa Malaysia’s Main Market Listing Requirements (MMLR), aligning with other Malaysian and global frameworks. This includes referencing to the following five key frameworks:



By referencing to these frameworks, our report provides a well-rounded approach to sustainability reporting.



Economic

An organisation’s impact on the economic conditions of its stakeholders and on economic systems at local, national and global levels. It does not focus on the financial condition of the organisation.

Note: These may include the organisation’s procurement practices, or community investment.



Environmental

An organisation’s impact on living and non-living natural systems, including land, air, water and ecosystems.

Note: These may include the organisation’s usage of energy and water, discharge of emissions, or loss of biodiversity, etc.



Social

The impact an organisation has on the social systems within which it operates.

Note: These may include the organisation’s relationships with communities, employees, consumers, etc.

Data Assurance

The contents of this report have been reviewed by our Group Sustainability Committee comprising of senior management and presented to the Board of Directors for approval prior to the publishing.

In strengthening the credibility of the Sustainability Report, selected aspects/parts of this report have been internally reviewed by our Group’s Internal Audit Department.

Feedback

To improve our sustainability approaches, we welcome any feedback from our valued stakeholders. If you would like to submit feedback or request for further clarification, kindly email to ir@mkhberhad.com

Sustainability Report

SUSTAINABILITY GOVERNANCE

In MKH Berhad, we hold firmly to the principles of ethical conduct to ensure our business is conducted with integrity through good governance, in line with the best industry practices and in compliance with applicable rules and regulations.

Our business operating units are guided by the Group’s policies and their respective standard operating procedures. The Board of Directors and the senior management meet regularly to ensure that the planning decision making and execution of the Group’s business operations are carried out professionally.

We have an Internal Audit Division to undertake independent and systematic

assessment of the Group’s system of risk management and internal controls as established by management in addressing the principal business risks faced by the Group.

Full disclosure on our Corporate Governance Report is available for reference on www.mkhberhad.com

ORGANISATIONAL STRUCTURE FOR SUSTAINABILITY COMMITTEE

The planning and execution of sustainability strategies at MKH is overseen by the Group Managing Director, Tan Sri Datuk Chen Lok Loi, who plays a crucial role in leading the Sustainability Committee. This committee, under his guidance, ensures

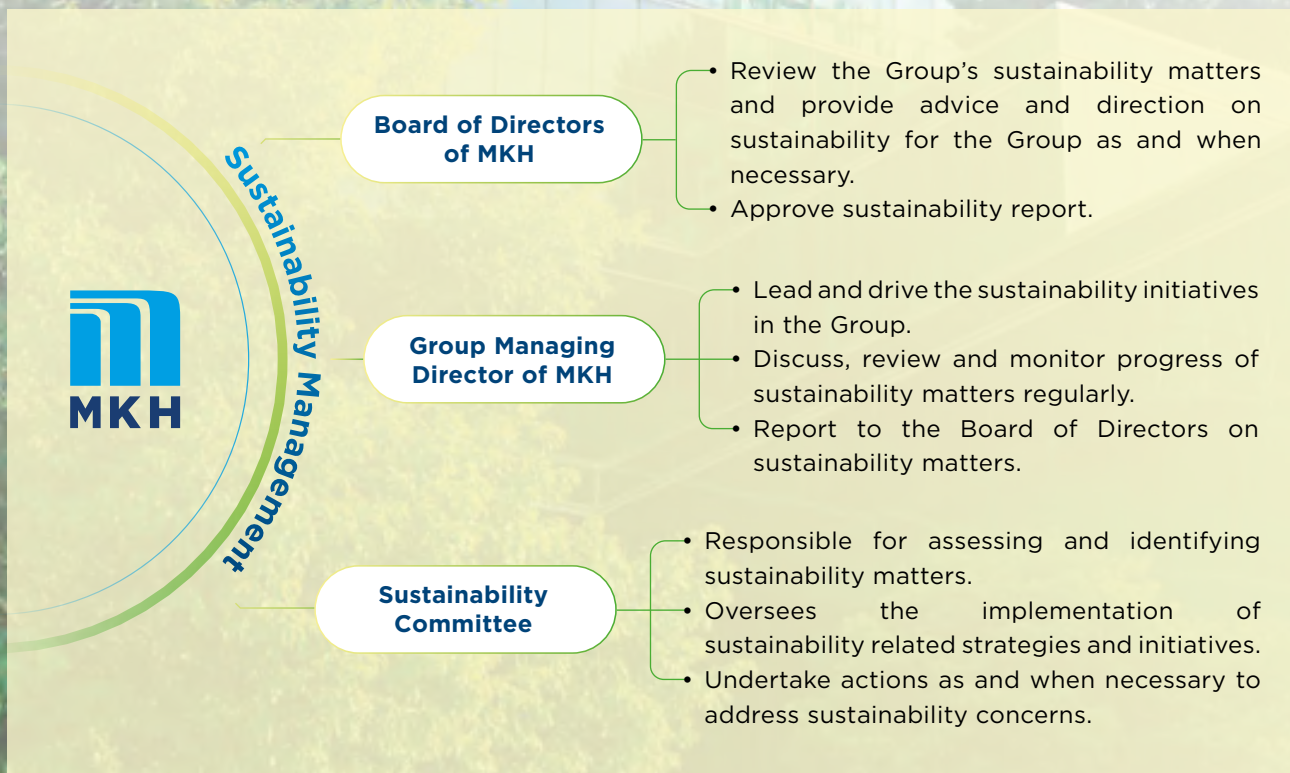
the effective implementation of sustainability matters across all our business operations.

The committee identifies, evaluates, monitors and manages risks and opportunities in our business operations relating to Economic, Environmental and Social aspects. Through their diligent efforts, MKH strives to achieve a harmonious balance between business growth and sustainable practices.

MKH Berhad’s Sustainability Committee comprises:

- Group Managing Director
- Key Senior Management

The functions of the key management members for sustainability management are as follows:



MKH'S SUSTAINABILITY GOALS

MKH identifies and aligns its key topics and core principles by referencing to the United Nations' 17 Sustainable Development Goals (SDGs), established in 2015 by the United Nations General Assembly. We share our responsibilities in supporting the efforts of tackling EES challenges through implementation of sustainable practices as follows:



1 NO POVERTY

- We regularly provide financial aid, household necessities and aid for medical treatment to the most vulnerable segments of society.
- We collaborate with other bodies and non-governmental organisations (NGOs) to extend our reach and ensure help is targeted to those most in need.



3 GOOD HEALTH AND WELL-BEING

- We prioritise health and safety in our business operations by adopting good safety standards and safe working environment.
- We promote healthy lifestyles by organising programmes that focus on our employees' physical and mental well-being.
- We conducted training session on basic first aid for our employees to emphasise on the importance of first aid in our daily lives.
- Our Plantation Division has a clinic that operates 24-hours a day with medical personnel on duty and essential medical equipment to address the medical needs of the community.



4 QUALITY EDUCATION

- We provide financial aid to 165 students from 33 schools in Hulu Langat district through an education foundation.
- Our Plantation Division in East Kalimantan, Indonesia has a pre-school, a primary school and a junior high school (from Grade 7 to Grade 9) to provide education to the children of our estate workers.



5 GENDER EQUALITY

- We provide women with equal opportunities for leadership and representation at all levels of decision-making across our business activities.
- We dedicate designated parking space for pregnant employees.
- We provide cosy nursing room for nursing mothers.
- We provide maternity leave for 98 days and 90 days in our Malaysian and Indonesian operations, respectively. This policy ensures that female employees have a longer period for recovery after childbirth and ample time to bond with their newborns.



8 DECENT WORK AND ECONOMIC GROWTH

- Our TOD projects and Plantation Division create economic multipliers and provide numerous employment opportunities which contribute to the economy.
- We ensure that our employees are paid fairly and have safe and decent working conditions which can help promote economic growth by increasing productivity and reducing turnover.
- We support local suppliers for our development projects and plantation operations by sourcing products substantially from local suppliers.
- We provide business opportunities for local smallholders in our Plantation Division supply chain.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- We develop and construct green buildings and incorporate sustainable features in our development projects.
- Our Plantation Division in East Kalimantan is Indonesia Sustainable Palm Oil (ISPO) certified.



Sustainability Report

MKH'S SUSTAINABILITY GOALS (Cont'd)



- We cultivate a supportive work environment for our female employees, i.e. nursing room for nursing mothers and designated parking space for pregnant employees.
- We provide paternity leave for 7 days and 3 days for our male employees in our Malaysia and Indonesian operations, respectively.
- We actively promote a diverse and inclusive workplace, ensuring equal opportunities for all employees regardless of gender, ethnicity or background.
- We provide job and business opportunities to the local communities where we operate.



- We contribute by connecting communities and businesses, reducing GHG emissions in cities and promoting sustainable lifestyles by encouraging people to use public transport through the integration of our developments with TOD.
- We are involved in the construction of green buildings and housing that reduces carbon emissions, connects communities and provides opportunities for the general public to live comfortably and affordably in thriving cities.
- Our TR2 Residence @ Jalan Tun Razak project incorporates green features such as rain water collection and natural ventilation in the building.



- We track water and energy usage and the waste generated at our project sites and palm oil milling and implement strategies to improve efficiency and reduce the waste production.
- We are committed to educating our employees about responsible consumption, encouraging them to make informed choices that promote sustainability.
- We prioritise sustainable practices throughout our supply chain, from sourcing raw materials to the manufacturing and distribution of our products.
- Our Plantation Division use by-products from palm oil milling, namely palm kernel shells and mesocarp fibre, as fuel for the boilers at our palm oil mill to produce steam for electricity generation by turbines.



- We recognise the urgency of addressing climate change and adopting renewable energy sources, implementing energy-efficient practices and continuously monitoring and optimising our operations for environmental sustainability.
- We have installed solar panels at our malls, Plaza Metro Kajang and Metro Point Complex.
- We installed EV charging station at Metro Point Complex and Plaza Metro Kajang.
- Our Plantation Division uses electricity generated from our CPO mill for domestic consumption in the central region of our plantation estates which includes staff quarters, offices, school, clinic and street lightings to reduce fossil fuel dependency.




- We believe strong corporate governance is the foundation of building a resilient and sustainable business, as well as providing us with a competitive advantage.
- We actively promote a culture of transparency and accountability within our operations. Our commitment extends to ethical business practices, ensuring fair treatment of all stakeholders and adherence to legal standards.
- We have zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy.

MKH'S MATERIALITY MATRIX

At MKH, our commitment to sustainability is integral in our corporate ethics. Guided by our materiality matrix, we integrate key facets into our strategic framework, paving the way for value creation and sustained growth. Our strategic priorities are thoughtfully aligned to not only benefit our stakeholders but also contribute meaningfully to the progress of the nation.

Periodically, we conduct analysis on sustainability issues and stakeholder groups relevant to the Group. This ensures our strategies remain dynamic and relevant.

MKH's materiality matters outline pivotal environmental, social and governance (ESG) topics. This year, our materiality assessment was a collaborative effort, engaging key internal and external stakeholders. This inclusive approach not only reinforces our commitment to transparency but also reflects our dedication to shaping a sustainable and responsible future.

Theme	Materiality	Description
 <p>Environment</p>	(1) Climate Change Related Risk	Understand the potential vulnerabilities, implement measures to adapt to changes and mitigate the overall impact of climate change through responsible environmental practices. This evaluation is crucial for long-term resilience, stakeholder trust and sustainable business practices.
	(2) Energy Consumption	Understand and manage energy consumption in a way that minimises negative effects on the environment and contributes to long-term sustainable practices. Renewable energy sources like solar panel is part of our energy adoption.
	(3) Waste & By-Product Management	Implement a systematic approach to identify, manage, reduce and responsibly dispose off or recycle waste throughout the organisation's business operations.
	(4) Green Development	Incorporate green principles into development strategies, organisations and communities that contribute to a healthier planet and ensure a more resilient and sustainable future.




Sustainability Report

MKH'S MATERIALITY MATRIX (Cont'd)

Theme	Materiality	Description
 <p>Social</p>	(5) Community Investment	Implement strategic efforts that contribute positively to the well-being and development of the communities in which it operates. Implement social programs and projects that address specific community needs, such as education, job training or infrastructure development.
	(6) Occupational Safety & Health	Commitment towards practices that ensure the health, safety and well-being of its employees in the workplace. This entails providing training, benefits and a healthy work environment.
	(7) Risk Management	Implement a systematic identification, assessment and mitigation of potential social risks that may impact the company's operations, reputation and stakeholder relationships. Social risks encompass a range of issues related to social responsibility, ethics and the company's impact on various societal groups.
	(8) Stakeholders Engagement	Implement a process through which the company communicates and collaborates with various stakeholders. Engaging with stakeholders is essential for understanding their concerns, perspectives and expectations.
	(9) Customer Satisfaction	Systematic evaluation and improvement of a company's products, services and customer interactions to meet or exceed customer expectations. Establishing effective mechanisms to collect feedback from customers regarding their experiences with the company's products or services.
	(10) Employee Engagement & Retention	Provide opportunities for skill development, training and career advancement shows a commitment to employees' growth, enhancing their engagement and increasing their likelihood of staying with the organisation.
	(11) Responsible Marketing	Adopting ethical and socially conscious practices in promotional activities. This includes honest advertising, transparent communication, consideration of environmental impact and engagement in social initiatives. Its aims to empower consumers with accurate information.
	(12) Traceability & Sustainable Procurement	Create a transparent and accountable supply chain system that allows businesses and consumers to trace the journey of products, ensuring ethical sourcing and promoting environmental and social responsibility.

MKH'S MATERIALITY MATRIX (Cont'd)

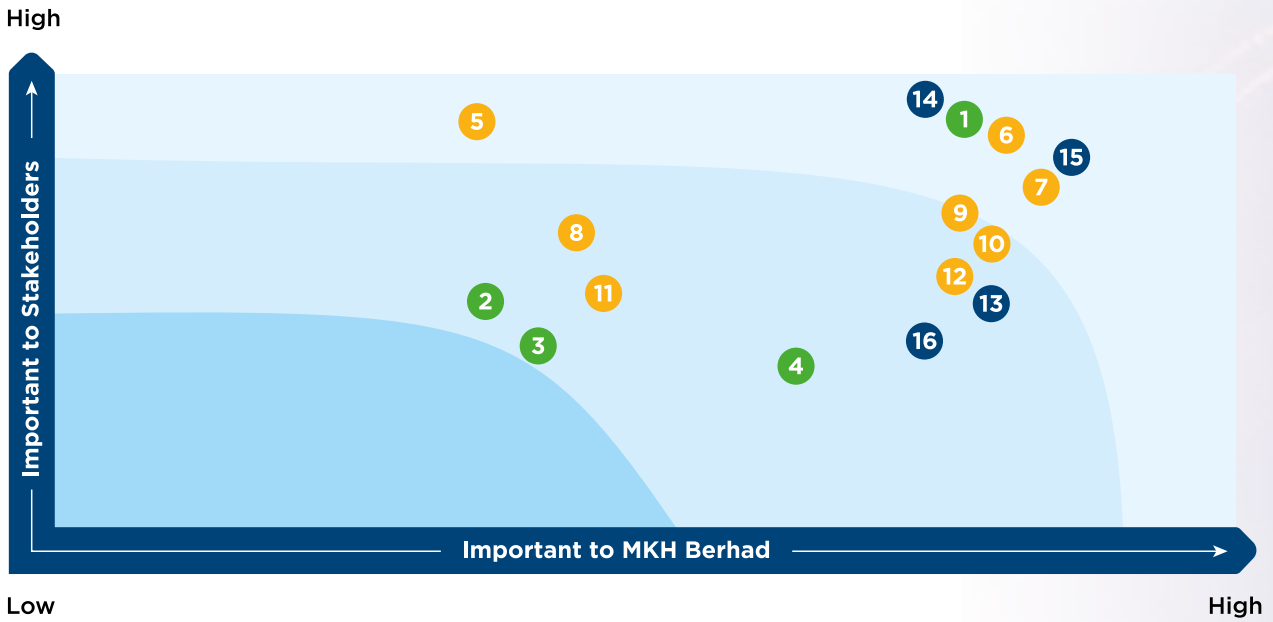
Theme	Materiality	Description
 <p>Governance</p>	(13) Assurance & Certification	Implement structured procedures and inspection measures that allows the business to attain a recognition through a regulation system and quality assurance certification.
	(14) Economic & Business Performance	Employ fair business practices, adherence to regulations, job creation and overall economic contribution. Organisation committed to sustainability recognise that their economic success should align with ethical conduct, responsible governance and positive economic outcomes for stakeholders and the communities in which they operate.
	(15) Governance, Ethics & Integrity	Instill organisation values, principles, standards and practices to act ethically as a sustainable business. This includes anti-bribery and anti-corruption within its operations, protection of data privacy and professional conduct with others such as suppliers and customers.
	(16) Innovation	Implementation of new ideas, processes, products or technologies that contribute positively to social and environmental goals. Sustainable innovation aims to address societal challenges, reduce environmental impact and enhance overall well-being.





Sustainability Report

MKH'S MATERIALITY MATRIX (Cont'd)



Material Matters

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> 1 Climate Change Related Risk 2 Energy Consumption 3 Waste & By-product Management 4 Green Development 5 Community Investment 6 Occupational Safety & Health | <ul style="list-style-type: none"> 7 Risk Management 8 Stakeholders Engagement 9 Customer Satisfaction 10 Employee Engagement & Retention 11 Responsible Marketing 12 Traceability & Sustainable Procurement | <ul style="list-style-type: none"> 13 Assurance & Certification 14 Economic & Business Performance 15 Governance, Ethics & Integrity 16 Innovation |
|---|--|--|

A list of 16 material matters were identified in FY2024. Our materiality assessment was a collaborative effort, engaging key internal and external stakeholders. This inclusive approach only reinforces our commitment to transparency and reflects our dedication to shaping a sustainable and responsible future. The material matters are aligned to the latest Bursa Malaysia's Enhanced Sustainability Disclosure requirement on common sustainability matters.

Summary of the key updates are:

- This year we have made a distinction between material matters that are fundamental for us, but shared across multiple business sectors and strategic matters that have consequences for the Group's transformation and its business model.
- Environmental and social related matters remain as a key strategic focus for MKH.
- Climate change and emission data represent a novel reporting focus for MKH.
- Recognising the increasing importance of these aspects to our stakeholders, we are actively working to capture relevant data.



Artist's impression of Nexus @ Taman Pertama which is approximately 150 metres walking distance to Taman Pertama MRT station

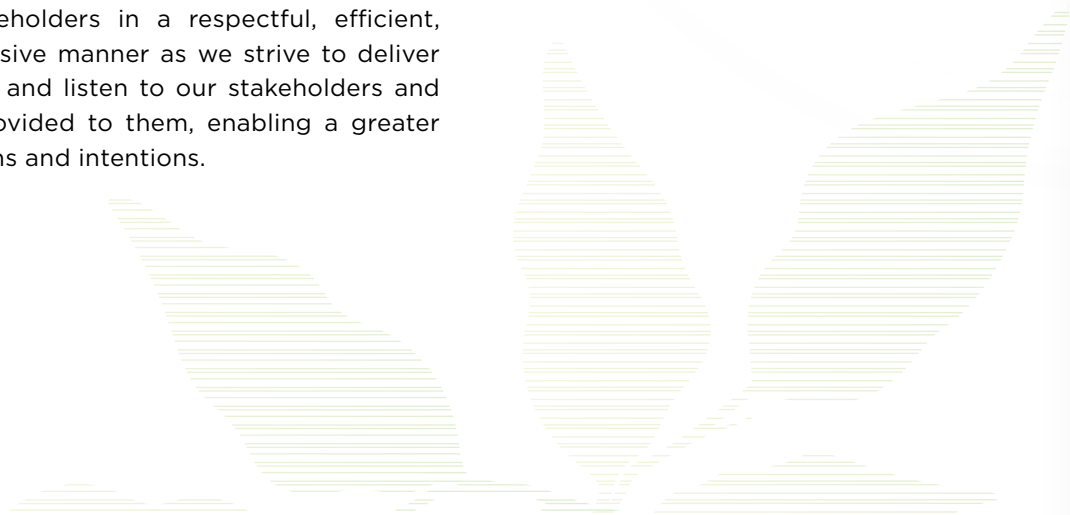
Sustainability Report

STAKEHOLDERS ENGAGEMENT

WE ENGAGE OUR STAKEHOLDERS REGULARLY TO FOSTER A BETTER UNDERSTANDING OF HOW THEIR NEEDS CAN BE ADDRESSED WHILE ADVANCING OUR CORPORATE MISSION. THE MAINTENANCE OF STRONG RELATIONSHIPS, ALONG WITH THE RECOGNITION AND APPRECIATION OF EACH STAKEHOLDER, INCLUDING OUR BUSINESS PARTNERS, PLAYS A CRUCIAL ROLE IN GUARANTEEING THE SUCCESS OF OUR BUSINESS. UNDERSTANDING THEIR INTERESTS AND REQUIREMENTS IS PARAMOUNT IN THIS REGARD.

The stakeholders universe comprises shareholders, investors, customers, employees, community members, regulators, financial institutions, industry groups, business associates, consultants, suppliers and the media.

Our ability to address priorities is enhanced by working with stakeholders. Aligned with our corporate core values, we aim to engage with stakeholders in a respectful, efficient, knowledgeable and responsive manner as we strive to deliver holistic value. We engage and listen to our stakeholders and accurate information is provided to them, enabling a greater understanding of our actions and intentions.













Stakeholders Engagement



Sustainability Report

The following groups are key stakeholders who have the greatest impact on our organisation and with whom we engage regularly:

STAKEHOLDER	AREAS OF CONCERN/ INTEREST	TYPE OF ENGAGEMENT	FRUEQUENCY OF ENGAGEMENT	ACHIEVED OUTCOME
 CUSTOMERS	<ul style="list-style-type: none"> Product quality and quantity according to contract agreement Product delivery within the agreed period 	<ul style="list-style-type: none"> Written, Social Media & Email Communication Sales Galleries Customer Feedback Management Outreach Events/ Roadshow/ Open Day 	<ul style="list-style-type: none"> Regular Regular Regular Ad hoc 	<ul style="list-style-type: none"> Improved customer satisfaction with good product quality and timely delivery Better understanding of issues/concerns from customers and take appropriate steps to address the issues
 EMPLOYEES	<ul style="list-style-type: none"> Occupational safety and health Talent retention Employees' welfare and benefits Minimum wage 	<ul style="list-style-type: none"> Employee Engagement Activities Written Communications Departmental Meetings/Virtual Meetings Employee Development Trainings, Workshops & Webinars 	<ul style="list-style-type: none"> Regular Regular Regular Regular 	<ul style="list-style-type: none"> Provide regular updates on health and safety measures Career development, offers appropriate remuneration and benefits package
 GOVERNMENT AGENCIES/LOCAL AUTHORITIES	<ul style="list-style-type: none"> Approval of development order (DO), building plans (BP), advertising permit and developer's licence (APDL) 	<ul style="list-style-type: none"> Written and verbal Communications Formal Meetings/ Virtual Meetings 	<ul style="list-style-type: none"> Regular Ad hoc 	<ul style="list-style-type: none"> Timely approval of DO, BP, APDL and relevant licences and permits
 INDUSTRY GROUP	<ul style="list-style-type: none"> Issues and regulations affecting the industry 	<ul style="list-style-type: none"> Formal Meetings/ Virtual Meetings Written and Verbal Communications 	<ul style="list-style-type: none"> Regular Regular 	<ul style="list-style-type: none"> Compliance with relevant policies and the latest requirements set by industry and certification bodies Resolving issues faced by the industry Enhancement of policies and regulations relevant to the industry
 SHAREHOLDERS/ INVESTORS/ ANALYSTS/ FUND MANAGERS/ PRIVATE EQUITY FIRMS	<ul style="list-style-type: none"> Business and financial performance Dividend payout Sustainability of business model Corporate governance and compliance 	<ul style="list-style-type: none"> Press releases Quarterly financial report Annual general meeting Extraordinary general meeting Investors engagement sessions 	<ul style="list-style-type: none"> Ad hoc Quarterly Yearly Ad Hoc Ad Hoc 	<ul style="list-style-type: none"> Regular updates of the Group's financial performance and business development

STAKEHOLDER	AREAS OF CONCERN/ INTEREST	TYPE OF ENGAGEMENT	FRUEQUENCY OF ENGAGEMENT	ACHIEVED OUTCOME
 FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> • Business and financial performance • Sustainability of business model • Corporate governance and compliance 	<ul style="list-style-type: none"> • Formal Meetings/ Virtual Meetings • Written and Verbal Communications 	<ul style="list-style-type: none"> • Regular • Regular 	<ul style="list-style-type: none"> • Regular updates of the Group's performance • Strong loan funding support from financial institutions
 JV PARTNERS/ BUSINESS ASSOCIATES	<ul style="list-style-type: none"> • Business and financial performance of the JV company 	<ul style="list-style-type: none"> • Formal Meetings/ Virtual Meetings • Written and Verbal Communications 	<ul style="list-style-type: none"> • Regular • Regular 	<ul style="list-style-type: none"> • Regular updates of the business and financial performance of the JV Company
 LOCAL COMMUNITIES/ RESIDENTS' ASSOCIATIONS/ JOINT MANAGEMENT BODIES/ SMALLHOLDERS	<ul style="list-style-type: none"> • Empowering local communities 	<ul style="list-style-type: none"> • Community engagement sessions and community programmes • Regular engagement and socialisation with local communities • Various other meetings, engagements and dialogues 	<ul style="list-style-type: none"> • Regular • Regular • Regular 	<ul style="list-style-type: none"> • Organising programmes to uplift the social-economy of communities • Value creation to local communities through our Corporate Social Responsibility (CSR) and educational programmes
 MEDIA	<ul style="list-style-type: none"> • Engaging media to convey the Group's financial performance and latest business development 	<ul style="list-style-type: none"> • Press Releases • Written and Verbal Communications • Press Engagement 	<ul style="list-style-type: none"> • Regular • Regular • Ad hoc 	<ul style="list-style-type: none"> • Press release to communicate with the public on the Group's financial performance and latest business development
 VENDORS/ SUPPLIERS/ CONTRACTORS/ CONSULTANTS	<ul style="list-style-type: none"> • Supply chain management 	<ul style="list-style-type: none"> • Formal Meetings/ Virtual Meetings/ Hybrids • Project Tender • Written and Verbal Communications 	<ul style="list-style-type: none"> • Regular • Regular • Regular 	<ul style="list-style-type: none"> • Practiced equal business opportunity through tendering process • Procure from responsible and sustainable vendors and/or suppliers

Sustainability Report

SUSTAINABILITY EFFORTS

AT MKH, OUR BUSINESS OPERATIONS ARE GUIDED BY THE BEST INDUSTRY PRACTICES TO ENSURE THE PRODUCTION AND DELIVERY OF HIGH-QUALITY PRODUCTS TO OUR CUSTOMERS, WHILE ALSO BEING COGNISANT OF THE EES ASPECT OF OUR COMMUNITY.

To-date, MKH's property portfolio strategically located within Kajang and across the Klang Valley comprises of:

4



TOWNSHIPS

8



MIXED DEVELOPMENTS

28



LANDED AND
HIGH-RISE RESIDENTIAL
DEVELOPMENTS

12



SERVICED
APARTMENTS

6



TRANSIT ORIENTED
DEVELOPMENTS

9



COMMERCIAL
DEVELOPMENTS



SUSTAINABILITY EFFORTS (Cont'd)

MKH’s projects are planned with a focus on sustainability, aiming to create living-spaces that encompass quality housing, a diverse range of facilities, green spaces and convenient access to public transport. A prime illustration of our commitment to green sustainability development is our Kajang East Precinct 1, where the township incorporates modern architecture and lush green landscapes. Residents can enjoy peaceful ambience and outdoor activities in the community park, promoting a nature-centric lifestyle.

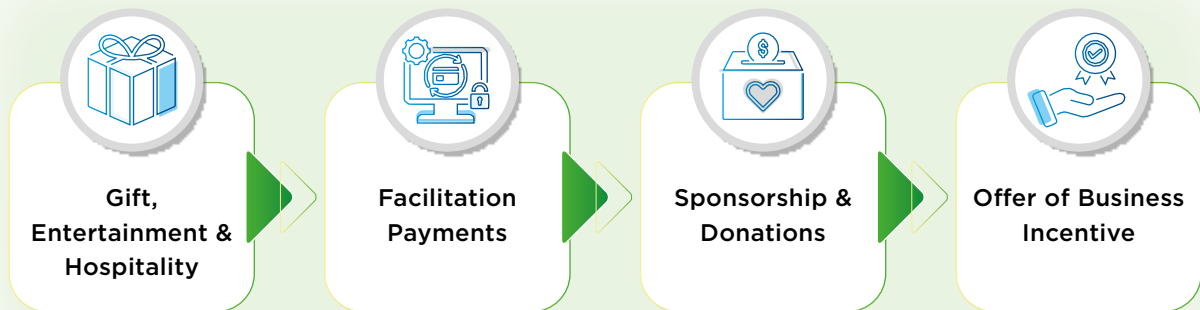
This commitment extends to Kajang 2 TOD, strategically located near Kajang 2 KTM station. The transportation hub helps ease traffic congestion and contributes to environmental well-being by promoting public transportation, thus reducing carbon emissions. Furthermore, MKH is committed in fostering community well-being within its developments through the creation of communal spaces, recreational facilities and landscaping that encourages outdoor activities and social interaction. Our dedication

reflects our commitment in creating a sustainable urban environment that harmoniously blends modern living.

Anti-Corruption

The Board and Management of MKH are fully committed to ensuring we uphold strong ethical values and good corporate governance, as embodied in our Anti-Bribery and Corruption Policy.

The Anti-Bribery and Corruption Policy addresses:



For more information on the policy, please visit:
<https://mkhberhad.com/corporate-governance/>

The Group continues to educate our suppliers on our zero tolerance with regard to bribery and corruption and our employees undergo training on anti-bribery and anti-corruption. New employees are also assessed on their understanding of the Anti-Bribery and Corruption Policy as part of the onboarding process.

Sustainability Report

Anti-Corruption (Cont'd)

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

MKH Group, excluding MKH Oil Palm (East Kalimantan) Berhad (MKH Group)

CATEGORY	FY2024	FY2023	FY2022
Management [@]	100%	100%	100%
Executive	100%	100%	100%
Non-Executive/ Staff	100%	100%	100%
General Workers	-	-	-

MKH Oil Palm (East Kalimantan) Berhad Group (MKHOP)

CATEGORY	FY2024	FY2023	FY2022
Management [@]	100%	100%	100%
Executive	100%	100%	100%
Non-Executive/ Staff	100%	100%	100%
General Workers*	NA	NA	NA

Notes:

[@] including senior management, head of department and manager

* General workers at MKHOP's plantation estates are not required to undergo anti-bribery and anti-corruption training as their roles typically do not involve significant decision making or interaction with vendors or third parties that could expose them to bribery risks.

Whistleblowing Mechanism

MKH has established a Whistleblowing Policy and mechanism to facilitate the reporting of possible irregularities within the Group's operations. This framework encourages and assists employees and members of the public in disclosing genuine concerns regarding improper conduct within the

Group, with a commitment to safeguard the individual making such disclosures from any reprisal. Whistleblowing reports can be submitted to Dato' Lim Hong Shuan, Senior Independent Non-Executive Director (SINED) via email at limhsg10514@gmail.com.

Upon receipt of a report, the SINED will thoroughly review

and evaluate the disclosure, determining the appropriate course of action. Whistleblowers are encouraged to provide comprehensive details of the incident, including the parties involved. Simultaneously, all reports and the identity of the whistleblower will be treated as confidential.

For more information on the Whistleblowing Policy, please visit:
<https://mkhberhad.com/corporate-governance/>



Whistleblowing Mechanism (Cont'd)



THERE WERE NO REPORTED CASES FOR WHISTLEBLOWING, BRIBERY AND CORRUPTION FOR FY2024.

MKH Group

YEAR	FY2024	FY2023	FY2022
Bribery & Corruption Case Reported	0	0	0
Whistleblowing Case Reported	0	0	0

MKHOP

YEAR	FY2024	FY2023	FY2022
Bribery & Corruption Case Reported	0	0	0
Whistleblowing Case Reported	0	0	0



Sustainability Report

Risk Management

The Audit Committee (**AC**) assists the Board in monitoring and overseeing financial reporting and accounting practices, reviewing internal controls and assessing the effectiveness of risk management processes. They also provide independent view and recommendation on risk management.

The Board discharges its oversight role on risk management through assessments of potential risks and identification of action plans to mitigate the underlying risks. For more details information on our risk management for FY2024, kindly refer to the Statement on Risk Management and Internal Control section of our annual report.

Data Privacy and Security

Ensuring the confidentiality and security of our customer data is our top priority. Hence, the Company adhere to the Personal Data Protection Act 2010 (PDPA) in managing our customer data including collection, storage and usage.

We have made our Personal Data Privacy Notice easily accessible online to provide external stakeholders, including our valued customers, with comprehensive information about how we utilise their data.

To manage the risk of malware, ransomware, unauthorised access and/or loss of data, the Group has

put in place measures to protect the confidentiality and integrity of its data and information technology (IT) infrastructure. Amongst others, firewall system manage and monitor network traffic and accessibility to the Group's systems: anti-virus and malware software installed in all systems, regular data backup and encryption to protect critical and confidential data. Regular maintenance of the Group's IT systems were carried out and action taken to close any identified gaps.

Throughout the year under review, the Group did not receive any substantiated complaints regarding breaches of customer data privacy.

MKH Group

DESCRIPTION	FY2024	FY2023	FY2022
Breach of Customer Data Privacy and Security Case Reported	0	0	0

MKHOP

DESCRIPTION	FY2024	FY2023	FY2022
Breach of Customer Data Privacy and Security Case Reported	0	0	0



Sustainability
Report

Measuring Our Progress for the Future



OUR

SUSTAINABILITY

HIGHLIGHTS



Economy



PLANTATION DIVISION

Company performance rating assessment programme in environmental management (PROPER) - **Blue (2015 to 2020) and Green (2021 to 2024)**



PLANTATION DIVISION

Indonesian Sustainable Palm Oil (ISPO)

- PT Maju Kalimantan Hadapan (PTMKH)
- PT Sawit Prima Sakti (PTSPS)



Environment



NATURAL AND RENEWABLE ENERGY SOURCES

commendable reduction of utility bills by up to **25%**



GREENER LIFESTYLE

EV charging stations at Metro Point Complex and Plaza Metro Kajang.



WASTE MANAGEMENT

We have implemented **proactive recycling with the systematic collection** of recyclable waste at project sites.



Society



EDUCATION FOUNDATION

We provide financial aid to **165 students from 33 schools in Hulu Langat district** through an education foundation.



PLANTATION DIVISION

Our plantation carried out one **blood donation campaign** for FY2024 in collaboration with Palang Merah Indonesia.



COMMUNITY ENGAGEMENT

MKH Group contributed approximately **RM829,963** in community engagement.



COMMUNITY ENGAGEMENT

MKHOP contributed approximately **RM859,190** in community engagement through various CSR activities involving social, health and sports initiatives.



ZERO ACCIDENT AWARD

- Achieved **66,350,794 man-hours without work-related accidents** from 1 June 2017 to 1 December 2023 by PTMKH
- Achieved **13,000,920 man-hours without work-related accidents** from 1 January 2015 to 1 December 2023 by PTSPS

Sustainability Report

DIVERSITY AND INCLUSION

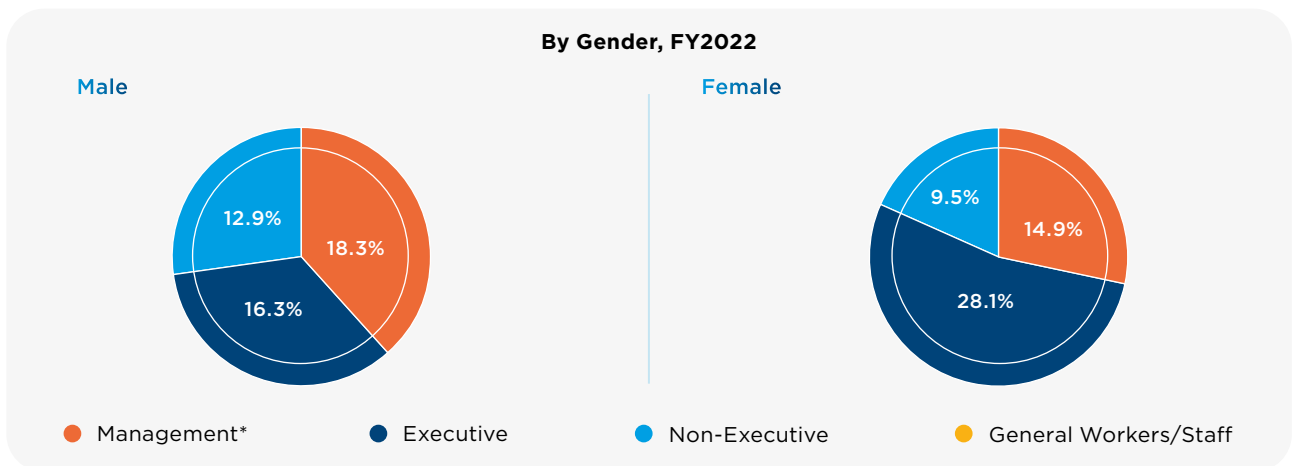
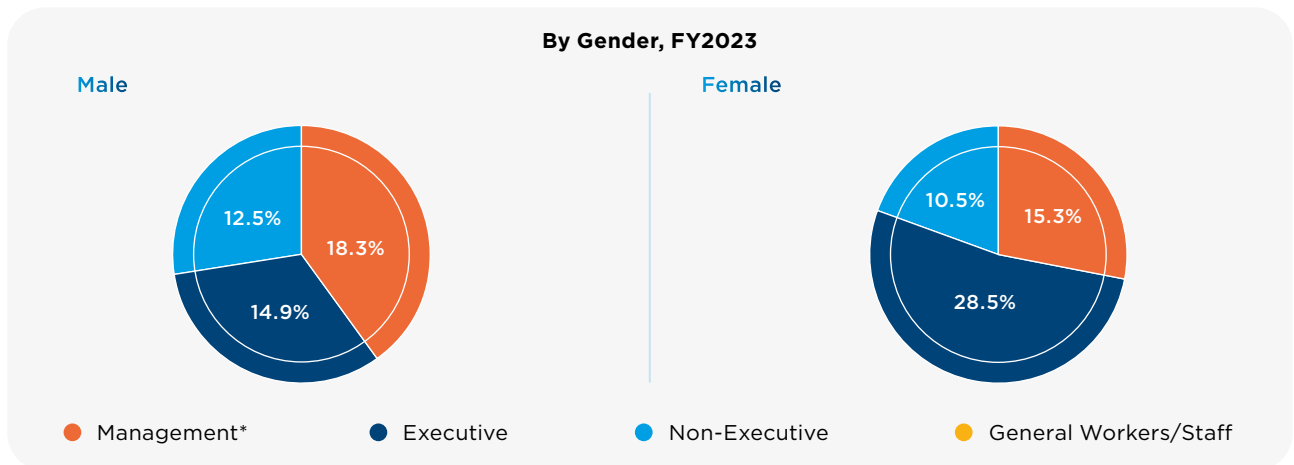
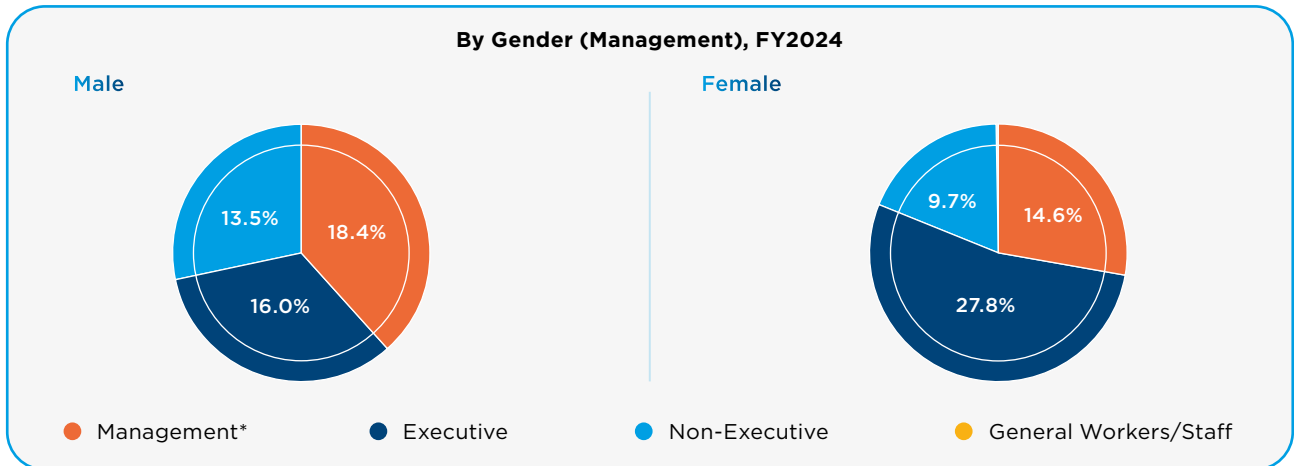
IN MKH, OUR COMMITMENT TO DIVERSITY AND INCLUSION IS ARTICULATE THROUGH FOSTERING WORKPLACE CULTURE THAT THRIVES ON MUTUAL TRUST AND RESPECT, PROMOTING DIVERSITY AS A CATALYST FOR CREATIVITY AND INNOVATION. BY TAPPING INTO A BROAD TALENT POOL, WE ENSURE THE GENERATION OF CREATIVE SOLUTIONS BY BUILDING DIVERSE WORKFORCE, RECOGNISING THE VALUE OF DIFFERENT BACKGROUNDS AND EXPERTISE.



We steadfastly oppose any practices or policies that discriminate based on gender, marital status, race, nationality, ethnicity or age. Our overarching principles center on the promotion of basic human and labour rights, cultivating a workplace that uphold these values. This commitment to diversity and inclusion aligns with our organisational goals, fostering sustainable growth through the establishment of a healthy, harmonious and professional workplace.

The Composition of MKH Group’s workforce in FY2024, FY2023 and FY2022 are illustrated as follows:

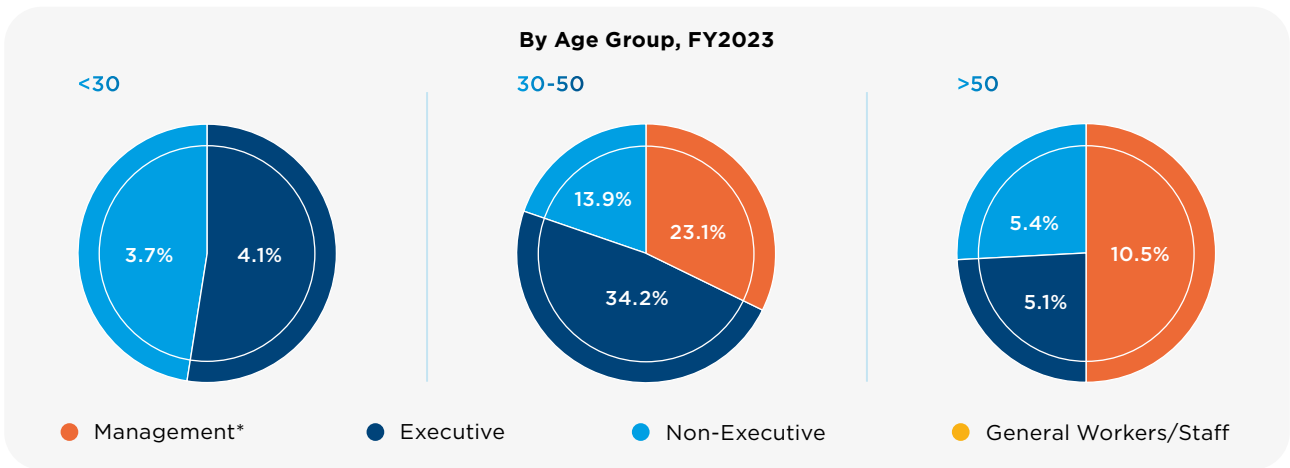
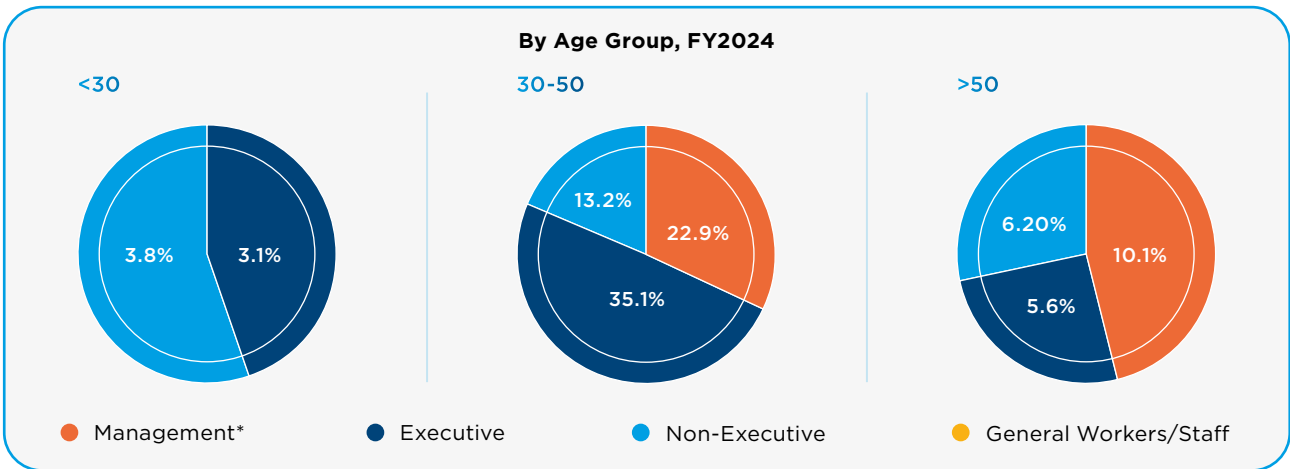
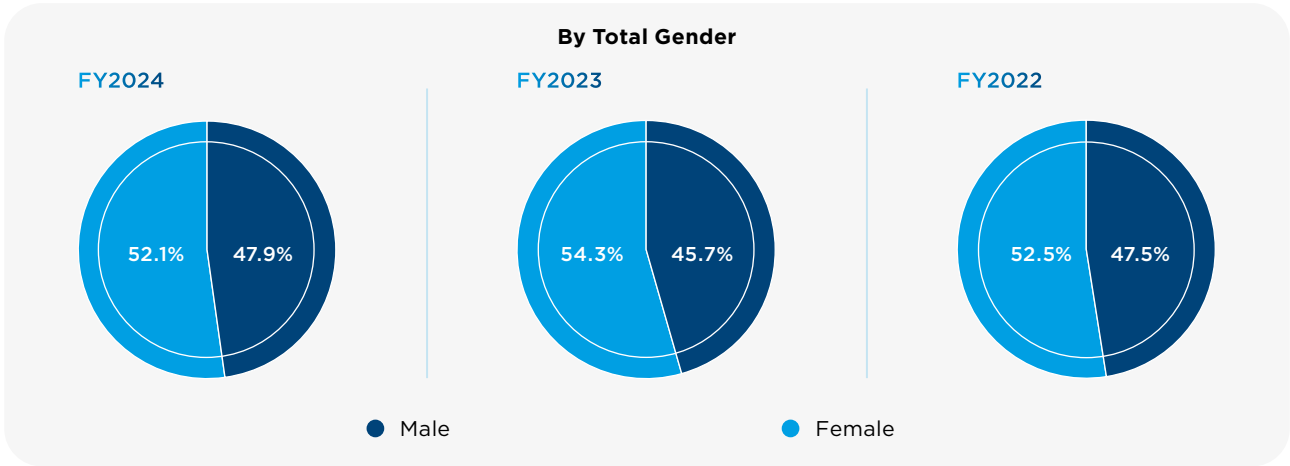
Percentage of MKH Group’s Workforce (%)



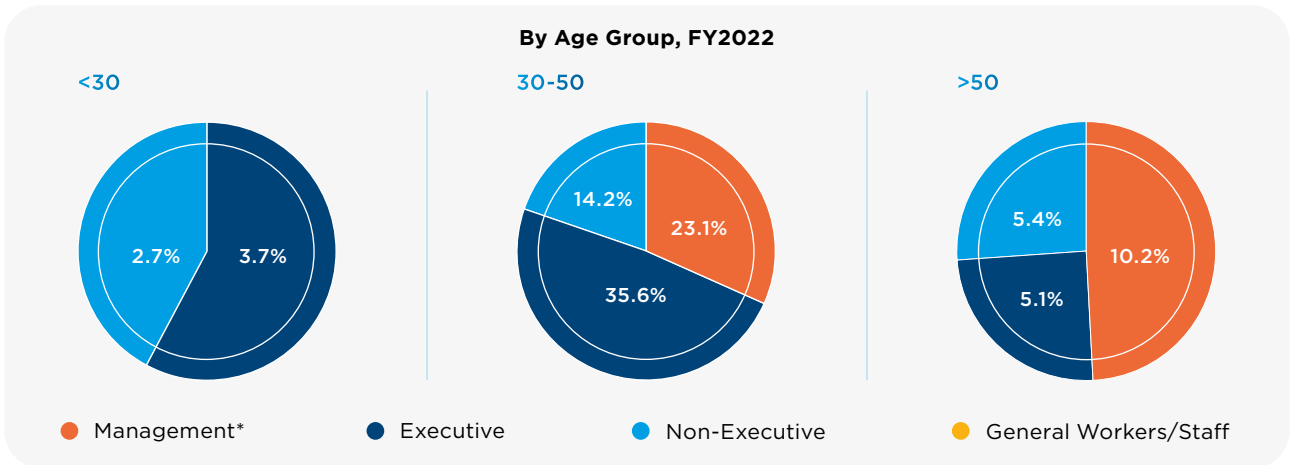


Sustainability Report

Percentage of MKH Group's Workforce (%)

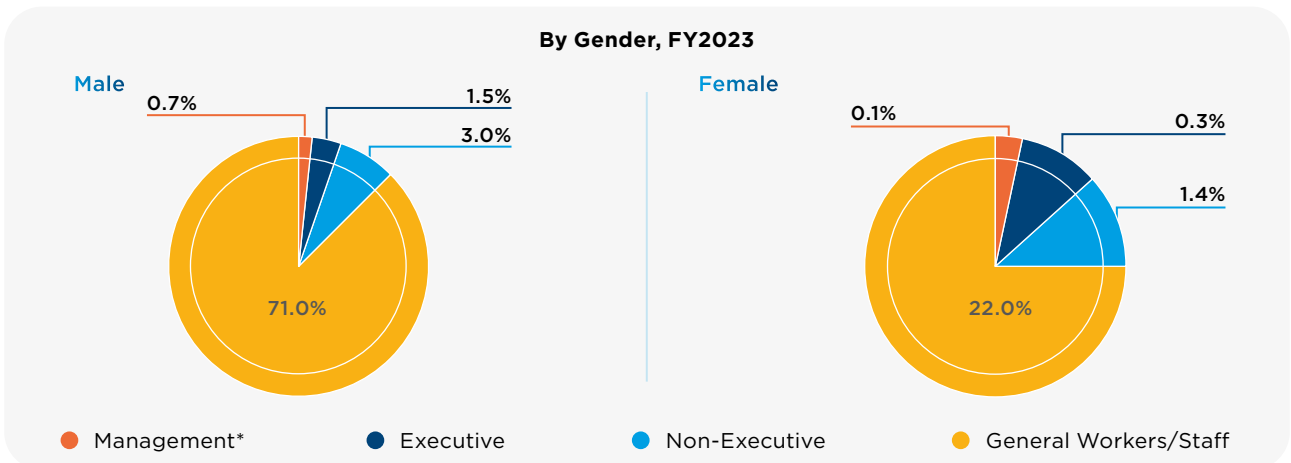
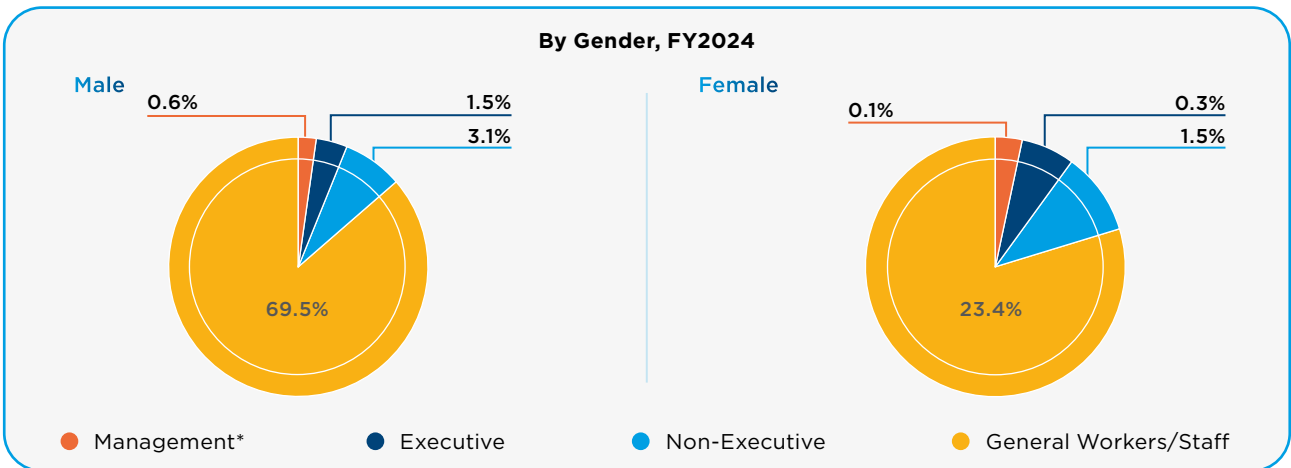


Percentage of MKH Group's Workforce (%)



The Composition of MKHOP's workforce in FY2024, FY2023 and FY2022 are illustrated as follows:

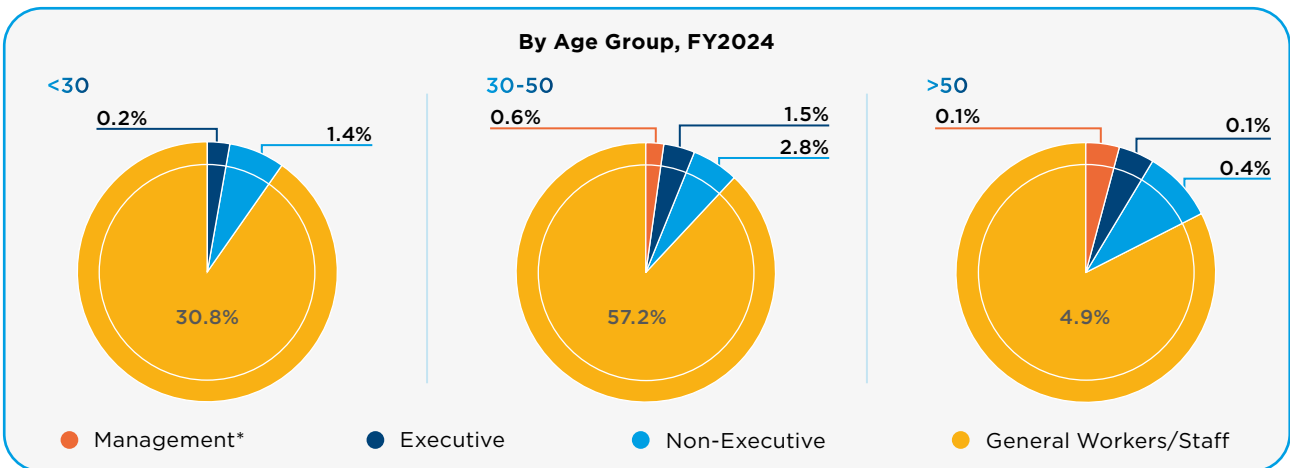
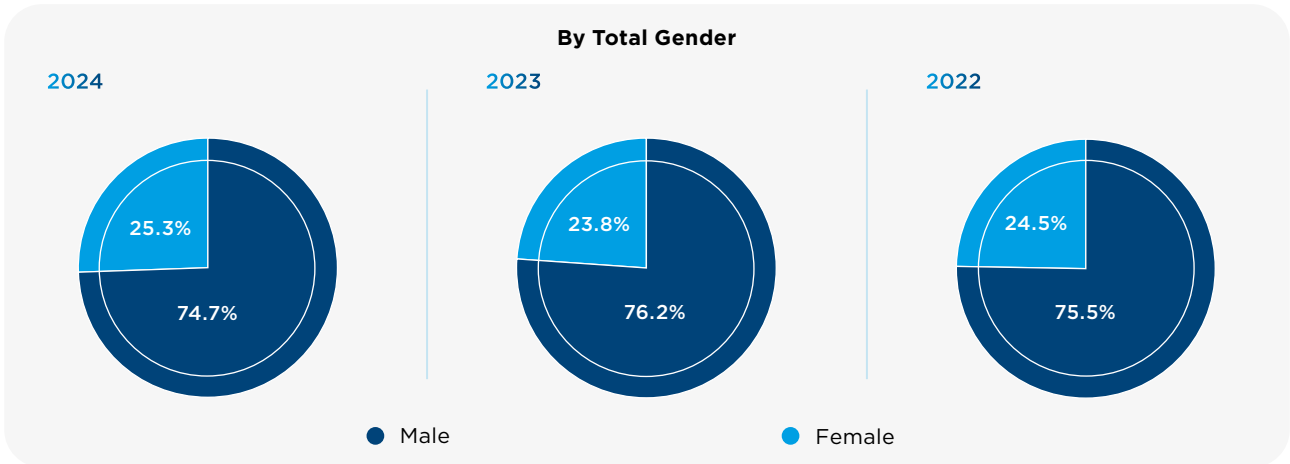
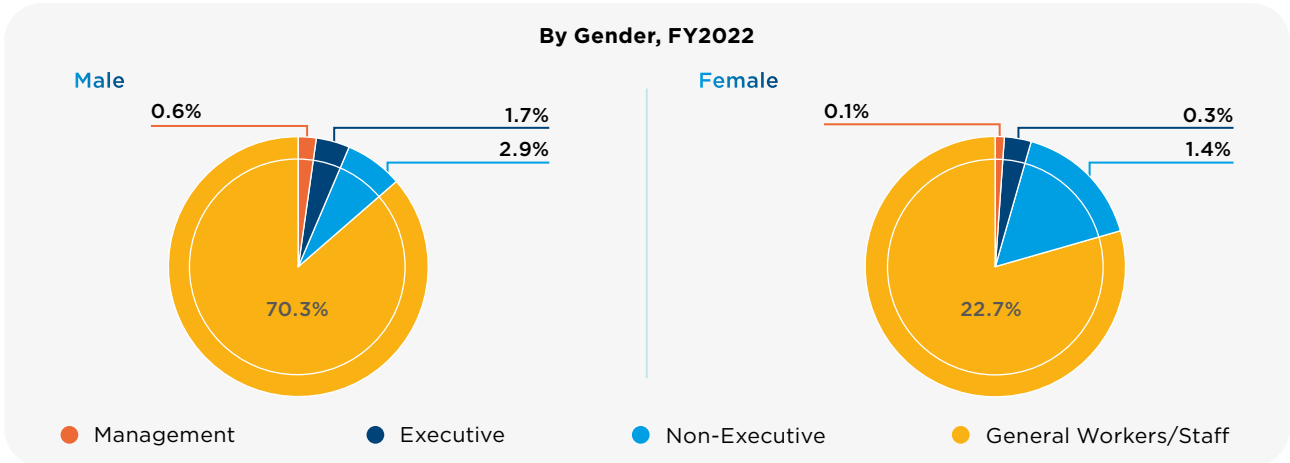
Percentage of MKHOP Workforce (%)



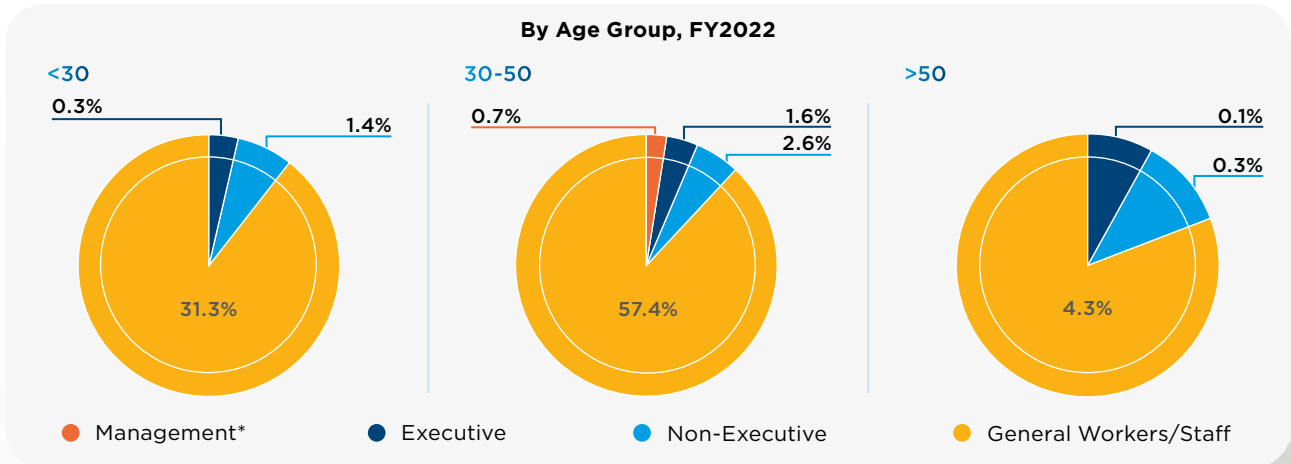
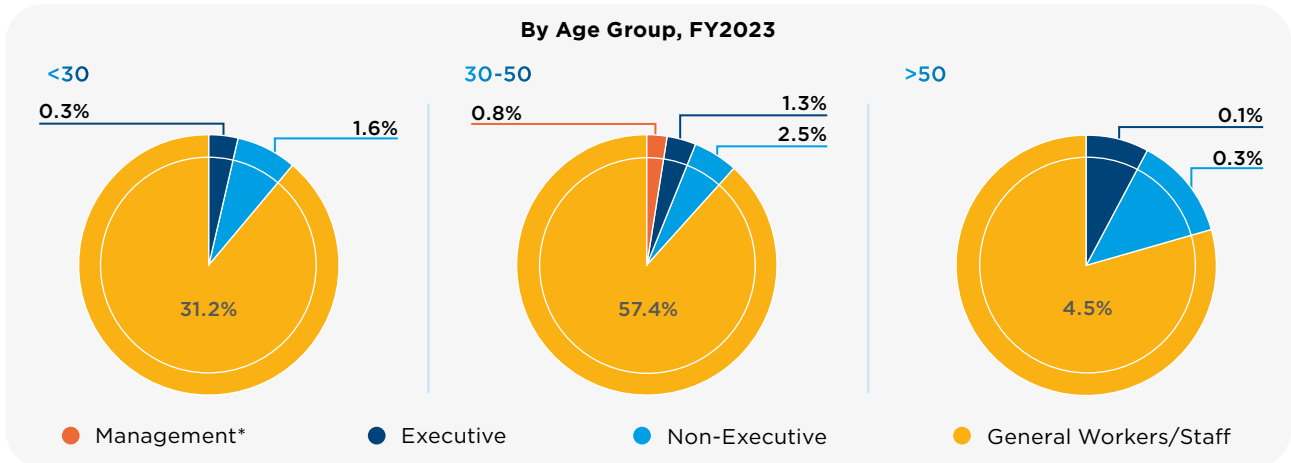


Sustainability Report

Percentage of MKHOP Workforce (%)



Percentage of MKHOP Workforce (%)



Note:
* Including senior management, head of department and manager





Sustainability Report

MKH Group

Percentage of directors by gender and age, FY2024



Male
72%



Female
28%

Age Group

<50	14.2%
50 - 60	28.4%
61 - 70	28.7%
>70	28.7%

Headcount

<50	1
50 - 60	2
61 - 70	2
>70	2

Percentage of directors by gender and age, FY2023



Male
72%



Female
28%

Age Group

<50	14.2%
50 - 60	28.4%
61 - 70	28.7%
>70	28.7%

Headcount

<50	1
50 - 60	2
61 - 70	2
>70	2

Percentage of directors by gender and age, FY2022



Male
86%



Female
14%

Age Group

<50	0.0%
50 - 60	28.4%
61 - 70	42.9%
>70	28.7%

Headcount

<50	0
50 - 60	2
61 - 70	3
>70	2



MKHOP

Percentage of directors by gender and age, FY2024



Male
70%



Female
30%

Age Group

<50	20.0%
50 - 60	10.0%
61 - 70	30.0%
>70	40.0%

Headcount

<50	2
50 - 60	1
61 - 70	3
>70	4

Percentage of directors by gender and age, FY2023



Male
70%



Female
30%

Age Group

<50	20.0%
50 - 60	10.0%
61 - 70	30.0%
>70	40.0%

Headcount

<50	2
50 - 60	1
61 - 70	3
>70	4

Percentage of directors by gender and age, FY2022



Male
64%



Female
36%

Age Group

<50	18.2%
50 - 60	9.1%
61 - 70	45.5%
>70	27.2%

Headcount

<50	2
50 - 60	1
61 - 70	5
>70	3

Sustainability Report

Energy Management

MKH is committed to managing energy consumption in our operations. As such, we are committed to achieve energy efficiency in line with MKH’s business objectives and the United Nation, SDGs’.

The Group seeks to continuously improve on its management of energy consumption, through the use of renewable energy and integrating initiatives such as the use of energy-saving lighting, solar panel and sustainable practices.

In acknowledgment of the importance of fostering a sustainable living environment, MKH diligently implement energy-saving practices through the utilisation of natural and renewable energy sources. Notably, our shopping malls in Kajang feature solar photovoltaic panels, a testament to our commitment to sustainable energy solutions. The successful integration of these solar photovoltaic panels have resulted in a commendable reduction of utility bills by up to 25%, showcasing both our environmental responsibility and fiscal prudence.

OUR SHOPPING MALLS IN KAJANG FEATURE SOLAR PHOTOVOLTAIC PANELS, A TESTAMENT TO OUR COMMITMENT TO SUSTAINABLE ENERGY SOLUTIONS. THE SUCCESSFUL INTEGRATION OF THESE SOLAR PHOTOVOLTAIC PANELS HAVE RESULTED IN A COMMENDABLE REDUCTION OF UTILITY BILLS BY UP TO 25%

We have taken step towards a more sustainable future with EV charging stations at Metro Point Complex and Plaza Metro Kajang. By offering EV charging stations, our shopping complexes not only encourages a greener lifestyle but also provides tangible financial advantages, highlighting our progressive urban planning and unwavering dedication to environmental sustainability.

EV CHARGING STATIONS AT METRO POINT COMPLEX AND PLAZA METRO KAJANG.

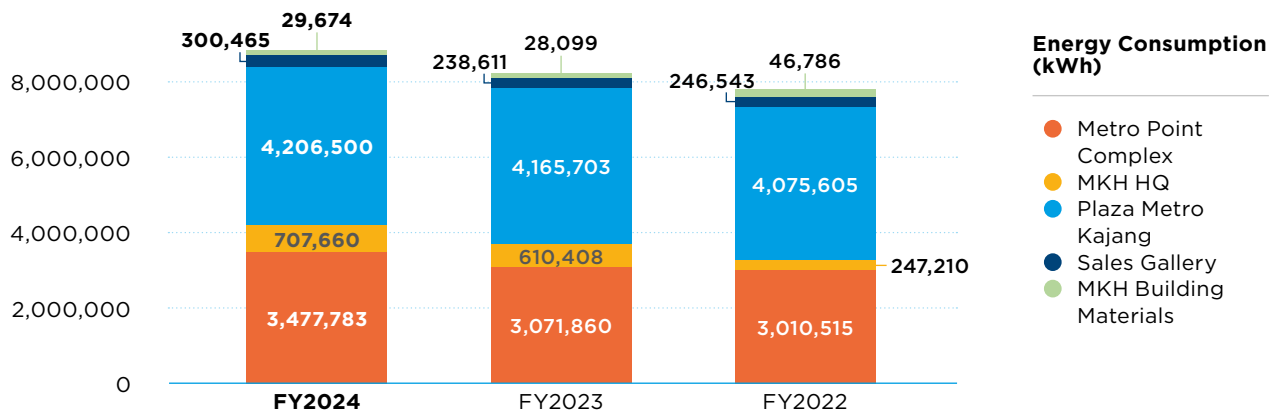
Our dedication to sustainability extends to the Building Materials Trading Division, where we offer certified green building materials and fittings to developers and contractors. This initiative reflects our commitment in promoting environmentally friendly construction practices within the industry.



Energy Management (Cont'd)

For FY2024 - FY2022, the energy consumption for our Group:

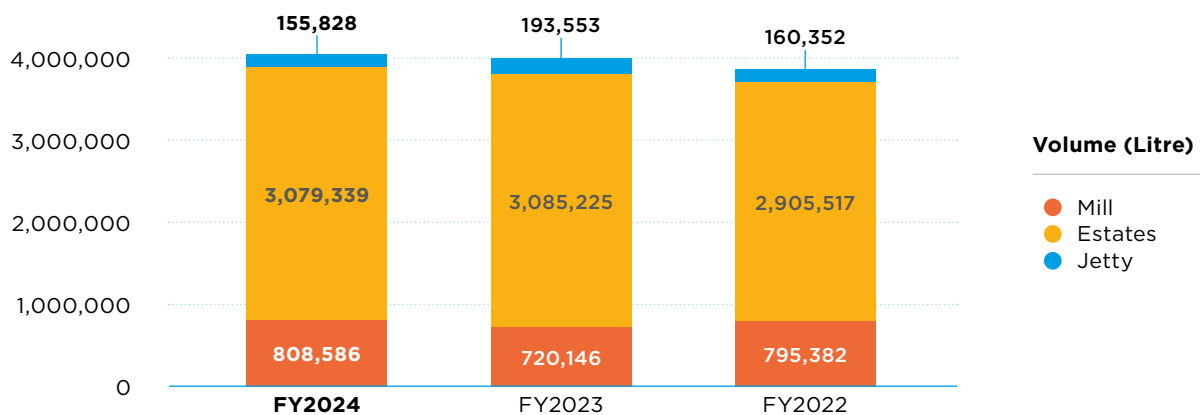
MKH Group



COMPANY	ENERGY CONSUMPTION (kWh)		
	FY2024	FY2023	FY2022
Metro Point Complex	3,477,783	3,071,860	3,010,515
MKH HQ	707,660	610,408	247,210
Plaza Metro Kajang	4,206,500	4,165,703	4,075,605
Sales Gallery	300,465	238,611	246,543
MKH Building Materials	29,674	28,099	46,786
Total	8,722,082	8,114,681	7,626,662

MKHOP

MKHOP plantation operation use diesel and petrol (fossil fuels) to operate mechanised equipment, gensets to generate electricity for some of the workers' quarters and jetty operation and for vehicles to transport FFB from the estates to the mill for processing.



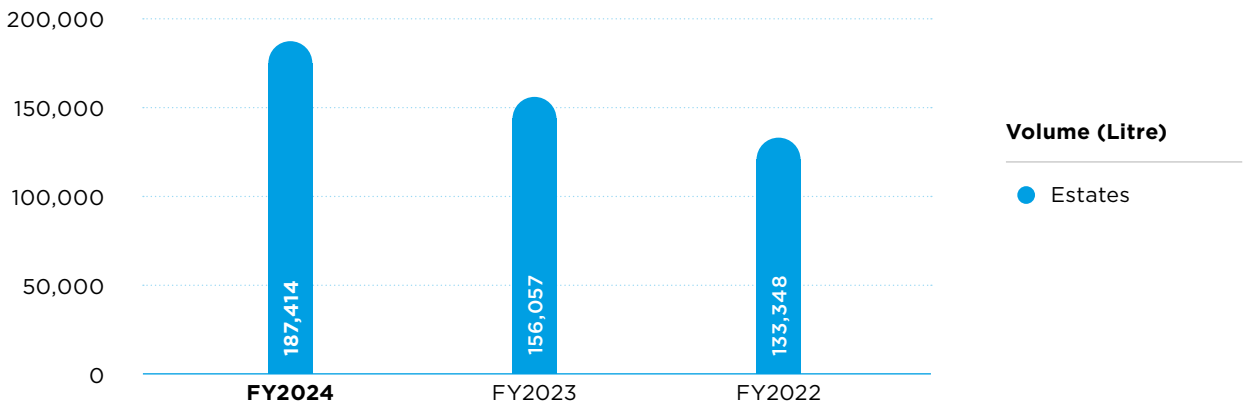


Sustainability Report

Energy Management (Cont'd)

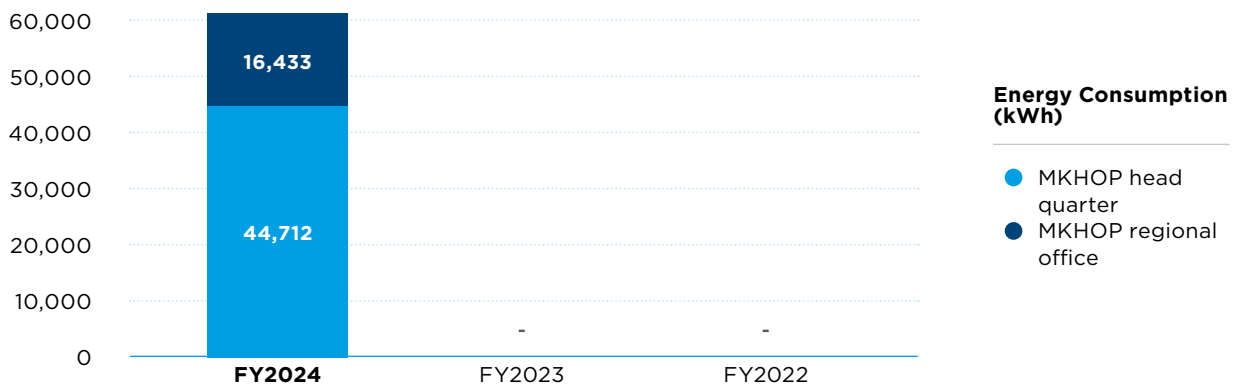
DIESEL USAGE FOR	USED BY	VOLUME (LITRE)		
		FY2024	FY2023	FY2022
Mechanised equipment, gensets and transport	Mill	808,586	720,146	795,382
	Estates	3,079,339	3,085,225	2,905,517
	Jetty	155,828	193,553	160,352
Total		4,043,753	3,998,924	3,861,251

In FY2024, the estates used a total of 187,414 liters of petrol, for transportation purposes.



PETROL USAGE FOR	USED BY	VOLUME (LITRE)		
		FY2024	FY2023	FY2022
Transport	Estates	187,414	156,057	133,348
Total		187,414	156,057	133,348

The total purchased electricity consumption by MKHOP for FY2024 was approximately 61,145 kWh for its Malaysian and Indonesian operations.



Energy Management (Cont'd)

DESCRIPTION	ENERGY CONSUMPTION (kWh)		
	FY2024	FY2023	FY2022
MKHOP head quarter	44,712	No Data	No Data
MKHOP regional office	16,433	No Data	No Data
Total	61,145	No Data	No Data

Supply Chain Management

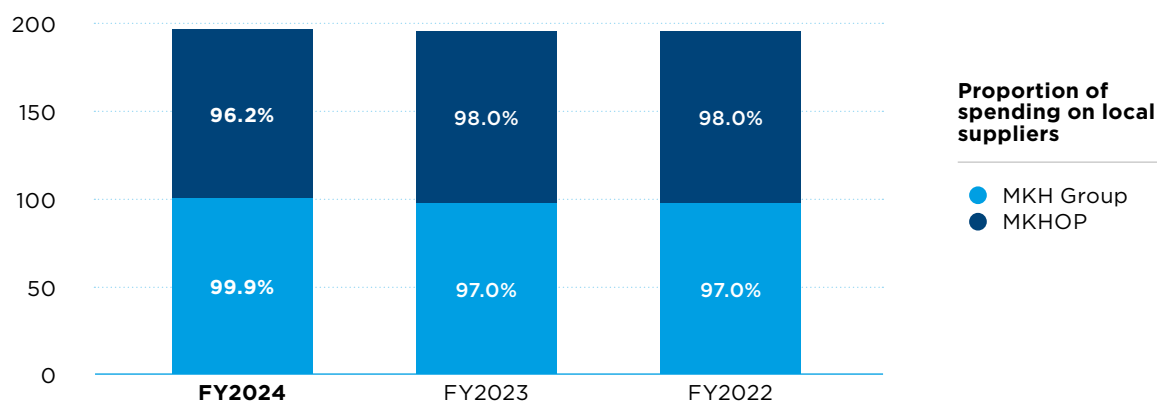
At MKH, we forge strong relationships with our suppliers and ensure their practices are aligned with our policies, such as our Code of Business Ethics, as well as local and international regulations and standards. We hold our suppliers accountable for sustainable environmental practices. Our aim is to foster a mutually beneficial relationship with our suppliers and promote a more sustainable and responsible supply chain.

By implementing this, we are able to achieve several benefits. It enables us to enhance our overall efficiency and productivity as well as promoting sustainability. We support local businesses and more than 99.9% of the products and services that we use are sourced locally.

The Group continuously enhance on its purchasing and procurement practices to ensure our tender process remains robust, transparent and cost-effective. At MKHOP, the Purchasing Department will review new suppliers to ascertain if they are competent to be shortlisted as suppliers upon satisfactory completion of background checks, proven financial track record and compliance with all the statutory and legal requirements.

Based on our procurement data of MKHOP, approximately 96.2% of procurement spending for the plantation operation in FY2024 was from local vendors. This refers to suppliers that operate locally within Indonesia. The remaining 3.8% procurement was from overseas suppliers, primarily due to the custom-made products such as new machinery and equipment for our fresh fruit bunches (FFB) harvesting together with its spare parts, new machinery and equipment to replace and upgrade our CPO mill, etc. Moving forward, the Group will continue to support local contractors and suppliers.

Proportion of spending sourced from local suppliers





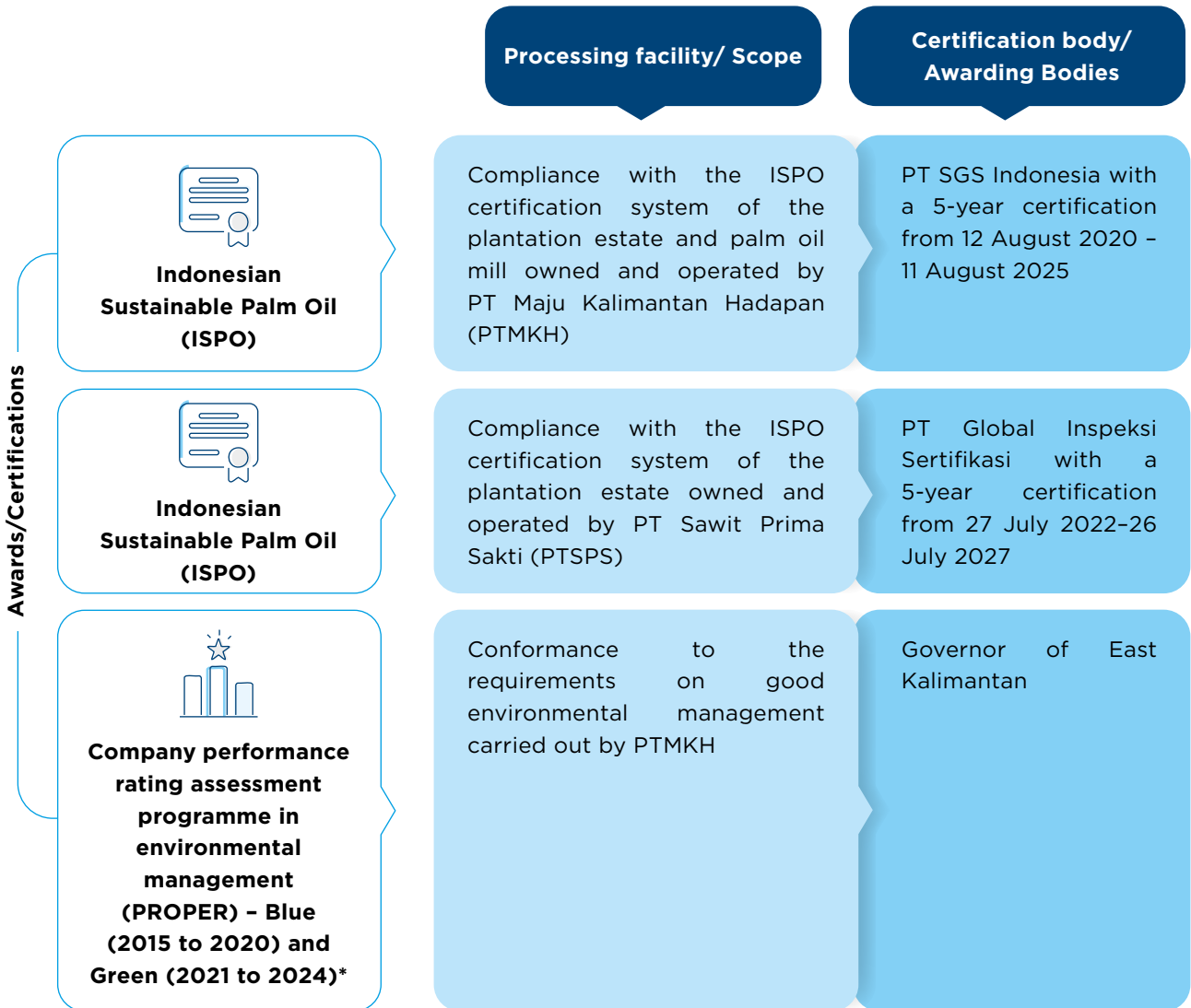
Sustainability Report

Supply Chain Management (Cont'd)

Proportion of spending sourced from local suppliers

DESCRIPTION	FY2024	FY2023	FY2022
MKH Group	99.9%	97.0%	97.0%
MKHOP	96.2%	98.0%	98.0%

MKHOP is well-recognised as one of the most efficient plantations in East Kalimantan for its good estate management practices and innovations, as evidenced by the multiple highly-coveted awards. These achievements are a testament of our commitment in sustainable practices.



Supply Chain Management (Cont'd)



Note:

* This is a yearly assessment conducted by the Governor of East Kalimantan on our level of conformance to the requirements on good environmental management.

This assessment comprises 5 ranks, i.e. from black being the lowest rank, to red, blue, green and gold being the highest rank. Our Group received Blue ranking from 2015 to 2020 and Green ranking from 2021 to 2024. This demonstrates our continuous and enhanced efforts in preserving the environment as part of our sustainable business operations.

Safety and Health Policy and Commitment

Our commitment to safety is embedded in our organisational culture, with employees receiving regular safety trainings.

Our Safety and Health Committee (SHC) is responsible for developing internal safety and health guidelines and assessing policies for a safe working environment for all employees and workers at our headquarters, management office, plantation estates and mill operation based on the safety and health protocols aligned with the relevant Occupational Safety and Health Regulation.

MKH place great importance on safety and conduct regular Safety and Health awareness training sessions. These training programs serve as an important tool for enlightening our employees and cultivating their understanding of why safety matters, both for their own well-being and for the overall success of the Group.



Sustainability Report

Safety and Health Policy and Commitment (Cont'd)

Number of employees (including construction worker) trained on health and safety standards - MKH Group

FY2024	FY2023	FY2022
2,169	4,101	1,979

DESCRIPTION	FY2024	FY2023	FY2022
Work related fatalities	0	0	0

Number of employees trained on health and safety standards - MKHOP

FY2024	FY2023	FY2022
1,542	4,101	1,979

DESCRIPTION	FY2024	FY2023	FY2022
Work related fatalities	0	0	0

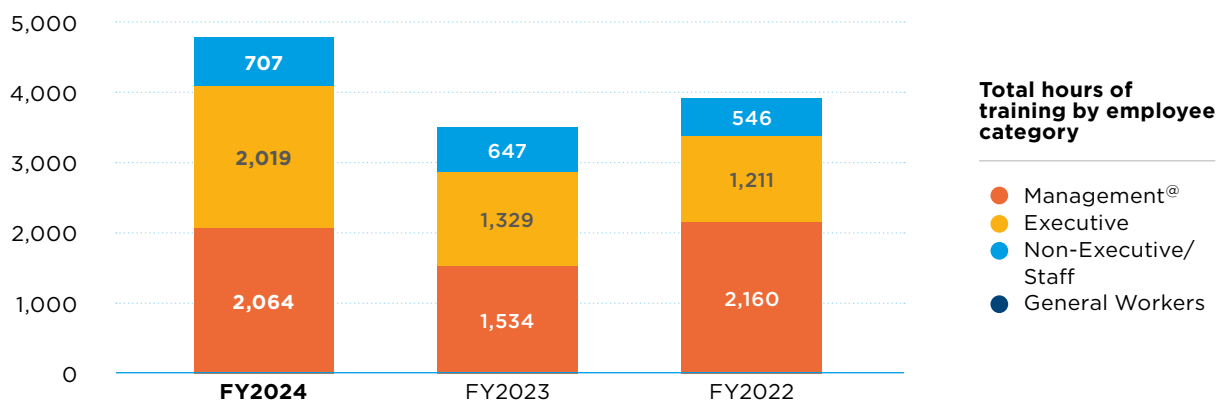
Labour Practices and Standards

Training Hours

All employees are given an inclusive onboarding programme, covering areas of the business, including among others, the Group's strategies, business segments and operations, the corporate governance framework within the Group and key risks.

The trainings / seminars / conferences attended by the employees for three financial years, are set out below:

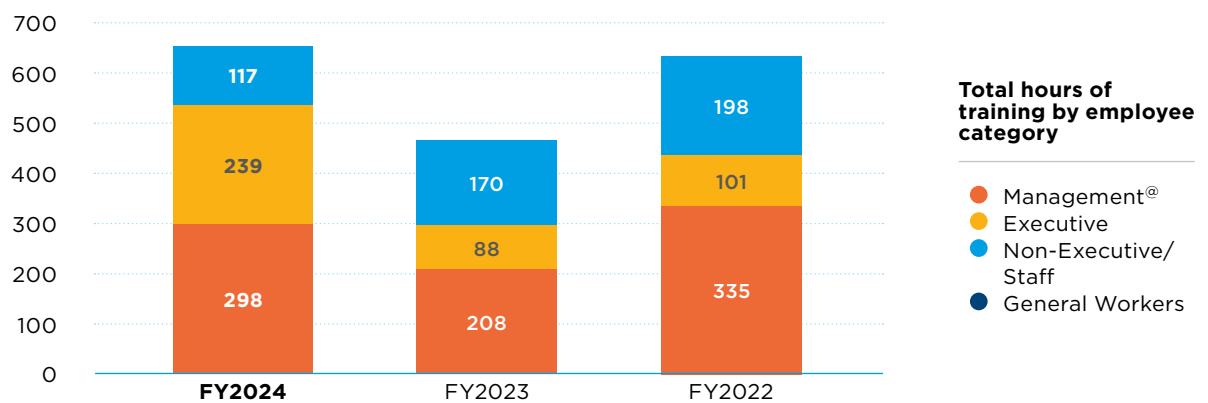
Total hours of training by employee category - MKH Group



Training Hours (Cont'd)

CATEGORY	FY2024	FY2023	FY2022
	TOTAL HOURS	TOTAL HOURS	TOTAL HOURS
Management [@]	2,064	1,534	2,160
Executive	2,019	1,329	1,211
Non-Executive/Staff	707	647	546
General Workers	-	-	-

Total hours of training by employee category - MKHOP



CATEGORY	FY2024	FY2023	FY2022
	TOTAL HOURS	TOTAL HOURS	TOTAL HOURS
Management [@]	298	208	335
Executive	239	88	101
Non-Executive/Staff	117	170	198
General Workers	*	*	*

Notes:

[@] including senior management, head of department and manager

* on the job trainings are provided which are not formally documented

Employee Turnover Rate

We recognise our people as our most valuable asset and are dedicated to enhancing their capabilities and competencies through continuous training and professional development. We prioritise the creation of a highly engaged workforce, motivating our young talents by actively involving them in our succession planning initiatives.

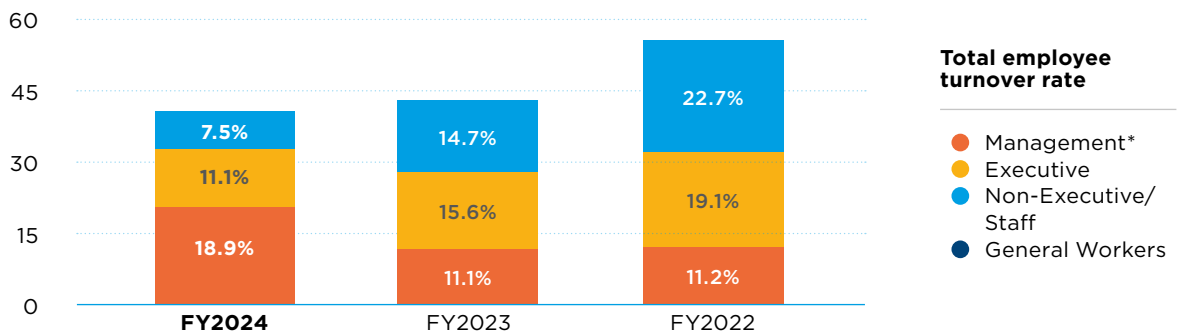


Sustainability Report

Employee Turnover Rate (Cont'd)

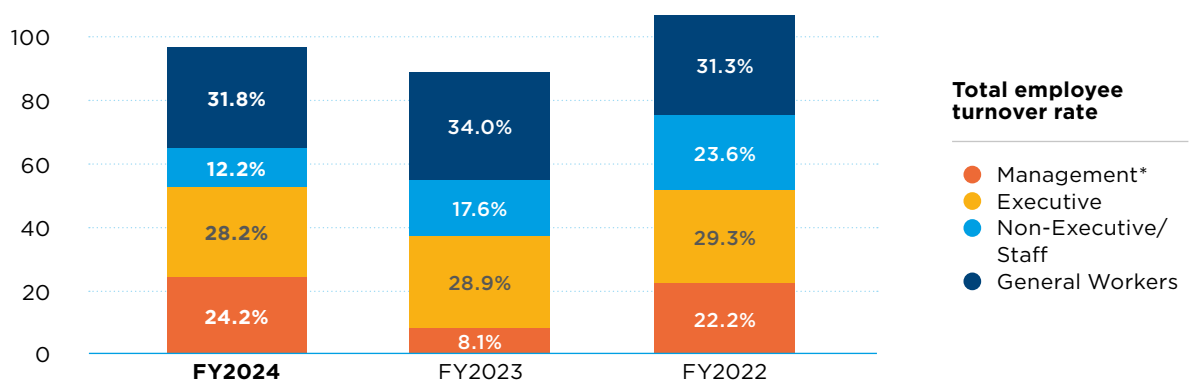
Total percentage of employee turnover rate by employee category.

Total employee turnover rate - MKH Group



CATEGORY	FY2024		FY2023		FY2022	
	NUMBER	%	NUMBER	%	NUMBER	%
Management*	18	18.9%	11	11.1%	11	11.2%
Executive	14	11.1%	20	15.6%	25	19.1%
Non-Executive/Staff	5	7.5%	10	14.7%	15	22.7%
General Workers	0	0.0%	0	0.0%	0	0.0%

Total employee turnover rate - MKHOP



CATEGORY	FY2024		FY2023		FY2022	
	NUMBER	%	NUMBER	%	NUMBER	%
Management*	8	24.2%	3	8.1%	6	22.2%
Executive	22	28.2%	22	28.9%	24	29.3%
Non-Executive/Staff	25	12.2%	34	17.6%	42	23.6%
General Workers	1,309	31.8%	1,392	34.0%	1,197	31.3%

Note:
* Including senior management, head of department and manager

Human Rights

MKH asserts that all individuals are entitled to be treated fairly and in a courteous manner. It is the responsibility of the Group’s employees to treat all individuals with dignity, politeness and to uphold their human rights. Any complaints concerning human rights violation will be promptly investigated and relevant action will be taken.

There were no substantiated complaints received concerning human rights violations for FY2024.

Number of substantiated complaints concerning human rights violations

MKH Group

YEAR	FY2024	FY2023	FY2022
CASE REPORTED	0	0	0

MKHOP

YEAR	FY2024	FY2023	FY2022
CASE REPORTED	0	0	0

Water Consumption

Recognising the importance of water conservation in addressing our climate responsibilities, MKH is committed to track water consumption within our various business segments. We are proactively taking initiatives aimed at optimising water consumption and minimising water wastage. This strategic approach aligns with our dedication to sustainability and environmental stewardship as we continue to enhance our corporate practices in water conservation.

Water-saving habits are actively promoted and encouraged among our employees, customer and guest with strong emphasis on the importance of minimising water wastage in washrooms and pantries. To ensure this, we have designated specific areas where notices and posters are prominently displayed, serving as constant reminders for employees, customers and guests to adopt water-saving practices.

**WE ARE PROACTIVELY
TAKING INITIATIVES
AIMED AT OPTIMISING
WATER CONSUMPTION
AND MINIMISING
WATER WASTAGE.**



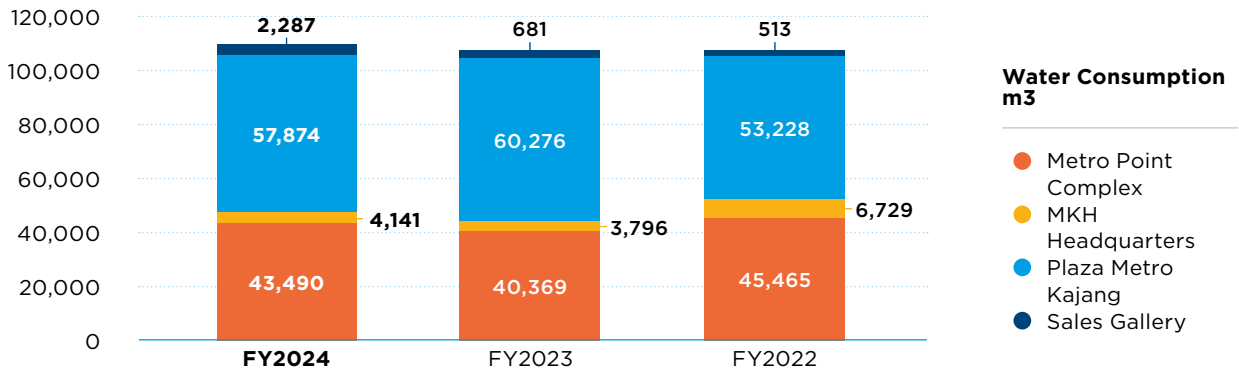


Sustainability Report

Water Consumption (Cont'd)

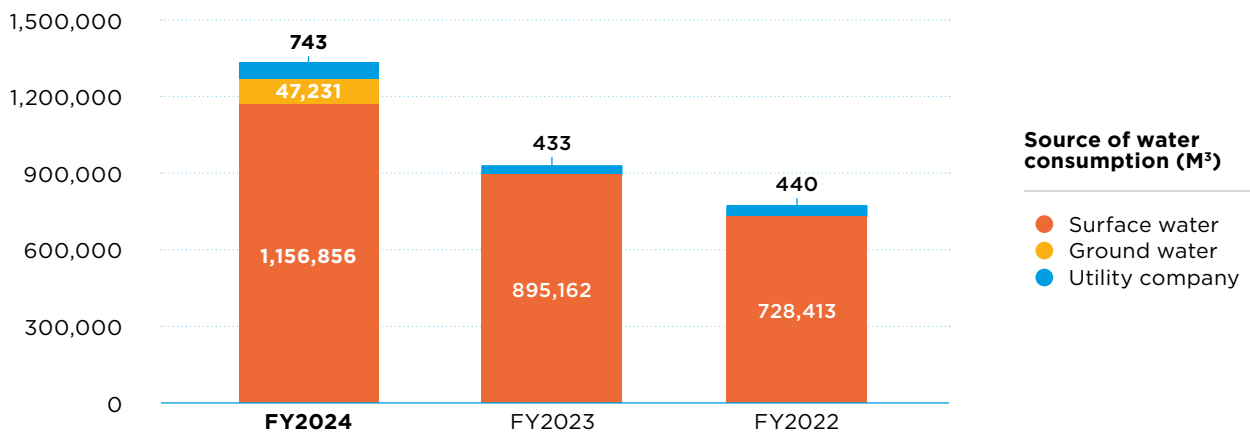
The consumption of water for our Group for three financial years:

MKH Group



COMPANY	WATER CONSUMPTION M3		
	FY2024	FY2023	FY2022
Metro Point Complex	43,490	40,369	45,465
MKH Headquarters	4,141	3,796	6,729
Plaza Metro Kajang	57,874	60,276	53,228
Sales Gallery	2,287	681	513
Total	107,792	105,122	105,935

MKHOP



Water Consumption (Cont'd)

PARTICULAR	SOURCE OF WATER CONSUMPTION (M ³)		
	FY2024	FY2023	FY2022
Surface water	1,156,856	895,162	728,413
Ground water	47,231	-	-
Utility company	743	433	440
Total consumption	1,204,830	895,595	728,853

Note:

FY2022 to FY2024, the increase in water consumption for MKHOP was mainly due to the increase in the FFB tonnage processed by the CPO mill

Waste Management

Responsible waste management is carried out at MKH Group through the following:



Segregation of waste with recycling programs for common office recyclables like paper, cardboard, plastics, glass and metal. Organic waste are routinely collected and transformed into compost fertiliser.



Reduce paper usage and encourage digital documentation and communication to reduce paper consumption.



Reusable glass, ceramic or metal utensils such as cups, water bottles, plates are used instead of single use disposable utensils.



Dedicated recyclable waste storage in headquarters for each of the floor in the pantry.

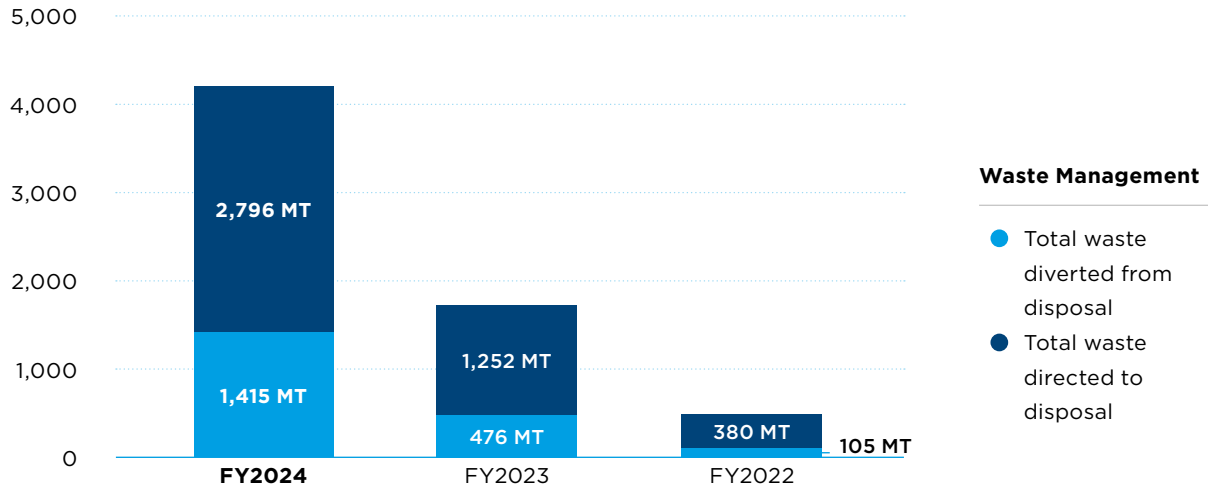
MKH Group have integrated the principles of reduce, reuse and recycle across our high-rise residences and workplace, evident through the provision of recycling bins. At our headquarters, our waste management strategy focus on reduce, reuse and recycle. Organic wastes are routinely collected and transformed into natural composts, enriching the soil in the landscaping of our developments. Additionally, waste paper, plastic, glass and metal are sent to dedicated recycling centres. This holistic approach reflects our commitment to environmental stewardship and the circular economy.



Sustainability Report

Waste Management (Cont'd)

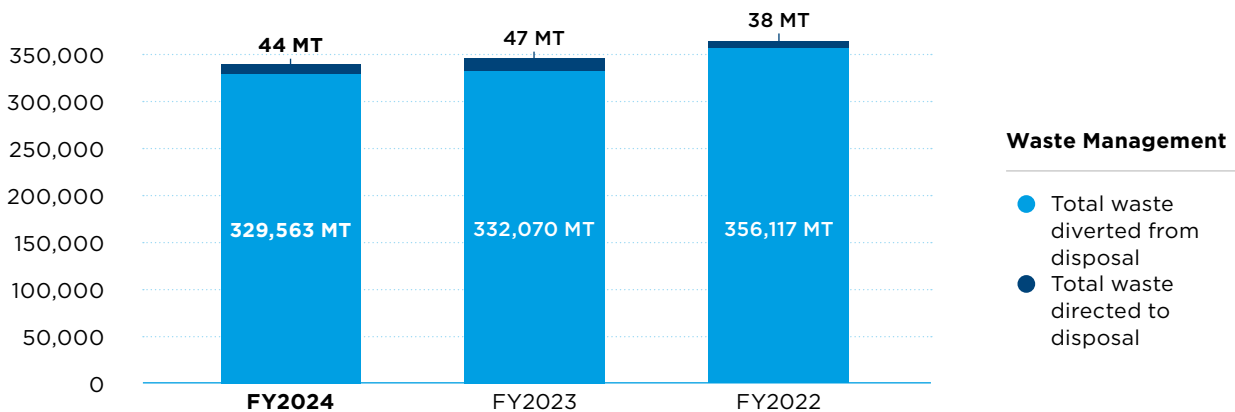
MKH Group



WASTE MANAGEMENT	FY2024	FY2023	FY2022
Total waste diverted from disposal	1,415 MT	476 MT	105 MT
Total waste directed to disposal	2,796 MT	1,252 MT	380 MT
Total waste generated	4,211 MT	1,728 MT	485 MT

For MKH Group, there has been a significant increase in the total waste recycled, from 476 MT in FY2023 to 1,415 MT in FY2024 as well as waste diverted to disposal of 1,252 MT in FY2023 to 2,796 MT in FY2024. This increase was mainly attributed to the increase in the construction activities. We have implemented proactive recycling with the systematic collection of recyclable waste at project sites, which is then send to recycling centres. Our commitment extends to the integration and maximisation of recycling practices throughout our business operations, aiming to minimise overall waste production.

MKHOP



Waste Management (Cont'd)

WASTE MANAGEMENT	FY2024	FY2023	FY2022
Total waste diverted from disposal	329,563 MT	332,070 MT	356,117 MT
Total waste directed to disposal	44 MT	47 MT	38 MT
Total waste generated	329,607 MT	332,117 MT	356,155 MT

In FY2024, MKHOP generated 329,607 MT of waste and managed to recycle more than 99% or 329,563 MT of recyclable waste. We have implemented effective waste management strategies, recycling our oil palm biomass for energy generation and soil nutrient enhancement purpose.

MKHOP actively promotes sustainability through the use of renewable energy sources for power generation and use by-products from palm oil milling, namely palm kernel shells and mesocarp fibre, as fuel for the boilers at our palm oil mill to produce steam for electricity generation by turbines. A small amount of boiler ash is produced when palm fibre and palm kernel shells are burned was subsequently recycled into the soil to reduce acidity levels. This aligns with the commitment to environmentally responsible practices, ensuring that the operations not only meet production demands but also contribute positively to the ecological footprint.



 Freshly harvested oil palm fruits

Emission Management

The rising CO₂ level leads to a variety of effects, including rising sea levels, changes in precipitation patterns, an increase in extreme weather events such as droughts and floods.

As a corporation, we are committed to supporting the national agenda in reducing the GHG emissions, recognising our responsibility in minimising carbon emission within our business operations. This is reflected in the identification of climate change as a key-risks identified in our MKH's Materiality Matrix.

Our goal is to minimise carbon emissions, a commitment reinforced by our focus on Scope 1 since FY2023, with Scope 2 and Scope 3 emissions, which will include Category 7 (Employee Commuting) implementation during FY2024. We believe that by establishing a benchmark baseline, the Group will be able to effectively monitor our emissions profile and take steps to minimise carbon emissions, contributing to a sustainable and environmentally conscious business approach.

WE HAVE IMPLEMENTED EFFECTIVE WASTE MANAGEMENT STRATEGIES, RECYCLING OUR OIL PALM BIOMASS FOR ENERGY GENERATION AND SOIL NUTRIENT ENHANCEMENT PURPOSE.



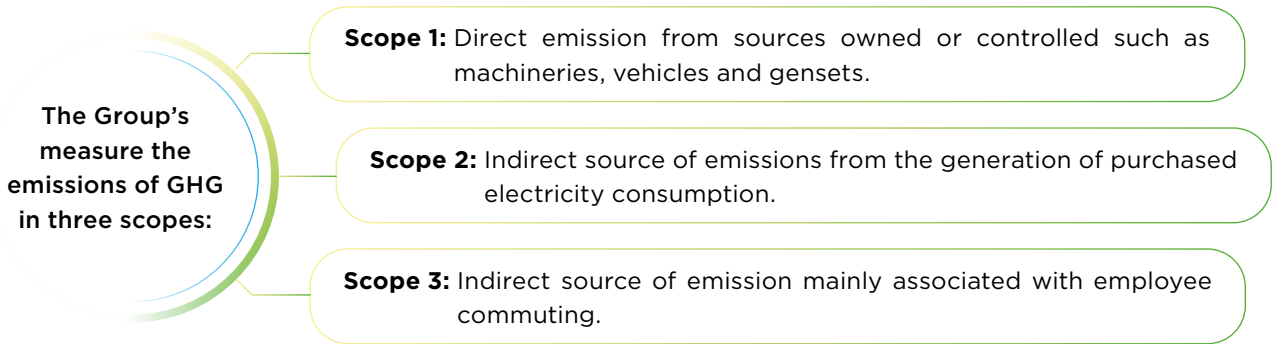
Sustainability Report

Emission Management (Cont'd)

The Group's carbon footprint is calculated based on the *GHG Protocol Corporate Accounting and Reporting Standard*. Data for emissions generated was based

on internationally recognised calculation tools namely *2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines*. Whereas, emission from the grid electricity was based on the Grid

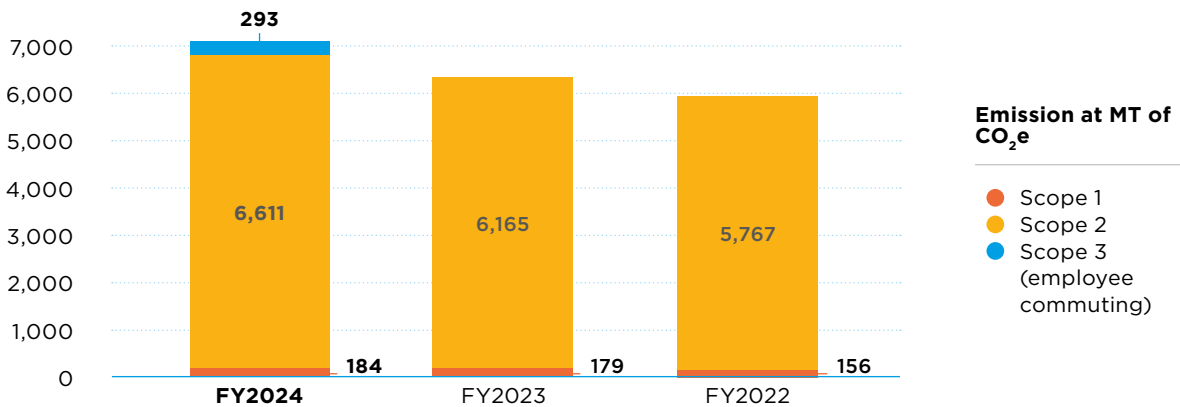
Emission Factor published by the *Energy Commission of Malaysia and Ministry of Energy and Mineral Resources of Indonesia (Faktor Emisi GRK Sistem Ketenagalistirikan)*.



We calculate the emissions from employee commuting by sending a group-wide survey to all employees, asking them to provide feedback on their mode of transport, their distance to the workplace and their round-trip commuting distance in FY2024. The calculation is based on the data from 50% and 100% of the MKH Group and MKHOP employees surveyed respectively.

The survey did not include the field workers of plantation estates, as they are staying in the plantation and transportation is usually provided to them.

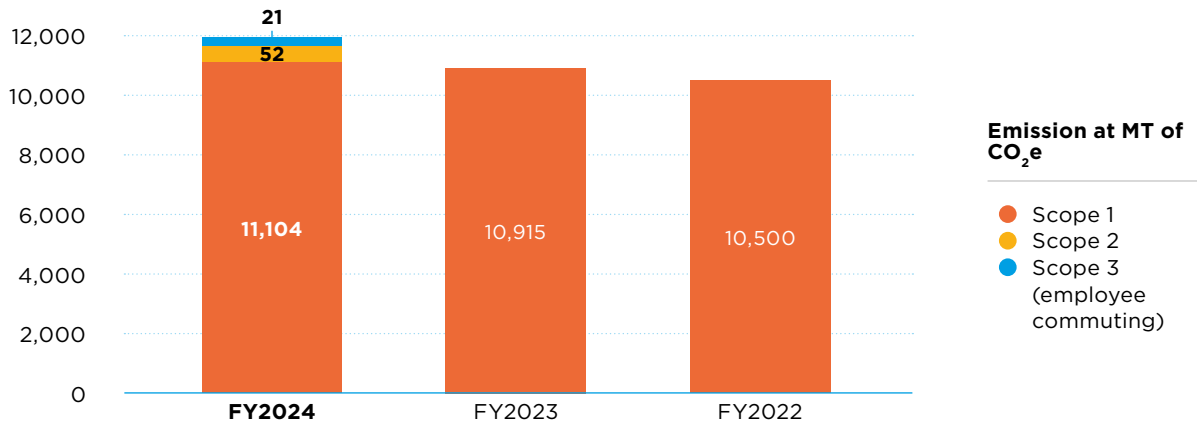
MKH Group



Emission Management (Cont'd)

EMISSIONS	EMISSION AT MT OF CO ₂ e		
	FY2024	FY2023	FY2022
Scope 1	184	179	156
Scope 2	6,611	6,165	5,767
Scope 3 (employee commuting)	293	No data	No data

MKHOP



EMISSIONS	EMISSION AT MT OF CO ₂ e		
	FY2024	FY2023	FY2022
Scope 1	11,104	10,915	10,500
Scope 2	52	No data	No data
Scope 3 (employee commuting)	21	No data	No data



Sustainability Report

COMMUNITY

IT IS WIDELY RECOGNISED THAT THE JOURNEY TOWARDS A SUSTAINABLE FUTURE BEGINS FROM WITHIN AND WE EMBRACE THIS NOTION. AS A RESPONSIBLE CORPORATE ENTITY, OUR PRIORITY IS TO FOSTER LONG-LASTING GROWTH FOR OUR GROUP, WHILE ENSURING THAT WE GENERATE VALUE FOR THE COMMUNITIES WE ARE PRIVILEGED TO SERVE. TO ACHIEVE THIS, WE ACTIVELY SUPPORT AND CONTRIBUTE TO THE WELL-BEING OF THE UNDERSERVED LOCAL COMMUNITIES WHERE OUR BUSINESS OPERATES.



Through various CSR activities, including charity donation drives, provision of financial aid, sponsorship for students and assistance for schools, sponsorship for sports and festival events, MKH supports initiatives that make a positive impact on the community.

CSR Activities

For FY2024, MKH Group contributed approximately RM829,963 in community engagement. This support was directed towards fostering collaboration with education institutions, aiding local communities and assisting non-profit organisations. Our dedication to CSR reflects our belief in making a positive impact on the communities where our business operates, aligning with our core values and commitment to sustainability.

As education is a priority for our CSR, we provide financial aid to 165 students from 33 schools in Hulu Langat district through an education foundation. The foundation is committed to



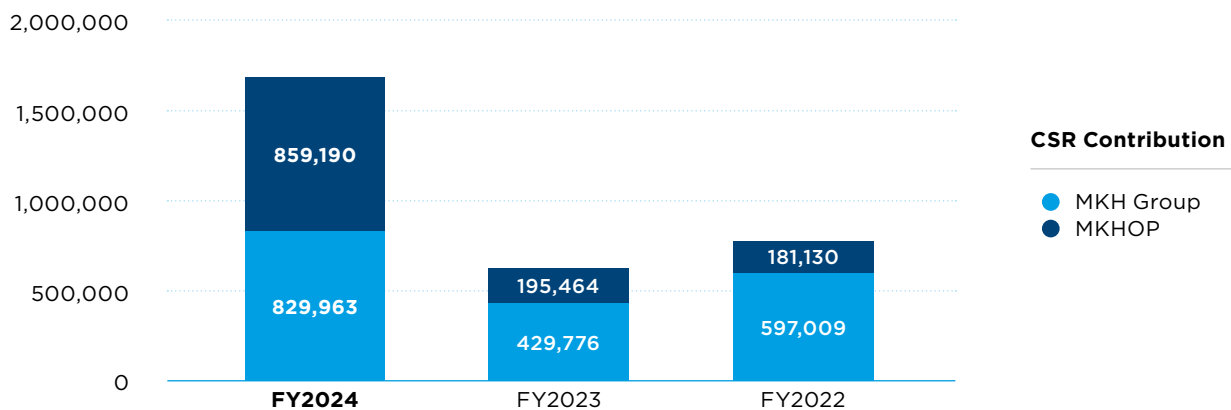
Supporting Hospital Kajang for Pink October to raise health awareness, while strengthening our commitment to the Kajang community and the well-being of our employees

MKH GROUP CONTRIBUTED APPROXIMATELY RM829,963 IN COMMUNITY ENGAGEMENT.

providing financial assistance to talented yet disadvantaged students, facilitating their educational pursuits.

For FY2024, the MKHOP contributed approximately RM859,190 in community engagement through various CSR activities involving social, health and sports initiatives.

Total CSR contribution by MKH Group and MKHOP (RM)



CSR CONTRIBUTION	FY2024	FY2023	FY2022
	(RM)	(RM)	(RM)
MKH Group	829,963	429,776	597,009
MKHOP	859,190	195,464	181,130

Sustainability Report

CSR Activities (Cont'd)



Our employees participated in the charity run organised by a local school, held within our Kajang 2 township



Exciting challenges and thrilling games during the MKH Corporate Retreat at Genting SkyWorlds Theme Park, proving that teamwork truly makes amazing work

WE PROVIDE FINANCIAL AID TO 165 STUDENTS FROM 33 SCHOOLS IN HULU LANGAT DISTRICT THROUGH AN EDUCATION FOUNDATION.



Our plantation carried out one blood donation campaign for FY2024 in collaboration with Palang Merah Indonesia. This initiative is designed to advance community well-being and to foster a culture of health and unity.

We actively meet with industry associates, participate in forums and meet with consultants to gain diverse and valuable perspectives. We continuously improve our sustainable development programs and initiatives.

We have good working relationships with our bankers, customers, suppliers, consultants, contractors and local authorities. Our aim is to create and deliver sustainable value to all our stakeholders.

The Board continuously monitor the sustainability performance of the Group's operation and introduces additional sustainability measures, as deemed appropriate to complement existing practices.

OUR PLANTATION CARRIED OUT ONE BLOOD DONATION CAMPAIGN FOR FY2024 IN COLLABORATION WITH PALANG MERAH INDONESIA.



MKHOP CONTRIBUTED APPROXIMATELY **RM859,190** IN COMMUNITY ENGAGEMENT THROUGH VARIOUS CSR ACTIVITIES INVOLVING SOCIAL, HEALTH AND SPORTS INITIATIVES.

Bursa ESG Performance Data Table

The Company is pleased to present the mandatory ESG disclosures in accordance with the Main Market Listing Requirements, aligned with the Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The performance data table below summarises key indicators relevant to our Material Matters.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive/Staff	Percentage	100.00	100.00	100.00
General Workers	Percentage	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer				
	MYR	778,139.00	625,240.00	1,689,153.00
Bursa C2(b) Total number of beneficiaries of the investment in communities				
	Number	98	108	110
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Below 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	76.00	76.50	73.40
Management Above 50	Percentage	24.00	23.50	26.60
Executive Below 30	Percentage	10.30	12.30	7.80
Executive Between 30-50	Percentage	80.30	78.40	82.40
Executive Above 50	Percentage	9.40	9.30	9.80
Non-Executive/Staff Below 30	Percentage	27.00	31.40	27.60
Non-Executive/Staff Between 30-50	Percentage	60.70	57.50	59.20
Non-Executive/Staff Above 50	Percentage	12.30	11.10	13.20
General Workers/Staff Below 30	Percentage	33.60	33.50	33.10
General Workers/Staff Between 30-50	Percentage	61.80	61.60	61.70
General Workers/Staff Above 50	Percentage	4.60	4.90	5.20
Gender Group by Employee Category				
Management Male	Percentage	63.20	63.20	62.50
Management Female	Percentage	36.80	36.80	37.50
Executive Male	Percentage	55.00	52.90	54.90
Executive Female	Percentage	45.00	47.10	45.10
Non-Executive/Staff Male	Percentage	64.30	64.00	65.10
Non-Executive/Staff Female	Percentage	35.70	36.00	34.90
General Workers/Staff Male	Percentage	75.60	76.30	74.80
General Workers/Staff Female	Percentage	24.40	23.70	25.20
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	85.80	71.60	71.60
Female	Percentage	14.20	28.40	28.40
Below 50	Percentage	0.00	14.20	14.20
50-60	Percentage	28.40	28.40	28.40
61-70	Percentage	42.90	28.70	28.70
Above 70	Percentage	28.70	28.70	28.70

Internal assurance

External assurance

No assurance

(*)Restated


Bursa ESG Performance Data Table (Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	19,912.00	21,778.00	24,061.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	105.00	185.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	3,958	8,202	3,711
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	2,495	1,742	2,362
Executive	Hours	1,312	1,417	2,258
Non-Executive/Staff	Hours	744	817	824
General Workers	Hours	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	14.50	16.70	17.90
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	17	14	26
Executive	Number	49	42	36
Non-Executive/Staff	Number	57	44	30
General Workers	Number	1,197	1,392	1,309
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.10	98.90	97.20
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	834.800000	1,000.700000	1,312.600000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	356,640.00	333,845.00	333,818.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	356,222.00	332,546.00	330,978.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	418.00	1,299.00	2,840.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	10,656.00	11,094.00	11,288.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	5,767.00	6,165.00	6,663.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	0.00	314.00

Internal assurance External assurance No assurance

(*) Restated



Artist's impression of Gaya Residency, showcasing modern residential towers surrounded by lush greenery



Our plantation workers loading freshly harvested fruit bunches





GOVERNANCE THAT INSPIRE CONFIDENCE

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Corporate Governance Overview Statement

THE BOARD OF DIRECTORS (BOARD) OF MKH BERHAD RECOGNISE THE IMPORTANCE OF PROMOTING GOOD CORPORATE GOVERNANCE TO ENSURE LONG TERM SUSTAINABILITY, GROWTH AND DELIVERING VALUE.

The Board is pleased to present the Corporate Governance Overview Statement (CG Overview Statement), which is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) to the shareholders on the manner MKH Berhad (“MKH” or “the Company”) and its subsidiaries (the Group) have applied the key Principles and Practices in accordance with the Malaysian Code on Corporate Governance 2021 (the Code) during the financial year ended 30 September 2024.

This overview statement is to be read together with the Corporate Governance Report (CG Report), made pursuant to Paragraph 15.25(2) of the MMLR of Bursa Securities which articulates the application of the Company’s corporate governance practices as set out in the CG Report.



**PRINCIPLE A:
BOARD LEADERSHIP AND
EFFECTIVENESS**



**PRINCIPLE B:
EFFECTIVE AUDIT AND RISK
MANAGEMENT**



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



The CG Report is available on the Company’s website at www.mkhberhad.com and Bursa Malaysia’s website.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

1. Board Duties and Responsibilities

The Board is primarily responsible for the Group's overall strategic plans, business performance, overseeing the proper conduct of the Group's business, risk management, succession planning, investor relations, shareholders' communication, internal control, corporate governance practices and statutory matters.

To ensure effective discharge of its responsibilities, the Board delegates specific powers to other Board Committees and the management as prescribed under the Code namely, Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee to ensure appropriate checks and balances in discharging its oversight function. These committees operate under clearly defined terms of reference as approved by the Board to oversee and deliberate matters within their purview.

The Board meets periodically to conduct review and update to the Board Charter, the Code of Ethics and Conduct as well as all its governing policies across the Group at all levels. The Board Charter which outlines the duties and responsibilities of the Board and matters specifically reserved for collective decision of the Board, serves as a source of reference and primary induction literature for Directors in discharging their duties.

The Board has since 2020 approved the adoption of Anti Bribery and Corruption Policy which is implemented across the Group at all levels.

The Board Charter, the Code of Ethics and Conduct, the Whistleblowing Policy, the External Auditors Assessment Policy, the Anti Bribery and Corruption Policy and the Fit and Proper Policy which were approved and adopted by the Board are available for viewing at www.mkhberhad.com

2. Chairman of the Board

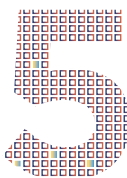
The Board is led by an experienced Executive Chairman, who is accountable for ensuring the integrity and effectiveness of the governance process of the Board.

The Executive Chairman is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board as well as to ensure that all strategic and critical issues are discussed by the Board in a timely manner.

3. Separation of the Position of Chairman and Chief Executive Officer (CEO)

The roles and responsibilities of CEO in the Company is assumed by the Managing Director (MD). There is a clear division of responsibilities to ensure a balance of authority and power as the roles of the Chairman and the MD are held by two different individuals. The responsibilities of the Chairman and the MD are set out in the Board Charter.

The MD is responsible for the development and implementation of the Board policies and business direction, formulating business strategies for the Group's business operation based on effective risk management controls and overseeing and managing the day-to-day operation of the Group, including defining the limits of Management's responsibilities.



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES (CONT'D)

4. Qualified and Competent Company Secretary

The Board is supported by a qualified and competent Company Secretary under the Companies Act 2016 in carrying out the roles and responsibilities and ensuring that Board meeting procedures are followed. The Board has direct access to the professional advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and MMLR of Bursa Securities. The profile of the Company Secretary is provided on page 41.

The Company Secretary attends the Board Meetings and Board Committees' meetings to ensure that all deliberation of issues discussed and decisions/conclusions made are recorded accurately. The Company Secretary also facilitates timely communication of decisions made by the Board at Board Meetings to the Senior Management team for action and work closely with the Senior Management team to ensure that there are timely and appropriate information flow within and to the Board and Board Committees and between the Non-Executive Directors and the management.

The Company Secretary constantly keeps himself abreast with the latest regulatory changes and/or development in corporate governance by attending the necessary trainings, conferences, seminars and/or workshops to ensure effective discharge of his advisory role to the Board.

5. Access to Information and Advice

The Board has access to all information within the Company on matters requiring information for deliberation. The Board may seek independent professional advice, at the Company's expense, if required in furtherance of their duties.

The Notice of Board meeting and the board papers are circulated at least seven (7) days prior to the meeting.

The board papers are issued in advance thus given sufficient time for the Board members to peruse the matters that will be tabled at the Board meeting and this enhances the overall decision-making process. The MD, Chief Financial Officer and Group Company Secretary would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, corporate proposals (if any), progress reports on operations in relation to the risk management and other pertinent issues.

The Board has full access to both internal and external auditors and received reports on audit findings via the Audit Committee. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the meeting are recorded in the minutes of meeting.

The Board is also regularly updated and kept informed by the Company Secretary and the management on corporate disclosures and compliance with company and securities regulations and listing requirements such as restriction in dealing with the securities of the Company and updates on the latest developments in legislations and regulatory framework affecting the Group issued by the various regulatory authorities.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES (CONT'D)

6. Board Charter

The Board has adopted a Board Charter, which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the vision and mission and principles of the Company and the policies and strategy development of the Group. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members and matters specifically reserved for collective decision of the Board.

The Board Charter will be periodically reviewed and updated in accordance with the objectives and responsibilities of the Board and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board had reviewed and approved the Board Charter to enhance governance practices by the Board in line with the principles of good corporate governance of the Code and requirements of MMLR of Bursa Securities.

7. Code of Ethics and Conduct

The Board is committed to create a corporate culture that adhere to the best practices of corporate governance and to uphold high standard of corporate conduct. The Code of Ethics and Conduct (the Ethics Conduct) which set out the ethical standards and appropriate conduct at work adopted by the Group and is applicable to all employees and Directors of the Group.

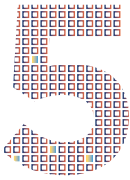
The Ethics Conduct covers the areas of conflict of interest, confidential information, insider information and securities trading, protection of Group's assets and etc. The details of the Ethics Conduct are available for reference at the Company's website at www.mkhberhad.com

8. Fit and Proper Policy

The Board has approved the adoption of Fit and Proper Policy which is implemented to guide the Board and the Nomination Committee in the assessment and evaluation of candidates that are to be appointed and reappointment of Directors to the Board and the Group. This Policy which was approved by the Board will be reviewed once every two (2) years or at more frequent intervals from time to time to remain aligned with MMLR of Bursa Securities taking into consideration changes in the law and regulatory requirements. The Fit and Proper Policy is posted on the Company's website at www.mkhberhad.com

9. Whistleblowing Policy

The Board has put in place Whistleblowing Policy, a mechanism for its employees and stakeholders to report any concerns relating to possible improper conduct within the Company in matters relating to financial, compliance, misconduct, wrongdoing and other malpractices in an appropriate manner. The Group encourages its employees to raise genuine concerns within the Group in an appropriate way without the fear of retaliation and the identity of the whistleblower will be protected and kept confidential. The Whistleblowing Policy is posted on the Company's website at www.mkhberhad.com



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES (CONT'D)

10. Anti Bribery and Corruption Policy

The Board has approved the adoption of Anti Bribery and Corruption Policy (ABC Policy) which is implemented across the Group at all levels. This ABC Policy which sets out its expectations for internal and external parties working for and on behalf of the Group in preventing bribery or corrupt practices in relation to the Group's businesses.

This ABC Policy which was approved by the Board will be reviewed at least once every year taking into consideration changes in the law and regulatory requirements. The Anti Bribery and Corruption Policy is posted on the Company's website at www.mkhberhad.com

BOARD COMPOSITION

The Board presently has seven (7) members comprising three (3) Executive Directors including the Chairman and Managing Director, three (3) other Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This is in line with Chapter 15.02 of the MMLR of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are independent directors.

In the event of any vacancy in the Board, resulting in non-compliance of the number of Independent Directors required in the Board, the Company shall fill the vacancy within three (3) months from that event.

Board Composition



The Independent Directors led by Dato' Lim Hong Shuan as the Senior Independent Non-Executive Director of the Company, to whom concern of shareholders, management, employees and others may be conveyed by way of writing to the Company's registered address or electronic mail to limhsg10514@gmail.com or contact via Tel: +603-8737 8228. The role of the Senior Independent Non-Executive Director is also explained in the Board Charter.

The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional background, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and fairly reflects the investment in the Company by shareholders apart from the largest shareholder. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

1. Independence

The Board supports the highest standards of corporate governance and the development of best practices for the Company. The concept of independence adopted by the Board is in line with the definition of an Independent Director under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities, i.e. independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. Independent Non-Executive Directors are required to voice their reservations of any Board decisions in areas such as policies and strategies which could be detrimental to the interest of the minority shareholders.

2. Tenure of Independent Directors

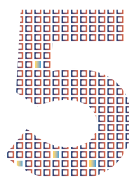
There are three (3) Independent Non-Executive Directors on the Board presently and the Board recognises the importance of independence and objectivity in the decision-making process.

The Board is mindful of the recommendation of the Code that the tenure of an independent director should not exceed a cumulative term of nine (9) years and if the Board continues to retain the independent director after the ninth year, a two-tier voting process should be applied. In addition, the enhanced MMLR limits the tenure of an independent director to not more than a cumulative tenure of twelve (12) years.

In compliance with the amendment to the Bursa Securities MMLR on the enhancement of the definition of Independent Directors, the cooling-off period for the appointment of Independent Directors has been revised from two (2) to three (3) years for an officer, non-independent non-executive director, adviser or transacting party of MKH or its related corporation.

3. Board Diversity

The Board comprised of members who are specialised in the property development and construction sector, plantation/agriculture sector, professional in accounting sector, professional in legal sector and corporate finance sector. These wide spectrum of competencies, capabilities, skills and relevant business experience provide the Board with a diverse set of expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and ensure that the Group continues to be competitive within its diverse industry segment.



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

3. Board Diversity (Cont'd)

The current Board composition in terms of each of the Director's industry and/or background experience and age is as follows:

Directors	Industry/Background Experience					Age Composition				
	Property Development and Construction	Professional in Legal	Plantation/Agriculture	Professional in Accounting	Corporate Finance	40 to 49 years	50 to 59 years	60 to 69 years	70 to 79 years	80 to 89 years
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	✓		✓							✓
Tan Sri Datuk Chen Lok Loi	✓								✓	
Datuk Chen Fook Wah	✓							✓		
Dato' Lim Hong Shuan		✓						✓		
Ms. Hoon Shat Mei				✓	✓		✓			
Ms. Lee Pei Yee				✓	✓	✓				
En. Jeffrey bin Bosra				✓			✓			

4. Gender Diversity

In managing the diversity of the Board, the Board complied with the MMLR of Bursa Securities with the appointment of Ms. Hoon Shat Mei and Ms. Lee Pei Yee to the Board as Independent Non-Executive Directors of the Company.

The Board acknowledges the importance of diversity in its membership, including gender, ethnicity and age and strives to maintain the right balance for effective functioning of the Board.

During the financial year under reviewed, the Board has not established the policy on gender diversity. However, the presence of gender diversity across the Board and Senior Management and the Group at all levels are selected on suitability as well as potential candidate equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company so as to ensure balance of gender and skills diversity, ethnicity and age within the Group.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

5. Nomination Committee

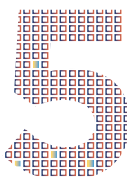
The Nomination Committee was established on 27 November 2012. The present Nomination Committee comprises of two (2) members, all of whom are Independent Non-Executive Directors and they are responsible to make independent recommendations for new appointments to the Board. The members of the Nomination Committee and their attendance at the Nomination Committee meeting held during the year under review are as follows:

Name	Designation	Attendance	Percentage
Dato' Lim Hong Shuan	Chairman	1/1	100%
Ms. Hoon Shat Mei	Member	1/1	100%

The summary activities undertaken by the Nomination Committee in the discharge of its duty for the financial year under review are as follows:

- i) reviewed the Directors who were due for re-election by rotation and/or re-appointment;
- ii) reviewed the Board's required mix of skills, current size and composition, experience and other qualities including the core competencies which Independent Non-Executive Directors should bring to the Board;
- iii) evaluated the independence of the Independent Non-Executive Directors based on the criteria of "Independence" as prescribed in the MMLR of Bursa Securities and the Corporate Governance Guide issued by Bursa Securities;
- iv) assessed and evaluated the effectiveness of the Board based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance;
- v) assessed and evaluated the individual Directors' performance and the effectiveness of the Board as a whole together with the Audit Committees' performance;
- vi) reviewed the proposed criteria and considerations that underpin the Fit and Proper Policy in relation to appointment and re-appointment of Directors;
- vii) identified suitable training programmes for the Directors and Audit Committee; and
- viii) deliberated on the findings of the assessments and reported the findings to the Board.

The terms of reference of the Nomination Committee are available for reference at www.mkhberhad.com



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

6. Board and Board Committee Evaluation

The Nomination Committee also assesses the effectiveness of the Board as a whole and Audit Committee and the contribution of each individual Director, including Independent Non-Executive Directors on an annual basis. The evaluation process was led by the Nomination Committee's Chairman and supported by the Company Secretary. The evaluation results were considered by the Nomination Committee, which then made recommendations to the Board with the aim of helping the Board to discharge its duties and responsibilities. The evaluation was based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The Nomination Committee conducted the Board members performance evaluation via questionnaires which covers Board's effectiveness as a whole together with Directors' self-assessment. The Directors' self-assessment was conducted to evaluate the mix of skills, experience and the individual Director's ability to contribute and exercise independent judgement towards the effective functioning of the Board. The Nomination Committee also conducted the review of the Audit Committee members' performance via questionnaire and self and peer evaluation form to ensure a balanced and objective review by the Directors and the Audit Committee for the abovementioned key areas.

During the deliberation of the performance of an individual Director who is also a member of the Nomination Committee, that member will abstain from the deliberation of his or her own performance to avoid any conflict of interests.

The Nomination Committee, pursuant to the annual review that was carried out, was satisfied that the size of the Board is optimum, well-balanced with the appropriate mix of skills and experience for the composition of the Board and its Committees. All assessments and valuation carried out by the Nomination Committee in discharging its duties were also properly documented.

7. Board Meetings

The Board meets at least four (4) times a year either through physical, virtual or hybrid meetings and has a formal schedule of matters reserved to it. Additional meetings are held on an ad-hoc basis to deliberate on matters requiring its immediate attention. The Board is supplied with full and timely information to enable it to discharge its responsibilities. During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various Board Committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

During the financial year, the Board met five (5) times; whereat it deliberated and considered a variety of matters affecting the Company's operations including the Group's financial results, business plan and direction of the Group.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

7. Board Meetings (Cont'd)

The attendance record of each Director is as follows:

Name	No. of Meetings Attended	Percentage
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	6/6	100%
Tan Sri Datuk Chen Lok Loi	6/6	100%
Datuk Chen Fook Wah	6/6	100%
Dato' Lim Hong Shuan	6/6	100%
Ms. Hoon Shat Mei	6/6	100%
Ms. Lee Pei Yee	5/6	83%
En. Jeffrey bin Bosra	6/6	100%

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approval will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

In fostering the commitment of the Board to devote sufficient time to carry out their responsibilities, each Director is required to notify the Chairman of the Board prior to accepting directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships. The notification will also include an approximate indication of time that will be spent by the Directors on the new directorships.

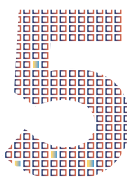
All Directors shall not hold more than five (5) directorships in other public listed companies as required under Paragraph 15.06 of the MMLR of Bursa Securities.

8. Retirement and Re-election

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subjected to re-election by the shareholders in the next Annual General Meeting (AGM) subsequent to their appointment. At least one-third (1/3) of the Directors are required to retire from office by rotation annually and subject to re-election at each AGM. All Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election which is in line with the MMLR of Bursa Securities.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall then be eligible for re-election.

The Directors due for re-election by rotation pursuant to Clause 112(1) of the Company's Constitution at the forthcoming AGM are Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Tan Sri Datuk Chen Lok Loi.



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

9. Directors' Training

The Nomination Committee has taken on the responsibility in evaluating and determining the specific and continuous training needs of the Directors on a regular basis. The Directors had attended courses/conferences and/or in house training from time to time to enhance their skills and knowledge and to keep abreast with the relevant changes in laws, listing requirements, regulations and business environment in order to discharge their duties more effectively.

All the Directors had completed the Mandatory Accreditation Programme as specified by MMLR of Bursa Securities.

The Directors are mindful that they should continually attend seminars and courses to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements. The Directors are also encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board is also updated by the Company Secretary on the latest update/amendments on the MMLR of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

The training programmes, seminars and/or conferences attended by the Directors during the financial year are as follows:

Director	Training/Seminars/Conferences
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	<ul style="list-style-type: none"> • Speaker and attendee for the "2023 Investor Day" organised by Capital Dynamics • Speaker for "IPO: MKH Oil Palm (East Kalimantan) Berhad" organised by EquitiesTracker • Speaker for "IPO Investor Briefing: MKH Oil Palm (East Kalimantan) Berhad" organised by Rakuten Trade in collaboration with Capital Front

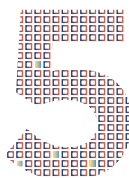


PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

9. Directors' Training (Cont'd)

Director	Training/Seminars/Conferences
Tan Sri Datuk Chen Lok Loi	<ul style="list-style-type: none"> Bank Pembangunan Malaysia Berhad (BPMB) 50th Anniversary Forum "Development Financing: The Next 50 Years" organised by BPMB CEO Series 2023 "Malaysia Economic Outlook 2024: Malaysia as an attractive investment destination & leveraging on cross border investment opportunities in ASEAN + China" organised by REHDA Institute "Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) Power Chat 2.0: Malaysia Madani Sustainable Urbanisation for Better Homeland" organised by ACCCIM "Hong Kong & Shenzhen (China): Asia Real Estate Leaders" organised by REHDA Institute Regional Housing Conference 2024 "How does Housing Impact Sustainable Urban Development & City Planning?" organised by REHDA Institute Speaker for "Building Management Series 2 - Sustainability and Practical Challenges" seminar jointly organised the Malaysia Shopping Malls Association and Building Management Association of Malaysia
Datuk Chen Fook Wah	<ul style="list-style-type: none"> "Managing Tenancy Agreements: General, Commercial and Dealing with Defaulters" organised by Hartamas Academy Resources Sdn. Bhd.
Dato' Lim Hong Shuan	<ul style="list-style-type: none"> "AOB Conversation with Audit Committees" organised by Securities Commission Malaysia
Ms. Hoon Shat Mei	<ul style="list-style-type: none"> "Professional Conduct & Responsibilities 2024" organised by Public Mutual Berhad "Anti-Bribery & Corruption 2024" organised by Public Mutual Berhad "Cyber Security Awareness 2024" organised by Public Mutual Berhad "Anti Money Laundering/Counter Financing of Terrorism 2024" organised by Public Mutual Berhad "Mandatory Accreditation Programme Part II: Leading for Impact (LIP)" organised by Institute of Corporate Directors Malaysia



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION (CONT'D)

9. Directors' Training (Cont'd)

Director	Training/Seminars/Conferences
Ms. Lee Pei Yee	<ul style="list-style-type: none"> “Understanding Sustainability in Accountancy Profession Survey 2023” organised by Malaysian Institute of Accountants (MIA) “ChatGPT Prompt Engineering for Financial Professionals (Beginner Level)” organised by MIA “MIA Town Hall 2023/2024 (Session 2)” organised by MIA “MIA International Accountants Conference 2024” organised by MIA “ESG Matters @ ACCA - Green Gold: Dive into Climate Finance Certificate” organised by Association of Chartered Certified Accountants (ACCA) “Mandatory Accreditation Programme Part II: Leading for Impact (LIP)” organised by Institute of Corporate Directors Malaysia
En. Jeffrey bin Bosra	<ul style="list-style-type: none"> “Going Concern Indicators and Managing Impairment of Assets and Restructuring Provisions” organised by MIA “Mandatory Accreditation Programme Part II: Leading for Impact (LIP)” organised by Institute of Corporate Directors Malaysia “Preparation & Presentation of Consolidated Financial Statements” organised by MIA

Note: Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngj Chong, Tan Sri Datuk Chen Lok Loi, Datuk Chen Fook Wah and Dato' Lim Hong Shuan have attended the “Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (MAP Part II)” in October 2024, after the financial year ended 30 September 2024.

As at 24 December 2024, all the Directors have completed the MAP Part II on building high-impact boards for sustainable growth, a new mandatory onboarding programme by Bursa Securities which Directors are required to complete by 1 August 2025.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION

The levels of remuneration for Executive Directors are linked to experience, scope of responsibilities, service seniority, performance of the Executive Directors and published market survey information in order to attract, retain and motivate the Executive Directors to run the Group successfully. The components of the remuneration package for the Executive Directors include fixed salary, allowance, bonus, performance incentive and benefits-in-kind.

The levels of remuneration for Independent Non-Executive Directors are based on their contribution to the Group in terms of their knowledge, experience and level of responsibilities undertaken by the Independent Non-Executive Directors concerned. The determination of Directors' fees for all Independent Non-Executive Directors shall be a matter for the Board as a whole.

1. Remuneration Committee

The Remuneration Committee was established on 27 November 2012 and comprises of two (2) members, all of whom are Independent Non-Executive Directors. The members of the Remuneration Committee and their attendance at the Remuneration Committee meetings held during the year under review are as follows:

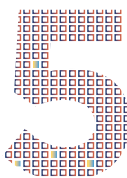
Name	Designation	Attendance	Percentage
Dato' Lim Hong Shuan	Chairman	2/2	100%
Ms. Lee Pei Yee	Member	2/2	100%

The Remuneration Committee is responsible for recommending to the Board on the remuneration framework and packages of all Directors and in the case of Non-Executive Directors' fees including Board Committees' fees, the approval of the shareholders is required. The Directors shall abstain from deliberation and voting on their own remuneration.

During the financial year under review, the Committee held two (2) meetings to deliberate on the following:

- (a) review of the salaries, bonuses and incentives of Senior Management of the Group;
- (b) approve the remuneration package and bonus for the Executive Directors; and
- (c) reviewed and updated the terms of reference of Remuneration Committee to ensure it continues to remain relevant and appropriate for the Remuneration Committee members in discharging their function.

The terms of reference of the Remuneration Committee are available for reference at www.mkhberhad.com



Corporate Governance Overview Statement



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION (CONT'D)

2. Directors' Remuneration

The details of the remuneration of Directors during the financial year are as follows:

Company Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefit-in-kind RM	Other Emoluments* RM	Total RM
Executive Directors						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	-	-	-	-	-	-
Tan Sri Datuk Chen Lok Loi	-	-	-	-	-	-
Datuk Chen Fook Wah	-	-	-	-	-	-
Non-Executive Directors						
Dato' Lim Hong Shuan	60,000 ^o	-	19,000	-	-	79,000
Ms. Hoon Shat Mei	60,000 ^o	-	19,000	-	-	79,000
Ms. Lee Pei Yee	60,000 ^o	-	14,000	-	-	74,000
En. Jeffrey bin Bosra	60,000 ^o	-	13,000	-	-	73,000
Total	240,000	-	65,000	-	-	305,000



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION (CONT'D)

2. Directors' Remuneration

The details of the remuneration of Directors during the financial year are as follows:

Group Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefit-in-kind RM	Other Emoluments* RM	Total RM
Executive Directors						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong^	365,000#	8,295,129	18,000	24,629	-	8,702,758
Tan Sri Datuk Chen Lok Loi	365,000#	4,990,350	7,000	33,128	948,170	6,343,648
Datuk Chen Fook Wah	-	1,400,668	-	22,700	266,132	1,689,500
Non-Executive Directors						
Dato' Lim Hong Shuan	60,000 [∞]	-	19,000	-	-	79,000
Ms. Hoon Shat Mei	60,000 [∞]	-	19,000	-	-	79,000
Ms. Lee Pei Yee	60,000 [∞]	-	14,000	-	-	74,000
En. Jeffrey bin Bosra	60,000 [∞]	-	13,000	-	-	73,000
Total	970,000	14,686,147	90,000	80,457	1,214,302	17,040,906

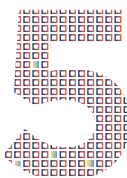
Note:

* Inclusive of Employees Provident Fund

^ Non-Executive Director of MKH Oil Palm (East Kalimantan) Berhad (MKHOP)

∞ Subject to approval of shareholders at the forthcoming AGM of MKH Berhad in 2025

Subject to approval of shareholders at the forthcoming AGM of MKHOP in 2025



Corporate Governance Overview Statement



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

1. Composition of Audit Committee

The Audit Committee comprised of four (4) members, majority who are Independent Non-Executive Directors. The Chairman of the Audit Committee, Ms. Hoon Shat Mei is a member of the Association of Chartered Certified Accountants (ACCA). The other members of the Audit Committee are Dato' Lim Hong Shuan, Ms. Lee Pei Yee and En. Jeffrey bin Bosra.

2. Relationship with Auditors

The Company's independent external auditors perform an essential role for the shareholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements.

The Board through the Audit Committee maintains a transparent and professional relationship with the external auditors. The external auditors will communicate to the Audit Committee and the Board when they become aware of any significant weaknesses in the Company's system of internal control, including fraud, during the course of their audit that may require the attention of the Audit Committee and the Board. The role of the Audit Committee in relation to the external auditors is set out on pages 137 to 141.

For the financial year under review, the external auditors had attended all the Audit Committee meetings and general meeting of the Company and had five (5) meetings with the Audit Committee without the presence of any Executive Director and management, to discuss the audit findings and any other observations they may have during the audit process.

The external auditors have also confirmed that they are and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria as set out by the MIA By-Laws and have provided the declaration in their annual audit plan presented to the Audit Committee of the Company.

The Audit Committee together with the Chief Financial Officer had undertaken an annual assessment of the competency and independence of the external auditors pursuant to the External Auditors Assessment Policy, which has outlined the guidelines and procedures for the assessment on the suitability of the external auditors on 24 December 2024.

The Board, on the recommendation of the Audit Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by MIA By-Laws, has recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The details of the External Auditors Assessment Policy are available for reference at www.mkhberhad.com



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE (CONT'D)

3. Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing those financial statements, the Directors ensure that management have:

- adopted appropriate accounting policies and consistently apply them;
- made judgements and estimates that are reasonable and prudent;
- state whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have taken such steps as are necessary to safeguard the assets of the Group and the Company to prevent fraud and other irregularities.

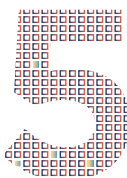
RISK MANAGEMENT AND INTERNAL CONTROL

The Risk Management Committee presently comprised of four (4) members comprising one (1) Group Managing Director and three (3) other members from the Key Senior Management assists to the Audit Committee and the Board in discharging its risk management and control responsibilities. The terms of reference of the Risk Management Committee are available on the Company's website at www.mkhberhad.com. The members of the Risk Management Committee are as follows:

Tan Sri Datuk Chen Lok Loi	
Chairman	Group Managing Director
Dato' Chong Yong Han	
Member	Property Director
Kok Siew Yin	
Member	Chief Financial Officer
Tan Wan San	
Member	Treasury Director / Group Company Secretary

In fulfilling the primary objectives, the Risk Management Committee has been tasked to identify and communicate the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit Committee on a quarterly basis.

The Group's Statement on Risk Management and Internal Control provides an overview of the risk management framework and state of internal control within the Group is set out on pages 142 to 147.



Corporate Governance Overview Statement



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

COMMUNICATION WITH STAKEHOLDERS

The Board recognises the need for stakeholders and the wider investment community to be kept informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments which are communicated via the following channels:

- a) the Annual Report and relevant circulars despatched to shareholders and published in the Company's website and Bursa Malaysia;
- b) the convening of AGM and/or Extraordinary General Meeting;
- c) the release of various disclosures and announcements including quarterly financial announcements; and
- d) press releases and analysts briefings.

The Company leverages on the use of information technology by maintaining a corporate website at <https://www.mkhberhad.com> for effective dissemination of information which shareholders or other stakeholders can easily access to the latest corporate information of the Group. All information released to Bursa Malaysia is posted on the Investor Relations section of the website at <https://mkhberhad.com/investor-relations/>.

The Group's investor relationship is helmed by the Managing Director, Chief Financial Officer, Property Director and Deputy Property Director, who attends to various investors namely fund managers and investment analysts, while the Corporate Communications Department will communicate with members of the media.

The Group has appointed Ms. Kok Siew Yin, the Chief Financial Officer to respond to investor queries and concerns pertaining to financial performance (Tel: +603-8737 8228, Fax: +603-8736 5436, E-mail: ir@mkhberhad.com), whereas Company developments related queries may be referred to the Deputy Property Director, Dato' Chen Way Kian (Tel: +603-8737 8228, Fax: +603-8736 5436, E-mail: ccm@mkhberhad.com).

In addition, stakeholders who wish to reach the respective divisions of the Group may do so through the "Contact Us" page for enquiries and feedback purpose.

CONDUCT OF GENERAL MEETINGS

The AGM which is held once a year is the principal forum for dialogue with individual shareholders. At the Company's AGM, shareholders have direct access to the Board and are given the opportunity to ask questions during the AGM. The shareholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. The Chairman of the Board also addresses the shareholders on the review of the Company's operations for the financial year and outlines the prospects of the Company for the new financial year. Additionally, immediately after the AGM, the Board may also meet members of the press.

The external auditors of the Company are invited to attend the AGM to answer any questions relating to the conduct of the audit and contents of the Auditors' Report.

The Company's upcoming AGM will be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Thursday, 20 March 2025 at 10.00 a.m. The notice of the AGM to be issued at least 28 days prior to the date of the meeting in accordance with the Malaysian Code on Corporate Governance 2021. The notice and agenda will also be published in the local English newspaper and made available on the Group's website at www.mkhberhad.com

Statement on Compliance

The Board having duly considered the rationale for the said exception as explained in the CG Report is committed to comply with the key Principles and Practices of the Code.

This Corporate Governance Overview Statement has been approved by the Board on 24 December 2024.

Audit Committee Report



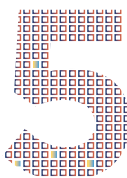
DURING THE FINANCIAL YEAR UNDER REVIEW, THE AUDIT COMMITTEE HAD CARRIED OUT ITS DUTIES AND RESPONSIBILITIES NAMELY HELD DISCUSSION WITH EXTERNAL AUDITORS, IN-HOUSE INTERNAL AUDITORS, RISK MANAGEMENT COMMITTEE AND RELEVANT MEMBERS OF MANAGEMENT IN ACCORDANCE WITH ITS TERMS OF REFERENCE. THE AUDIT COMMITTEE IS OF THE VIEW THAT NO MATERIAL MISSTATEMENT, CONTINGENCIES OR UNCERTAINTIES AND SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL HAVE ARISEN, BASED ON THE REVIEWS MADE AND DISCUSSION HELD.

Composition and Meetings

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and comprise of four (4) members, majority of whom are Independent Non-Executive Directors.

The Chairman of the Audit Committee, Ms. Hoon Shat Mei is a member of the Association of Chartered Certified Accountants (ACCA). The other members of the Audit Committee are Dato' Lim Hong Shuan, Ms. Lee Pei Yee and En. Jeffrey bin Bosra.

The Audit Committee meetings were structured through the use of agendas and relevant board papers which were distributed to the Audit Committee prior to such meetings. During the financial year, five (5) meetings were held with the attendance of the Chief Financial Officer, Treasury Director/Group Company Secretary, Partners and/or Managers from the external auditors and in-house internal audit team also attended the meetings upon invitation where matters relating to the external and internal audit were discussed. The Audit Committee also met with the external auditors without the presence of management during each of the Audit Committee meeting. The Chairman of the Audit Committee will report and highlights key issues discussed at each Audit Committee meeting to the Board accordingly.



Audit Committee Report

Composition and Meetings (Cont'd)

Details of the Audit Committee members' attendance are appended below:

Name of Directors	Directorship	No. of Meetings Attended
Ms. Hoon Shat Mei (Chairperson)	Independent Non-Executive Director	5/5
Dato' Lim Hong Shuan (Member)	Senior Independent Non-Executive Director	5/5
Ms. Lee Pei Yee (Member)	Independent Non-Executive Director	5/5
En. Jeffrey bin Bosra (Member)	Non-Independent Non-Executive Director	5/5

For the financial year under review, the performance and effectiveness of the Audit Committee has been evaluated through Audit Committee members' self and peer evaluation conducted by the Audit Committee and endorsed by the Nomination Committee. Having reviewed the Audit Committee's performance, the Board is satisfied that the Audit Committee members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee.

The details of the terms of reference of the Audit Committee are available for reference at www.mkhberhad.com

Summary of Work of the Audit Committee

During the financial year ended 30 September 2024 (FY2024), the Audit Committee had worked closely with the external auditors, in-house internal audit team and management to carry out its functions and duties in line with the terms of reference.

The summary of the work of the Audit Committee in discharging its duties during the financial year under review includes the following:

(a) Financial Reporting

- Reviewed all the four (4) quarter's unaudited financial results and audited financial statements of the Company and the Group for FY2024 together with the external auditors prior to recommending the same for approval by the Board.
- Reviewed the impacts of any changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.
- Confirmed with management and external auditors that the Company's and Group's annual audited financial statements have been prepared in compliance with applicable approved accounting and financial reporting standards.

Summary of Work of the Audit Committee (Cont'd)

(b) Internal Audit

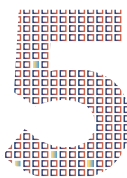
- Reviewed and approved the scope of annual audit plan for FY2024 proposed by the in-house internal audit team to ensure the adequacy of the scope and coverage of work on the Group's activities.
- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's responses. Discussed with management on actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports.
- Reviewed and approved the follow-up reports on the status of implementation of those control weaknesses as highlighted by in-house internal audit team.
- Reported to the Board on significant audit issues and concerns discussed during the Audit Committee meetings which may have significant impact on the Group from time to time, for consideration and deliberation by the Board.

(c) External Audit

- Reviewed and approved the external auditors annual audit planning memorandum of the Group for FY2024, external auditor's fees, audit strategy and scope of work for the year in connection with their audit.
- Reviewed the findings of the external auditors reports particularly on key audit matter and areas of concern highlighted in the progress report, including management's response to the concerns raised by the external auditors.
- Held private sessions with the external auditors without the presence of Executive Directors and management, to discuss the audit findings and any other observations they may have during the audit process. There were no major concerns/issues raised by the external auditors at the meetings.
- Discussed with external auditors on significant accounting and auditing updates arising from new or proposed changes in accounting standard and regulatory requirements in relation to the financial statements.
- Evaluated the performance and assessed the independence and objectivity of the external auditors in providing their services and made recommendations to the Board on their re-appointment and remuneration.

(d) Risk Management Committee

- Reviewed the Risk Management Committee's reports regarding the Group's risk exposures, including review of the risk assessment model used to monitor the risk exposures and management's views/responses on the acceptable and appropriate level of risks faced by Group's business unit as well as the proposed recommendations for improvements to be implemented.



Audit Committee Report

Summary of Work of the Audit Committee (Cont'd)

(e) Related Party Transactions

- Reviewed on a quarterly basis if there is any related party transaction(s) entered into by the Group and any conflict of interest situation that may arise within the Group, which are required to be transacted at an arm's length basis and not detrimental to the interest of the minority shareholders.
- Reviewed the annual confirmation from the Board and Audit Committee on related party transaction(s) entered into (if any) for the financial year under review.

(f) Annual Reporting

- Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure compliance with relevant regulatory reporting requirements prior to recommending the same to the Board for approval.

The Audit Committee having reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for FY2024 to the Board of Directors for approval on 24 December 2024.

The Audit Committee was satisfied with the conduct of external auditors' professional work and the timeliness of completion of their works to meet reporting deadline. Accordingly, the Audit Committee recommended the re-appointment of the external auditors, Deloitte PLT at the forthcoming Annual General Meeting.

Training

During the year, all the Audit Committee members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed on the Corporate Governance Overview Statement at page 128 to 130 of the Annual Report.

The Internal Audit Function and Its Role

The Company has set-up an in-house Internal Audit Department (IAD) effective 1 October 2016.

The IAD comprises six (6) staff members, led by Mr. Pregash a/I Balasundaram, an Associate Member of the Institute of Internal Auditors Malaysia (IIA Malaysia) who has over 15 years of experience in internal audit. IAD reports directly to the Audit Committee and is guided by its Internal Audit Charter. The IAD adopts the *International Standards for the Professional Practice of Internal Auditing* as well as established internal auditing guidelines to enhance its competency and proficiency.

The principal role of the internal audit function is to undertake, on a prioritised approach, an independent and systematic assessment of the Group's system of risk management and internal controls as established by management in addressing the principal business risks faced by the Group. In conducting internal audit of the Group, the internal audit function deployed professional standards promulgated by the IIA Malaysia. During the financial year under review, weaknesses noted in the said system and areas that required improvement, including the recommendations thereof and action plans agreed to be deployed by management to address the issues raised, were highlighted by the internal audit function by way of internal audit reports issued to the Audit Committee.

The Internal Audit Function and Its Role (Cont'd)

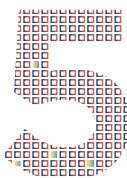
The IAD's work for FY2024 is summarised below:

- developed an annual audit plan using a risk-based approach and carried out reviews in accordance with the year's audit plan;
- provided objective reviews of internal controls to limit risk exposure and assessed adherence to established policies and procedures;
- recommended improvements and enhancements to the existing system of internal controls and work processes or procedures; and
- conducted subsequent follow-up work to assess the status of management-agreed action plans on recommendations raised in prior cycles of internal audit, highlighting those issues that had yet to be fully addressed by management, including specific timelines for those outstanding matters to be resolved.

Cost of Internal Audit

The cost of the internal audit function for the financial year under review amounted to approximately RM533,397 (2023: RM446,029).

This Audit Committee Report has been approved by the Board on 24 December 2024.



Statement On Risk Management and Internal Control



THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (THE CODE) SET OUT THE PRINCIPLES AND PRACTICES FOR THE BOARD OF A COMPANY LISTED ON THE BURSA MALAYSIA SECURITIES BERHAD (BURSA SECURITIES) TO ESTABLISH A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROLS SYSTEM TO SAFEGUARD SHAREHOLDERS' INVESTMENTS AND THE GROUP'S ASSETS. THE BOARD IS COMMITTED TO ESTABLISH A SOUND FRAMEWORK TO MANAGE RISKS AND IS PLEASED TO PROVIDE THE FOLLOWING STATEMENT IN ACCORDANCE WITH PARAGRAPH 15.26(B) OF BURSA SECURITIES' MAIN MARKET LISTING REQUIREMENTS AND GUIDED BY THE "STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS".

Board's Responsibilities

The Board acknowledges its responsibilities for establishing a sound risk management framework and internal control system to manage risks in accordance with Principle B of the Code to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board's responsibilities include:

- (a) determine the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets;
- (b) committed to articulating, implementing and reviewing the Group's internal controls system for risk management; and
- (c) periodic review and/or conduct of the effectiveness and adequacy of the internal controls procedures and processes to ensure that the system is viable and robust.

Board's Responsibilities (Cont'd)

However, due to the limitations inherent in any internal control system, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve the Group's business objectives. Therefore, the system can only provide a reasonable and not absolute assurance against material misstatement or loss. The internal control system or framework of the Group covers, inter-alia, risk management, financial, operational and compliance controls. This process has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report.

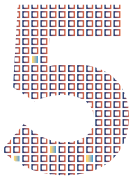
Accompanying the maintenance of an appropriate internal control system, is an on-going process to identify, evaluate, monitor and manage principal risks faced by the Group and this process is reviewed quarterly by the Board. The Group identified major risk areas of concern which included demand for properties, fluctuating commodity prices, foreign exchange rates fluctuation and change in regulatory environments.

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review.

Risk Management and Internal Control Processes

The Board has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability as appended below:

- The Executive Committee, comprising Executive Directors and assisted by certain Key Senior Management was established to review the operations of the Group's operating divisions, the monthly financial information which includes actual results compared against budget as approved by the Board, explanation on significant variances and management actions taken, where necessary.
- The Audit Committee with the assistance of the Internal Audit team and Risk Management Committee (RMC), reviews the internal control processes and evaluates the adequacy and effectiveness of the risk management and internal control system. Further details are set out in the Audit Committee Report and Corporate Governance Overview Statement.
- The RMC was established to review and monitor Group's risk management framework and activities. The RMC members are Group Managing Director, Property Director, Chief Financial Officer and Treasury Director/Group Company Secretary. The RMC reports to the Audit Committee on a quarterly basis where key risks and mitigating actions are discussed and implemented.
- The head of business unit to follow-up on those potential risks identified and the management action plans to mitigate such risks based on the findings from internal audit reports prepared by our Internal Audit team and approved by the Audit Committee. Any significant findings of non-compliance or implementation by respective business units will be reported to the Audit Committee during quarterly meeting.
- Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss.



Statement On Risk Management and Internal Control

Risk Management Framework

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risks that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner. The Group is exposed to operational risks and various financial risks as follows:



Operational Risks

Operational risks arise from the execution of the Group core businesses (i.e. property development and construction, plantation, investment property and hotel and trading) and competencies of the management in managing the risks relating to health and safety, quality, inadequate skilled workforce and adverse climatic conditions. The management is guided by approved standard operating procedures and quality controls to ensure that all business units are functional.

The Group continue to offer competitive compensation that is benchmarked against well performing companies in the same industry and rewards framework that is closely linked to employees' performance to attract and retain skilled workforce to meet existing and future needs. The plantation division emphasise on good agricultural practices to ensure high production yields of fresh fruit bunches.



Financial Risks

- (i) Credit and liquidity risks arise from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flow and funding. In order to minimise such exposures, tightening of credit control, close monitoring of collections and overdue debts were carried out.
- (ii) Interest rate risk arise mainly from the Group's borrowings in the form of term loan, overdraft and revolving credit facilities to meet capital expenditures and working capital requirements.
- (iii) Commodity risk arises from the volatility of commodity prices such as crude palm oil (CPO) and palm kernel which are affected by factors such as weather, government policies, supply and demand and competition from substitution products as well as currency fluctuation.
- (iv) Foreign exchange risk arises from movements in foreign currency exchange rates. The Group's reporting currency is Malaysian Ringgit (RM). The majority of MKHOP's expenses is denominated in Indonesian Rupiah (IDR) and sale of CPO and palm kernel is denominated in IDR and hence there is a natural hedge.

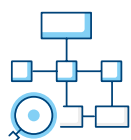
Risk Management Framework (Cont'd)



Sustainability Risk from Climate Change

The Group recognises the importance of managing its business operations in a sustainable and responsible manner to ensure long-term sustainability.

In this respect, the Group adopts good agricultural practices for its oil palm plantation. We have implemented the integrated drainage system with stoppers to retain rainwater during dry seasons and canals to discharge excess rain water during wet seasons to mitigate the impact towards our FFB yields due to adverse weather conditions.



Cybersecurity Risk

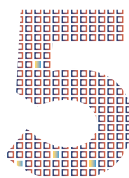
To manage the risk of malware, ransomware, unauthorised access and/or loss of data, the Group has put in place measures to protect the confidentiality and integrity of its data and information technology (IT) infrastructure. Amongst others, firewall system, manage and monitor network traffic and accessibility to the Group's systems: anti-virus and malware software installed in all systems, regular data backup and encryption to protect critical and confidential data. Regular maintenance of the Group's IT systems were carried out and action taken to close any identified gaps.

The Board with the assistance of the Audit Committee, RMC and Internal Audit team have continuously review existing risks and identify new risks that the Group faces and management action plans were put in place to manage the risks.

To further enhance the risk management process within the culture of the Group, review of existing risks and identification of new risks is also conducted annually with involvement of selected management staff. In additions, nominated key management personnel in each business unit have prepared action plans were put in place to address key risks and control issues highlighted by the Internal Audit team.

During the financial year ended 30 September 2024, the RMC has:

- (a) reviewed management action plans presented by the nominated key management of certain business units of the Group;
- (b) reviewed the Group's quarterly financial and non-financial performances measured against the approved budget with major variances being reviewed and management actions taken as necessary;
- (c) reported its findings on major issues relating to risks and risk management to the Audit Committee on quarterly basis which then reports to the Board;
- (d) reviewed new property development projects and business investment in the subsidiaries;
- (e) reviewed quarterly the property development outlook with appropriate product differentiation and pricing to suit the market demand; and
- (f) monitored financial performances and the progress of corrective actions/implementation for highlighted issues.



Statement On Risk Management and Internal Control

Anti-Bribery and Corruption

In line with the Group's policy against bribery and corruption, the Group has put in place the Anti-Bribery and Corruption policy (ABC Policy) to manage the processes in relation to bribery and corruption risks in the Group. Amongst others, the ABC Policy sets out the business conduct of the Group's directors, employees and third parties who have dealings or transactions with the Group by requiring them to adhere to the Code of Business Ethics (Vendors and Business Associates), the signing of the integrity pledges by Vendors and Business Associates and the Whistleblowing Policy. The Group's Anti-Bribery and Corruption, Code of Business Ethics (Vendors and Business Associates) and Code of Ethics and Conduct (Directors and Employees) and the Whistleblowing Policy can be found at MKH Berhad's website.

Internal Audit Function

During the financial year, the Audit Committee worked closely with the Internal Audit team, distinct from the external auditors, to provide independent internal audit services to the Group, who reports independently to the Audit Committee. The internal audit function provides the Audit Committee with quarterly reports, based on the audits conducted, highlighting observations, recommendations and management action plans to improve the internal control system and contribute towards improving the Group's risk management.

The key role of the internal audit function is to assess management's adherence to establish policies and procedures as well as to act as an independent sounding board to the Audit Committee concerning areas of weaknesses or deficiencies in the risk management, governance and control processes for appropriate remedial measures to be carried out by the management.

Review by the External Auditors

As required by Paragraph 15.23 of Bursa Securities' Main Market Listing Requirements, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with Malaysian Approved Standard on Assurance Engagements, International Standard on Assurance Engagements, ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate. AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and control system including the assessment and opinion by the Board and management thereon. The external auditors are 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. The report from the external auditors was made solely for and directed solely to the Board of Directors in connection with their compliance with the Bursa Securities' Main Market Listing Requirements and for no other purposes or parties.

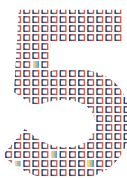
Management Assurance

In accordance with the requirements of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Group Managing Director and the Chief Financial Officer have given reasonable assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

Board's Conclusion

The Board is of the view that an appropriate risk management and internal control system, procedures and processes in operation during the year in review was reasonably adequate and effective to safeguard the assets of the Group and interest of shareholders. For the financial year under review, no significant control failures or weaknesses that result in material losses and require disclosure in the Group's Annual Report were identified.

This Statement has been approved by the Board on 24 December 2024.



Additional Compliance Information

1. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid by the Company and its subsidiaries to the external auditors for the financial year ended 30 September 2024 are as follows:

	Group (RM)	Company (RM)
Audit Fees	850,177	66,000
Non-audit Fees	208,000	181,000
Total	1,058,177	247,000

The non-audit fees were payment towards reviewing the statement on risk management and internal control, working capital sufficiency statement of the Company for the proposed corporate exercise undertaken by subsidiary and trust account.


2. Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and/or major shareholders' interests during the financial year.

3. Sanctions and/or Penalties

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.



 Moon Seat at Gaya Residence