UOA DEVELOPMENT

ANNUAL REPORT 2022

ABOUT THE COVER

Situated in Jalan Ipoh, Kuala Lumpur, Bamboo Hills is filled with exceptional food scenes, quirky café cultures, gourmet dining experiences and fresh local produce. This new dining discovery is centred around having lush bamboo landscape and pockets of greenery at every corner with unique dining pavilions and vast outdoor spaces.

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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Financial year 2022 was a year that saw most countries eased their movement restrictions and opened up borders to international travellers. The market continued to face challenges arising from inflation, interest rate hikes, labour shortages, geopolitical conflict and overall economic uncertainty. Despite the headwinds, the Group saw a gradual recovery in the property market in financial year 2022. Nevertheless, the market sentiment remained soft amidst growing inflationary pressure and rising interest rate environment that may pose risk to economic recovery and dampen consumer sentiment. Amid the challenges, the Group launched a residential project and completed 4 development projects during financial year 2022.

In financial year 2022, the total property sale for UOA Development Bhd and its subsidiaries (the "Group") was at approximately RM638.2 million, of which more than 90% of the properties sold were in the residential segment. Revenue for the financial year was derived both from progressive recognition of on-going development projects and sales of inventories. The Group continued to derive other income from rental income and the operations of its hospitality division. The increase in income from rental and hospitality division was a result of the resumption of all economic activities.

Summary of the Group's financial and share price performance for the past 5 years:

Year Ended 31 December (RM'000)	2022	2021	2020	2019	2018
Revenue	451,653	547,484	844,597	1,104,457	1,263,677
Profit Before Tax	287,213	316,692	479,956	510,097	505,850
Finance Cost	148	475	1,037	7,375	6,663
Profit After Tax	222,760	228,344	399,733	408,422	411,598
Profit Attributable to Shareholders	219,937	222,447	391,288	399,474	378,916
Paid-Up Capital	2,953,770	2,821,766	2,519,752	2,286,285	546,343
Shareholders' Equity	5,741,425	5,628,990	5,418,187	5,064,894	4,680,733
Total Assets Employed	6,453,587	6,409,418	6,172,310	5,962,879	5,791,404
Total Net Tangible Assets	5,917,069	5,804,794	5,595,257	5,271,868	4,945,838
Total Borrowings	972	1,298	1,697	98,613	120,296
Debt / Equity (times)	negligible	negligible	negligible	0.02	0.03
Basic Earnings Per Share (RM)	0.09	0.10	0.19	0.21	0.21
Net Tangible Assets Per Share (RM)	2.46	2.50	2.63	2.68	2.68
Share Price – Year High (RM)	1.92	1.92	2.12	2.45	2.71
Share Price – Year Low (RM)	1.52	1.54	1.38	1.87	1.84
Closing Share Price @ End of Financial Year (RM)	1.61	1.67	1.69	2.03	2.12
Total Yearly Share Volume Traded ('000)	72,434	112,711	139,687	121,029	122,670
Market Capitalisation @ End of Financial Year (RM 'billion)	3.88	3.89	3.59	3.99	3.91

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

In financial year 2022, the Group recorded a total revenue from property development of RM451.7 million and a profit after tax and minority interests (PATAMI) of RM219.9 million.

The revenue of the Group in financial year 2022 was at RM451.7 million compared to the RM547.5 million in the previous financial year. The Group's lower revenue during the financial year was mainly due to lower progressive recognition from the on-going development projects, which was partly offset by higher sales of inventories.

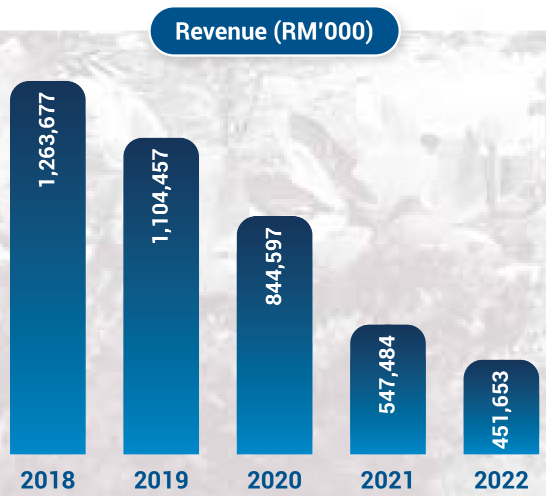
The Group registered a PATAMI of RM219.9 million in financial year 2022 compared to RM222.4 million in the previous financial year. The Group's PATAMI was marginally lower due to a combination of factors. Apart from the lower revenue, there was a fair value loss on investment property compared to a gain in the previous financial year. The other income, on the other hand, improved during the financial year and as a result, there was a corresponding increase in the administrative and general expenses. There was also an improvement in the impairment losses of non-financial assets.

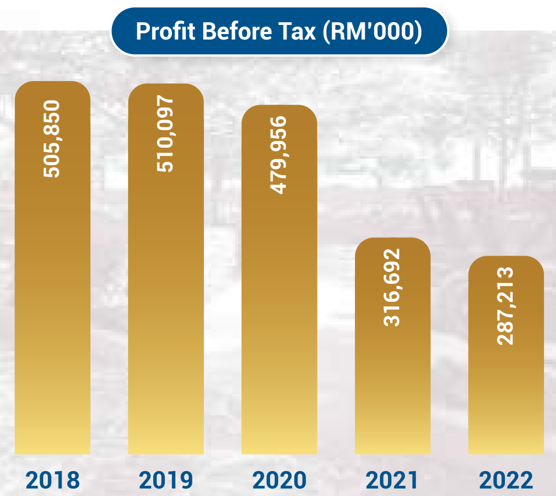
Other income was higher at RM247.4 million in financial year 2022 compared to RM164.1 million in the preceding financial year. The higher other income was mainly attributable to the higher income from both rental and the operation of the Group's hospitality division. Increase in rental income which forms a substantial part of other income was a result of improvement in rental income in most of our rental assets. The increase in income from hospitality division was a result of reopening of economic activities and easing of travel restrictions, which led to an increase in leisure activities, conferences and events. Corresponding to the increase in income from the hospitality division, the administrative and general expenses were higher at RM202.0 million compared to RM153.5 million in the preceding financial year.

As at 31 December 2022, the cash and cash equivalents remained robust at RM2.2 billion. Finance costs were lower at RM0.1 million compared to RM0.5 million in the previous financial year.

The capital commitment of the Group as at 31 December 2022 was at RM6.9 million. The capital commitment is mainly for the construction of investment properties and is expected to be funded from internally generated funds.

On 31 December 2018, 2 wholly-owned subsidiaries of the Company were served by the Inland Revenue Board of Malaysia (IRB) with Notices of Additional Assessment for the Year of Assessment 2013 for additional income tax and penalties totaling RM39.6 million. The additional assessments arose from adjustments by the IRB to the market value and selling price of properties that were withdrawn from inventories and assigned to another wholly-owned subsidiary respectively. Upon consulting the Group's tax solicitors, the Company is of the view that there are good grounds to challenge the basis and validity of the disputed Notices of Additional Assessment raised by the IRB and the penalties imposed. The Company's wholly-owned subsidiaries have filed their appeals with the Special Commissioners of Income Tax ("SCIT"). Subsequently, the SCIT has fixed the mention date on 12 April 2023 for Windsor, and the hearing dates on 13 June 2023 and 14 June 2023 for Sunny. Accordingly, the Directors are of the opinion that no provisions in respect of the tax liabilities and penalty in dispute are required to be made in the financial statements as at the reporting date. The Company continues to engage with IRB to resolve the disputed assessments and penalties.





MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF OPERATING ACTIVITIES

The Group registered a total property sale of RM638.2 million in financial year 2022. The property sales were attributable mainly to Laurel Residence, The Goodwood Residence and United Point Residence. During financial year 2022, the Group has launched a residential project namely, Laurel Residence.

COMPLETED DEVELOPMENTS

In financial year 2022, The Goodwood Residence, Aster Green Residence, Komune Living & Wellness and the first phase of Bamboo Hills were completed.

The Goodwood Residence is located within Bangsar South and consists of 1 block of 40-storey residential tower with 678 units which is ideal for multi-generational living. This project was completed in the second quarter of financial year 2022.

Located within the established township of Sri Petaling, Aster Green Residence consists of 1 block of 26-storey residential tower with 440 units. It is strategically located close to major highways and plenty of established amenities in the vicinity. This project was completed in the third quarter of financial year 2022.

The financial year 2022 also saw the completion of Komune Living & Wellness, an integrated co-living and wellness hub next to an urban park in the thriving township of Cheras. It houses a co-living hotel, senior living facilities, and a wellness centre which collectively offers comprehensive health, wellness and care services for better community living. This project was officially launched in May 2022.

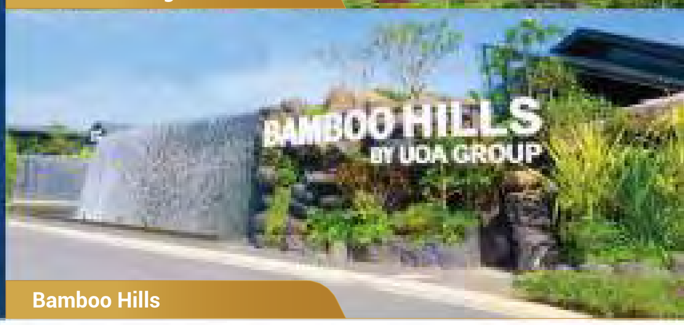
These 3 projects have a combined GDV of approximately RM1.8 billion.

Located within our development land near Jalan Ipoh, the first phase of Bamboo Hills is an exclusive dining location that houses multiple restaurants. This development is centred around having a lush landscape and water features with unique dining pavilions and vast outdoor spaces. The location is easily accessible just minutes from the Kuala Lumpur city centre and it also has an approval to directly link to the Mass Rapid Transit line 2. This project was completed in financial year 2022.

The Goodwood Residence

Aster Green Residence

Komune Living & Wellness



Bamboo Hills

CURRENT DEVELOPMENTS

Laurel Residence is an on-going project located in Bangsar South and it consists of 2 blocks of 42-storey residential towers, housing a total of 1,260 units. Located in the heart of Bangsar South, the development is supported by ample amenities. The project has a GDV of approximately RM550.0 million and it is expected to be completed in financial year 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

UPCOMING / FUTURE DEVELOPMENTS

The planned developments namely Aster Hill (formerly known as Sri Petaling Phase 2), Desa 3, 2 blocks of office towers and Bamboo Hills Residence are targeted to be launched by the Group in financial year 2023.

Aster Hill is a residential project located adjacent to our newly completed project, Aster Green Residence at Sri Petaling. It consists of 2 blocks of 32-storey residential towers with 1,150 units. This project is scheduled to be launched in the first quarter of financial year 2023. Desa 3 is a residential project located in Taman Desa and it consists of 8 units of semi-detached houses. The 2 blocks of office towers are located within The Vertical in Bangsar South which are supported by well-established amenities and connectivity. These 3 projects have a combined GDV of approximately RM1.8 billion.

Located next to our newly completed development, the first phase of Bamboo Hills, is Bamboo Hills Residence, another residential project targeted to be launched in financial year 2023.

Aster Hill Residence

ANTICIPATED / KNOWN RISKS AND MOVING FORWARD

Moving into financial year 2023, the Group remains cautious amid economic headwinds and uncertain outlook given the interest rate hike, elevated inflation and on-going labour shortage that continue to pose challenges to the industry. Despite the challenging market conditions, the property market saw some gradual improvements. In financial year 2023, the Group continues its focus on the mid-end residential segment within Klang Valley as well as future development projects in targeted strategic locations such as Bangsar South, Sri Petaling and Jalan Ipoh.

As a return to the shareholders, the Group maintains its dividend policy of paying 30% to 50% of realised PATAMI.

The Horizon - Bangsar South

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

UOA Development Bhd ("UOA" or "the Company") and its group of companies ("UOA Group" or "Our Group" or "the Group") is proud to present our annual Sustainability Statement ("Statement") for the financial year ended 31 December 2022 ("FY2022").

At UOA, sustainability is a key consideration in everything we do. We strongly believe that we must manage and grow our business in a sustainable manner, while the commitment and involvement coming from both our internal and external stakeholders such as our customers, government authorities, suppliers, contractors, consultants, shareholders, investors or fund providers, employees, directors, management, community and media, are utmost important. As a result, we must work together in harmony with each of our stakeholders to achieve our business goals on a sustainable basis by ensuring that we contribute positively to the economy, environment and social system that we live in today and the future.

This Statement is our annual report card to reflect on our progress and continued commitment to create sustainability value for all our stakeholders, and reports on the achievements of our initiatives on Economics, Environmental, Social and Governance ("EESG") during the FY2022, and how we plan to improve on initiatives that can be bettered. The Statement also shows how UOA will strive to deliver long-term and responsible value to our shareholders and stakeholders.

Even though the negative effects of the Covid-19 pandemic have eased after wreaking havoc on the global economy during the financial year under review, UOA maintains the upward momentum in its sustainability initiatives by leveraging on our valuable experience and continuously learning from various sources of experts, guidance and industry standards.

We have prepared the Statement in accordance with the Bursa Malaysia Securities Bhd ("Bursa Securities") Main Market Listing Requirements, with reference to the latest edition of the issued Sustainability Reporting Guide.

As UOA always believes in going the extra mile, we strive to make our sustainability practices and reporting to be increasingly meaningful and relevant by also referring to the United Nation Sustainability Development Goals ("UNSDG") and adhering to global best practices on sustainability frameworks, standards and guidelines.

OUR SUSTAINABILITY APPROACH

The Sustainability Policy ("Policy") of UOA is developed based on the sustainability framework comprising EESG which form the main pillars of our Policy. As we believe action starts from the top, UOA places an additional important pillar in our Policy which emphasises on governance factors, to strengthen our support for sustainability. The emphasis is to incorporate economics, environmental, social and governance factors into our day-to-day operations while aligning our initiatives to the United Nation's SDG.

The negative impacts of the Covid-19 pandemic reminded and imparted to the importance of EESG in ensuring our survival in a crisis, while enhancing our risk management policies, particularly in taking care of our employees and the communities around us, which will provide us the platform to plan ahead on a sustainable basis.

Bamboo Hills

SUSTAINABILITY STATEMENT (CONTINUED)

Sustainability Principles & Practices

Sustainability Framework

Board Governance on EESG

Strategy
- EESG Risks and opportunities integrated into UOA's long-term strategy
- EESG performance monitoring, e.g. milestones and goals

Messaging
- Ensure alignment of EESG messaging and activities with the company's purpose and shareholders interests

Risk Assesment
- Oversight on sustainability materiality
- Allocation of oversight of the risks to the Board & Sustainability Committee

Reporting
- Communication platform for the Company's EESG disclosure

UOA ensures all its internal stakeholders are aware of its commitment to sustainability through our approach and initiatives. This is to ensure that our internal stakeholders can align their work and direction with our commitment. Hence, we encourage our internal stakeholders, in particular our heads of departments, to attend and participate in sustainability-related workshops and talks, at both internally and externally organised events.

We promote our sustainability principles and practices: Awareness, Comprehension, Commitment, Action, Evaluation and Monitoring, among our leaders, internal and external stakeholders to achieve our sustainable goals.

REPORTING SCOPE

This Statement covers the sustainability performance of UOA Group during the FY2022, unless stated otherwise. The main business segments of UOA Group are as follows:

UOA DEVELOPMENT BHD

- PROPERTY DEVELOPMENT AND CONSTRUCTION
- PROPERTY INVESTMENT
- HOSPITALITY (HOTEL AND CONVENTION CENTRE)

SUSTAINABILITY STATEMENT (CONTINUED)

SUSTAINABILITY GOVERNANCE STRUCTURE

UOA places a strong emphasis on the importance of a proper and functional governance structure. We ensure that our governance structure provides adequate transparency and accountability in executing its approach and strategies for sustainability, as well as having clearly defined roles and responsibilities on each level and for each member in order for effective decision-making and implementation to be carried out.

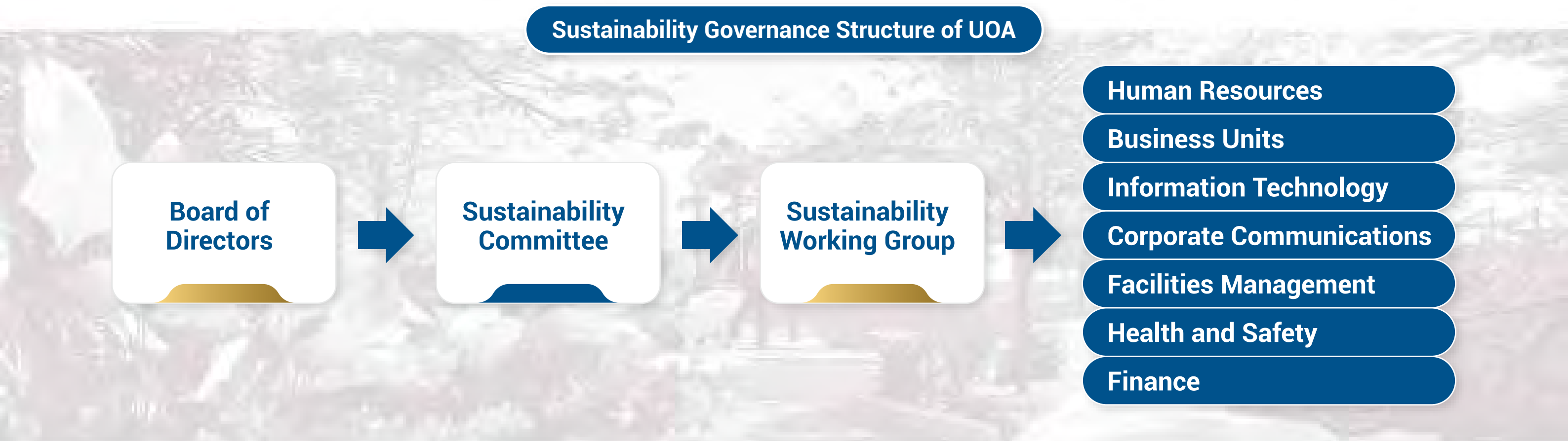
The commitment of UOA in sustainability starts from the very top of our organisation where our Board of Directors ("BOD") provides the guidance on key EESG issues and ensuring best practices in sustainability in all our critical decision-making processes and implementations. The BOD plays the critical role in approving the sustainability and risk management framework, and deliberating on sustainability and risk governance issues.

The BOD is supported by the Sustainability Committee ("SC") of which the main task is to review and recommend sustainability strategies and performance targets for UOA on a group basis.

Meanwhile, the Sustainability Committee Working Group ("SCWG") comprising heads of departments, takes care of the implementation, monitoring and delivery of the EESG initiatives and performance.

This proven governance structure enables UOA to continue to add value to our stakeholders in all aspects of our businesses and sustainability initiatives. We integrate sustainability into our business strategy on a daily basis and also facilitate our sustainability-related works with external stakeholders such as governmental organisations and non-governmental organisations ("NGOs"), suppliers, contractors and consultants. These collaborations enable us to implement sustainability best practices in areas such as product development and innovation, supply chain improvement, employee engagement, operations enhancement, and community outreach programme.

UOA is committed to maintaining sound corporate governance, continuously practising good ethics in all areas of our business segments, and complying with all laws and applicable regulations where we operate.



STAKEHOLDER ENGAGEMENT

UOA practises a holistic and consistent stakeholder engagement with businesses, organisations and people that have a stake or an influence in our daily business activities and long-term business planning.

We believe open and transparent communication is key to maintaining stakeholder trust. This enables us to share our vision and commitment to a sustainable future, and we treat this as one of our Critical Success Factors to our business survival and growth plan.

During the Covid-19 pandemic, UOA and its stakeholders faced numerous communication challenges. However, as a result of the Group's early embracing of the latest in technology, UOA has been able to actively communicate with our stakeholders virtually which enable our stakeholders to be aware of our challenges and initiatives to overcome the woes while in return, we were able to keep abreast of our stakeholders' challenges and expectations.

SUSTAINABILITY STATEMENT (CONTINUED)

We always emphasise the importance of valuable input from our stakeholders when developing strategies, introducing new products, acknowledging short-comings, weaknesses, threats, and setting goals to manage the EESG impacts on our decisions and operations.

In addition, all legitimate concerns and expectations from our stakeholders are taken into consideration through established measures and processes developed over the years. This requires a deep understanding of the needs and expectations of our stakeholders.

In our effort to achieve maximum impact, UOA strives to achieve long-term partnerships with both our internal and external stakeholders such as our customers, government authorities, suppliers, contractors, consultants, shareholders, investors or fund providers, employees, directors, management, community and media.

We have setup a methodical approach to assess, prioritise, and engage with our stakeholders to further our sustainability approach, our business strategy, thereby, realising our long-term business goals.

At UOA, we understand and appreciate the critical role that each stakeholder contributes to our long-term strategy and success.

Our current stakeholder engagement approach is as follows:

Stakeholders	Areas of Interests/Concerns	Engagement Channels
CUSTOMERS	• Quality and reliability of products and services with assurances • Traffic and environmental impact • Timeline and timeliness in delivery • Warranties, defect liabilities and claims • Sustainable maintenance of products • Energy, water and resource efficiency • Customer service • Pricing issues and trends • International and specific standards and EESG-compliant • Human/labour rights and safety • Business Continuity Planning on delivery • Collection aging/schedule	• Periodic and ad-hoc meetings and interactions • Conduct Customer Satisfaction Survey • Buyer appreciation events • Buyer-Get-Buyer incentive programme • Customer service and experience (UOA Care Line) • UOA newsletter • Website and social media channels (project-based) • UOA Privilege app
GOVERNMENT AUTHORITIES	• Obtaining all required operating licenses and regulations • Complying to all requirements from local councils and authorities (e.g., Department of Occupational Safety & Health and Department of Environment) • Anti-Bribery & Corruption • Human rights • Ensuring all employees are protected by all relevant labour law and requirements • Hiring only legitimate foreign workers • Fair treatment to all employees • Availability of whistle blowing channels and protection for whistle blower	• On-site inspection • Safekeeping and availability of records for audit • Correspondences with regulators • Dialogues with regulators • Participation in dialogues and forums • Industry representation body

SUSTAINABILITY STATEMENT (CONTINUED)

Stakeholders	Areas of Interests / Concerns	Engagement Channels
SUPPLIERS /CONTRACTORS /CONSULTANTS	• Products and designs with updated improved technology • Sustainability of materials and designs • Energy, water and resource efficiency • Quality and reliability of products or services with assurances • Projected orders and commitments • Transparency in dealings • Timeline and timeliness in delivery • Warranties, defect liabilities and claims • Pricing issues and trends • International and specific standards and EESG-compliant • Human/labour rights and safety • Business Continuity Planning on supply • Payment aging/schedule • Technology development and collaboration	• Periodic and ad-hoc meetings and interactions • Continuous quality control on suppliers/contractors/ consultants' work-in-progress and products or services • Regular site visits • Annual assessment or evaluation
SHAREHOLDERS /INVESTORS /FUND PROVIDERS	• Projected revenue and commitments • Current and projected growth opportunities and threats • Business strategy and direction • Financial performance • Risk management • Corporate governance • EESG-compliant and initiatives • Board representation and diversity • Succession plan	• Timeliness and periodic corporate announcements • Analysts/fund managers presentations and briefing • Regular meetings with analysts, fund managers and other investors • Annual General Meeting • UOA Annual Report and Interim financial reports • UOA newsletter
EMPLOYEES /MANAGEMENT /DIRECTORS	• Update on the current and future directions of UOA • Update on latest threats (e.g., Covid-19 pandemic) and initiatives or action plan taken to mitigate or manage the situation • Opportunities for healthy career growth, upskilling, learning and development • Good working environment especially job security, health, safety, humane and respectful workplace • Human rights	• Periodic and ad-hoc meetings and interactions • Intranet and internal email • Employee handbook • Learning and development programmes • Staff induction programme • Internship programme • Staff engagement events • Employee performance appraisal • Long service award • Staff-Get-Staff incentive programme • Board and Board Committee meetings

SUSTAINABILITY STATEMENT (CONTINUED)

Stakeholders	Areas of Interests / Concerns	Engagement Channels
COMMUNITY	• Volunteering projects • Health, safety and environmental initiatives • Community investments	• Initiatives and partnerships with NGOs • Institution/University internship programme • Community engagement programme • Charitable contributions
MEDIA	• Financial performance • Business continuity	• Press releases • Media interviews • Product launches and corporate events • Regular updates and engagement sessions

SUSTAINABILITY THEMES

UOA conducts its businesses with the long-term view of achieving sustainable benefits for itself and all of its stakeholders. Hence, we are constantly monitoring, learning, deliberating and preparing to thrive on the latest trends and demands, operating challenges and stakeholders' expectations, to produce long-term sustainable value to the stakeholders of the Group, and the community around us.

We segmentise sustainability management into 3 themes:

ECONOMICS

Customers

Suppliers/Contractors/ Consultants

Shareholders/Investors/ Fund Providers

- Creating economic value for our stakeholders
- Prioritising safety and productivity
- Offering innovative solutions to our customers
- Competing fairly

ENVIRONMENTAL

Waste

Energy

- Respecting the environment
- Consistently striving to lower our energy consumption and Greenhouse Gas ("GHG') emissions
- Efficiently managing our wastage

SOCIAL AND GOVERNANCE

Employees

Community

Government Authorities

- Prioritising the safety and well-being of our people
- Conducting business ethically and with transparency
- Engaging with and supporting our communities
- Compliance of all requirements from local councils and authorities

SUSTAINABILITY STATEMENT (CONTINUED)

MATERIALITY ASSESSMENT

UOA performed a materiality assessment during the FY2022 to ensure that material matters are relevant and will remain relevant until the next materiality assessment. This will help in our approach in managing the sustainability risks and opportunities posed to our businesses, and ensuring that we prioritise the issues that have the greatest impact on the EESG.

The result from the materiality assessment is presented in this Sustainability Statement.

The top 15 principal risks remain the same as previously-identified material matters, based on the comprehensive materiality assessment conducted in FY2022. They were further categorised into the following sustainability themes:

Our Top 15 Material Matters

OUR BUSINESS PERFORMANCE

- Product and Service Quality
- Technology, Innovation and Development
- Financial Performance
- Customer Satisfaction and Relationship
- Cybersecurity and Information Technology
- Risk Management, Ethics and Compliance
- Supply Chain Management

OUR ENVIRONMENTAL MANAGEMENT

- Waste Management
- Energy Management

OUR PEOPLE

- Diversity and Inclusion
- Employee Learning and Development
- Employee Well-Being Health and Safety
- Labour Practices

OUR OUTREACH

- Communities
- Indirect Economic Impact

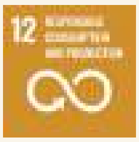
Bamboo Hills

SUSTAINABILITY STATEMENT (CONTINUED)

At UOA, we strongly support the United Nation's Sustainable Development Goals ("SDG")'s 2030 Global Goals where the 17 identified Goals are to lead communities, corporations and governments to creating a better world for all of us.

During the FY2022, we internally selected the relevance of our chose United Nation's SDG by taking into consideration our material matters, business strategies, principal risks, stakeholder influence and effects on our community.

The four SDGs that were identified as the most relevant are as follows:

Sustainable Development Goals	Definition	Key Stakeholders Impacted
	Ensure healthy lives and promote well-being for all at all ages	• Employees/Management/Directors • Community
	Promote sustainable economic growth, full and productive employment, and decent work for all	• Customers • Shareholders/Investors/Fund Providers • Employees • Community
	Ensure sustainable developments, occupancy and dwellings	• Customers • Community
	Ensure sustainable consumption and production patterns	• Customers • Community • Suppliers/Contractors/Consultants

SUSTAINABILITY STATEMENT (CONTINUED)

MATERIALITY MATRIX

UOA views materiality as a critical part of our corporate sustainability strategy particularly when we are in an environment that is volatile in changes and with unpredictable certainty. We need to ensure that we can provide our stakeholders with the sustainability information most relevant to them and applicable to our business operations.

During the FY2022, we conducted a systematic materiality assessment process, which was guided principally by the Bursa Malaysia Sustainability Reporting Guide, their toolkits and EESG indicators.

Our SCWG identified all relevant sustainability aspects for our business, in conjunction with our operating context that was discussed earlier. We considered the following:

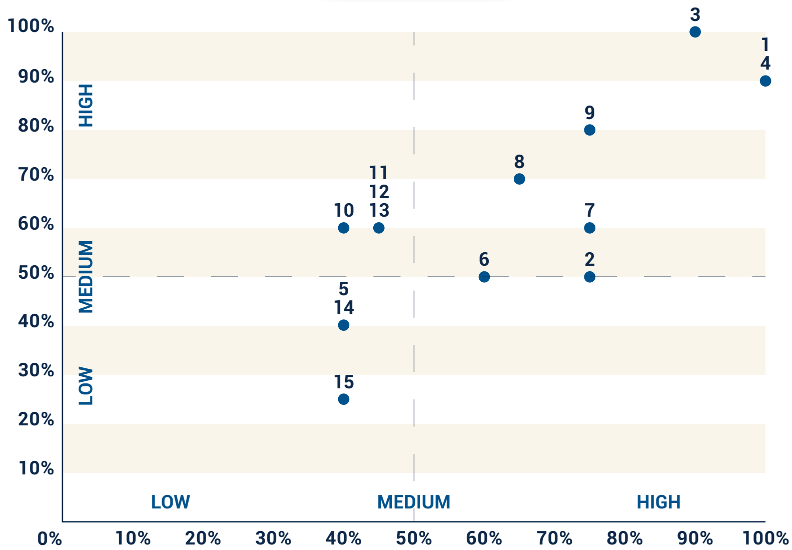
i. Issues that matter to UOA's business performance
ii. Issues that matter to UOA's stakeholders, and
iii. Issues that presently have, or could potentially have an impact on UOA.

This initial analysis was then refined to identify 'material' sustainability aspects, based on:

i. The significance of their impact on economic, environmental, and social matters; or
ii. The extent of their influence on the assessments and decisions of our stakeholders.

Our updated materiality matrix for FY2022 is shown below:

Material Matrix



SIGNIFICANT GROUP - ECONOMICS, ENVIRONMENTAL, SOCIAL AND GOVERNANCE IMPACT

1 - PRODUCT AND SERVICE QUALITY
2 - TECHNOLOGY INNOVATION AND DEVELOPMENTS
3 - FINANCIAL PERFORMANCE
4 - CUSTOMER SATISFACTION AND RELATIONSHIP
5 - CYBERSECURITY AND INFORMATION TECHNOLOGY
6 - RISK MANAGEMENT, ETHICS AND COMPLIANCE
7 - SUPPLY CHAIN MANAGEMENT
8 - WASTE MANAGEMENT
9 - ENERGY MANAGEMENT
10 - DIVERSITY AND INCLUSION
11 - EMPLOYEE LEARNING & DEVELOPMENT
12 - EMPLOYEE WELL-BEING, HEALTH AND SAFETY
13 - LABOUR PRACTICES
14 - COMMUNITIES
15 - INDIRECT ECONOMIC IMPACT

SUSTAINABILITY STATEMENT (CONTINUED)

OUR BUSINESS PERFORMANCE

UOA is a leading property developer in Malaysia with wide-reaching impacts on the local economy and community. We recognise that sustainability of our business rests on our ability to produce the highest standard of quality in our products and services while surpassing the high standards of the needs of our customers at the most competitive prices. These are achieved by instilling and meeting the identified SDG.

UOA continues to work towards achieving commercial success and scale greater heights as a responsible corporate entity. Our commitment to sustainability remains intact, despite facing various challenges during the financial year. We will steadfastly continue to introduce and implement sustainable innovations in our business operations.

Being a socially responsible corporate citizen, we believe that we have an important role to play in the economic development of our local communities by giving:

i. Priority to employing locals,
ii. Priority to purchasing goods, services and capital equipment that are locally manufactured and from local suppliers/contractors/consultants, and
iii. Priority to supporting social development programmes.

We trust that these efforts will improve business viability and sustainable growth over the long term.

Good customer relationship is paramount to us as we place great importance on customer satisfaction by understanding and monitoring their ever-changing needs and expectations while meeting the growing challenges outlined in EESG.

In addition, UOA continues to emphasise the importance of a strong and healthy supply chain as we recognise that this is one of the key requirements in meeting the sustainability criteria of our long-term sustainable growth. The Covid-19 pandemic reminded us the value of trust, reliability, integrity, and the need to maintain a long-term and stable relationship with our suppliers/contractors/consultants to ensure minimal disruption to our supply chain.

In order to support the above, technological advancement and innovation continue to drive our business in all the divisions. We are well aware that in our decision to move up the technology chain, we must be mindful of the growing threats in cybersecurity which could pose a threat to our daily operations and the confidentiality of our stakeholders. As a result, we continue to seek measures to manage such threats in cybersecurity.

PRODUCT AND SERVICE QUALITY

UOA strives to ensure our products and services remain relevant, competitive and innovative to the ever-changing lifestyle, trend and demand of our customers. We also place great importance on the quality control of our products and services to ensure they meet all relevant local and international industry standards.

We set such high standards on ourselves to ensure that we remain competitive in this challenging environment while incorporating sustainability features in particular environmental considerations into the planning, design, development and operations of our businesses. These key principles contribute to the delivery of our exceptional, customer focused and responsible products.

UOA achieves the highest quality control by determining the departments responsible for quality control throughout the development process and utilising the latest technology for greater operational efficiency.

SUSTAINABILITY STATEMENT (CONTINUED)

QUALITY CONTROL

All our operations revolve around the framework prescribed by our Quality Manual. This proven and stringent internal control measure assures high quality products are being received by our customers.

All our employees are mandated to embrace this quality culture at UOA that drives high standards of work ethics, procedures and instructions. This is made possible with strict adherence to requirements stipulated in our various measures and guidelines, such as our Quality Management System ("QMS").

In the QMS, UOA is committed to building excellence by:

- Providing products and services of the highest standards, to satisfy our customers' and interested parties' needs and expectations on quality, safety, reliability and service, and
- Accomplishing quality objectives by establishing, implementing, maintaining and continuously improving the QMS which complies with the applicable requirements.

CONTINUOUS IMPROVEMENT

As part of our continuous improvement efforts, UOA determines and selects opportunities for improvement and implements necessary actions to meet customers' requirements and enhance customer satisfaction. Examples:

- Improving products and services pursuant to survey feedbacks to address future needs and expectations,
- Correcting, preventing and reducing undesired effects, and
- Improving the performance and effectiveness of the QMS.

UOA initiates actions to continually improve the suitability, adequacy and effectiveness of the QMS. Continual improvement techniques and processes are applied to area of the business that have an impact on the quality of our products and services. We analyse and take necessary actions on results of project improvements as well as outputs from our Management Review.

CORRECTIVE ACTIONS

UOA is also committed to take corrective actions to eliminate the cause of non-conformities in order to prevent recurrence. Corrective actions shall be appropriate to the impact of the problems encountered. A documented procedure for corrective action is developed to define the requirements for:

i. Identifying non-conformities (including customer complaints),
ii. Determining the cause of the non-conformities,
iii. Evaluating the actions to ensure that non-conformities do not recur,
iv. Determining and implementing corrective actions,
v. Recording results of actions taken, and
vi. Reviewing the effectiveness of corrective action taken.

In our efforts to keep quality defects and issues to the lowest possible level, we place great importance on risk and impact analysis using Monitoring, Measurement, Analysis and Evaluation methodology which is covered under the QMS. Every potential process failure and risk is evaluated and strategies are developed to mitigate the impact severity on the products.

In order to deliver top notch quality to our customers, we also strive to provide peace of mind to our customers and tenants through the following actions:

i. UOA equips its buildings with up-to-date fire services and security systems to ensure the safety of our customers and tenants. In order to strengthen our security, we train our own auxiliary police personnel and security personnel to provide security services to our projects such as Bangsar South City.

ii. We stress on the importance of having sound and effective crisis management policies and procedures. As a result, we conduct periodic testing, simulations and training for crisis situations. The crisis situations may be related to electricity supply, lift system, gas and fuel supply, as well as fire alarm system, water supply failure, and flooding.

iii. UOA works closely with the Fire Department ("Bomba") by simulating fire drills to ensure that our tenants and other co-owners of our projects are familiar with the evacuation process.

iv. We also ensure that our elevators and escalators are periodically checked, inspected, maintained, repaired and receive their certification of maintenance.

v. UOA engages only qualified and certified chargemen to continuously assess the safety and maintenance of our electrical wiring and installations.

SUSTAINABILITY STATEMENT (CONTINUED)

AWARDS AND CERTIFICATIONS

UOA is honoured to be accorded the following accolades that recognise its continued efforts and commitment to building excellence:

AWARDS

i) The Edge Malaysia Top Property Developers Awards 2022

Photo: The Edge

Our financial year ended 31 December 2022 was a memorable year for us as UOA has again been named as one of the top 10 winners for The Edge Malaysia Top Property Developers Awards (TPDA), making it the ninth time that UOA is recognised for excellence in the property industry since 2013.

As the anchor award of The Edge Malaysia Property Excellence Awards, TPDA celebrates the country's best in property development. UOA is also the award recipient of the Best In Quantitative Attributes category for the fifth consecutive year.

The awards reflect the commitment of UOA in planning, designing and developing sustainable development projects especially its long-term projects.

ii) The Edge Malaysia Excellence in Place Regeneration Award 2022

Photo: The Edge

UOA added another feather in its cap as it bagged The Edge Malaysia Excellence in Place Regeneration Award 2022.

The award was given to UOA's Bangsar South, Kerinchi project - the first development to win the inaugural award that recognises an outstanding catalytic development that has rejuvenated an area.

Bangsar South is UOA's flagship integrated city development where it is a highly sought-after address amongst today's discerning urbanites with its central location, excellent internet and transport connectivity plus a host of retail, service, medical and recreational activities.

SUSTAINABILITY STATEMENT (CONTINUED)

iii) Highest Return on Equity and Highest Returns to Shareholders over Three Years at The Edge Billion Ringgit Club Awards 2022

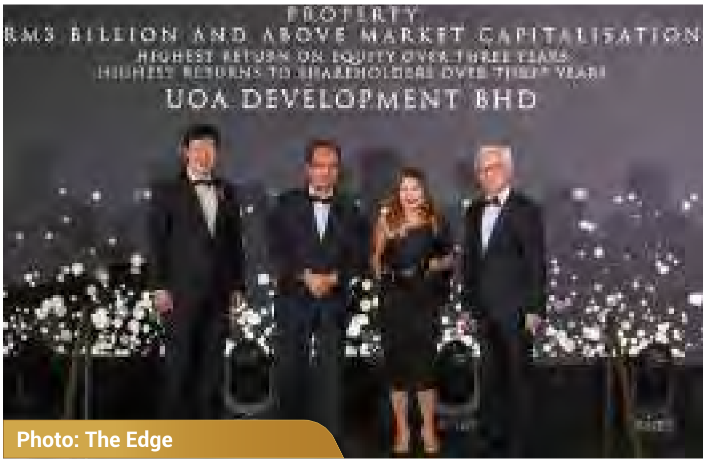


Photo: The Edge

UOA garnered two awards at The Edge Billion Ringgit Club (BRC) Awards 2022. The awards event honours Malaysia's biggest and best performing companies. UOA was selected as the award recipient for Highest Return on Equity over Three Years (for the fifth consecutive year) and Highest Returns To Shareholders Over Three Years (for the third time) under the RM3 billion and above market capitalisation category.

iv) Awards for VE Hotel & Residence

VE Hotel & Residence offers modern 4-star accommodation in the city that is convenient in connectivity with attentive service, and equipped with thoughtful facilities particularly for discerning business travellers.

As such, VE Hotel & Residence has been garnering awards and being selected as a top travellers' choice of accommodation.

Year	Organisor	Awards
2020	Booking.com Trip.com Hotels.com Agoda Booking.com	Guest Review Awards 2020 (8.6 out of 10) Trip.com Member's Choice Most Recommended Award Loved By Guests Award Winner 2020 (8.6 out of 10) Customer Review Awards (8.7 out of 10) Traveller Review Awards (8.6 out of 10)
2021	Hotels.com WebBeds Agoda	Loved By Guests Award Winner 2021 (8.8 out of 10) 2020/2021 Most Valued Partner Customer Review Awards (9.1 out of 10)
2022	Agoda Trip.com Tripadvisor Booking.com	Gold Circle Trip.com Group Top Producing Hotel Award Tripadvisor Travellers' Choice 2022 Traveller Review Awards (8.7 out of 10)

v) Awards for Komune Living

Komune Living's co-living space concept is all about community, engagement and a co-sharing experience with like-minded individuals and travellers. It is aimed at guests who are seeking short-to-long term stays. UOA currently operates from two locations, namely Bangsar South, its first outlet and in Cheras, Kuala Lumpur.

Komune Living has consistently been winning awards and ranked highly for its unique concept and hospitality services.

SUSTAINABILITY STATEMENT (CONTINUED)

Year	Organisor	Awards
2020	Agoda Agoda	Customer Review Award (8.7 out of 10) Gold Circle Award
2021	Agoda Booking.com	Customer Review Award (8.8 out of 10) Travellers Review Awards (8.3 out of 10)
2022	Agoda Trip.com Booking.com	Customer Review Award (8.5 out of 10) Trip.com Group Top Producing Hotel Award Travellers Review Awards (8.2 out of 10)

CERTIFICATIONS

UOA is committed to ensuring its products and services are certified to the highest standards, and that we adhere to the best management practices by implementing sustainable standards.

Entity	Certification	Scope	Description	Original Issued Date	Expired Date
AECSB	ISO 9001:2015	Quality Management Systems	Provision of construction services for building and civil engineering works	8 December 2017	30 March 2026
AECSB	ISO 45001:2018	Occupational Health and Safety Management Systems	Provision of construction services for building and civil engineering works	31 March 2017	30 March 2026

***AECSB** – Allied Engineering Construction Sdn Bhd*

BUSINESS RECOVERY AFTER THE PANDEMIC OF COVID-19

UOA has taken the initiative to better manage the after effects of the Covid-19 pandemic, and ensure long-term business sustainability within the Group by focusing on the following areas:

i. Maintain a positive operating cash flow,
ii. Respond to market needs,
iii. Ensure sufficient landbank for present and future developments,
iv. Diversify project locations for better risk management,
v. Improve on resource efficiency, and
vi. Deliver value-added properties with quality.

Property Development and Construction

The disruptions caused by the pandemic have led to us scaling down new project launches and lowering the level of transactional activity in the Group's project portfolio owing to the cautious outlook of buyers. We re-evaluated our new project launch plans, and focused on market-driven products with attractive price points to better position our upcoming developments.

SUSTAINABILITY STATEMENT (CONTINUED)

Hotel and Convention Centre Operation (Hospitality)

UOA recognises the challenges faced by our customers during the Covid-19 pandemic particularly during the Movement Control Order ("MCO") period where events were not allowed to be held.

As a result, our Connexion Conference & Event Centre ("CCEC") was faced with calls for cancellation or postponement of bookings. When the MCO was lifted, we informed clients that have postponed their events to reschedule their bookings before the end of year 2022. The rush in holding events post-MCO enabled CCEC to register robust revenue during the financial year.

Post-MCO especially during the early part of year 2022, many clients were faced with declined invitations as many still feared attending public events. As a result, the scaling down of the number of pax per event was evident, and we adapted accordingly to the need of our clients.

CCEC introduced smaller and unique packages to attract smaller event and crowd. We have also identified opportunities for our Auditorium through the introduction of kindergarten and pre-school graduation events on Sundays. This promotion is called First Graduation Package.

TECHNOLOGY, INNOVATION AND DEVELOPMENT

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

UOA strives to be a leader in innovation and technology developments in the markets that we operate in. We embrace technology to drive efficiency in our businesses to deliver values for our stakeholders.

UOA GROUP INITIATIVES ON TECHNOLOGY, INNOVATION AND DEVELOPMENT

i. Digital Community

During the FY2022, we established Digital Community which is a cultivation of digital ecosystem excellence. Digital Community of UOA is built on 3 framework pillars:

1

BU1LD

The Build Pillar functions as a bridge between the up-and-coming companies within UOA's incubation centres with funding from venture, venture capitalists or angel investors. All good ideas require funds to grow. UOA hopes to ensure that those good ideas have the best opportunities to develop in Digital Community.

2

NURTUR3

The Nurture Pillar is one that ensures an existing technology business stays relevant, competitive and sustainable. The pace of technology can make one company thrive in one year and completely irrelevant in the next year. In order to ensure that these companies are constantly aware of their trajectory, Digital Community aims to connect these businesses with industry experts through dialogues, panel discussions and workshops organised by Digital Community.

3

LAUNC1-1

The Launch Pillar provides a platform enabling companies to showcase new or enhanced products, innovations or services in the technology sphere. The community can come together to learn about the new products that are ready to market with potential business matching while complementary products or services can further enhance the ecosystem within the community.

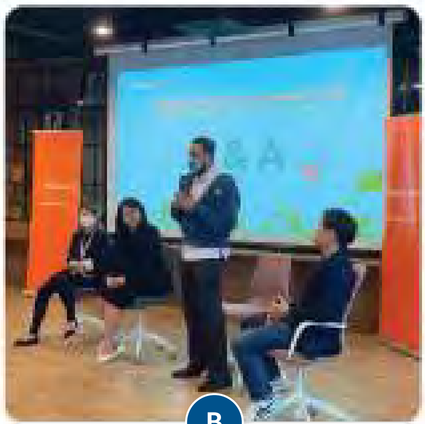
SUSTAINABILITY STATEMENT (CONTINUED)

The true strength of the initiative lies in collaborations, where two or more technologies join forces to create new services and products. This can only be achieved through engagement in a safe environment where companies can learn, share and collaborate with each other to foster growth and relevance in their respective industries.

Some of the notable events held at Bangsar South, and supported by Digital Community include:

A

Balancing Innovation and Security in Financial Technology Services Panel Discussion with MDec, Microsoft, NetAssist, Matrix Invent and Paynet



B

Enhance the Sustainability Roadmap of Your ESG Workshop with Alibaba Cloud

C

Up Close and Personal with Successful FinTech Technopreneurs (BigPay and JurisTech)

Komune Co-Working

SUSTAINABILITY STATEMENT (CONTINUED)

ii) **Implementation of Facial Recognition Turnstiles Access System in FY2022 at the entrance of buildings**

Buildings successfully implemented:

1. Vertical Business Suites Tower A
2. Vertical Business Suites Tower B
3. Vertical Corporate Tower B
4. UOA Corporate Tower

Advantages of using Facial Recognition Turnstiles Access System:

i. **Improved Security**
Provides better access control by both detecting and preventing unauthorised entries. With facial recognition, the individual's face is the key.

ii. **Advanced Access Control**
Functions as an advanced access control system. This system enables visitors to register themselves at the kiosk and use their face to access the building.

iii. **Operational Enhancements**
Improves facility operations by streamlining the entry process. The system enhances the safety level for facility operations by using temperature reading, and mask detection.

iii) **Installation of Bluetooth Smart Door Lock at existing buildings' storerooms, chiller rooms, facility equipment rooms, roof top generator set entrance. Below is the list of buildings with successful installation:**

1. Vertical Business Suites Tower A
2. Vertical Business Suites Tower B
3. Vertical Corporate Tower B
4. UOA Corporate Tower
5. The Sphere
6. Nexus
7. UOA Business Park

Bluetooth Smart Door Locks, with Bluetooth mobile solutions, allow for more control over monitoring, and deciding who has access, and how that access is granted and revoked. Such features can easily streamline daily operations, and strengthen security over the key facilities within the buildings.

DRIVING TECHNOLOGY AND INNOVATION WITH OUR STAKEHOLDERS

In our efforts to fully understand the needs and expectations of our customers, UOA continues to seek opportunities to collaborate and partner with our customers and suppliers/contractors/consultants to achieve higher efficiency and transparency in the supply chain network.

DIGITALISATION

Process automation initiatives continue to be implemented as part of our digitalisation plan to progressively use more technology to improve our business processes, operational and cost efficiencies. These initiatives also aim to contribute positively to our sustainability efforts by encouraging paperless adoption and reducing carbon footprint.

SUSTAINABILITY STATEMENT (CONTINUED)

FINANCIAL PERFORMANCE

UOA believes in the need to be innovative yet adaptive to the ever-changing demands of our customers. The foundation of companies has been severely tested by the new climate and post-pandemic economy. Businesses that successfully navigate through the new normal will prove their resilience in adapting to the evolving economic, environmental, social and governance landscape.

Over the years, UOA has adopted a prudent approach to establishing a strong foundation through a process of effective integration of practices that advocated sustainability. We will remain resilient against headwinds and continue to create sustained value for all our stakeholders and businesses.

In our pursuit of excellence, UOA strives to operate our businesses responsibly and steadfastly based on strong corporate governance, and prudent financial management in a challenging market environment. As such, we will continue our focus on the following areas:

Our Focus

- Maintaining a positive operating cash flow
- Responsive to market needs
- Ensuring sufficient land bank for present and future developments
- Diversifying our project locations for better risk management
- Constantly improving on resource efficiency
- Delivering value-added properties with hallmark quality

Proper and efficient financial management is crucial as it allows us to make timely, well-informed decisions in response to changing conditions. The key initiatives taken to ensure financial sustainability include :

Key Initiatives

- Proactively monitoring of financial performance with constructive measures to manage potential issues
- Consistently adopting prudence in financial management to sustain growth and earnings in challenging market conditions
- Actively improving the rental yield and recurring income for our investment properties and hotels through renovations, space planning and reviews on lease agreements and hotel room rates
- Focusing on sales of current inventories
- Ensuring that projects are completed on time
- Managing the timing of new launches in view of weak market environment

SUSTAINABILITY STATEMENT (CONTINUED)

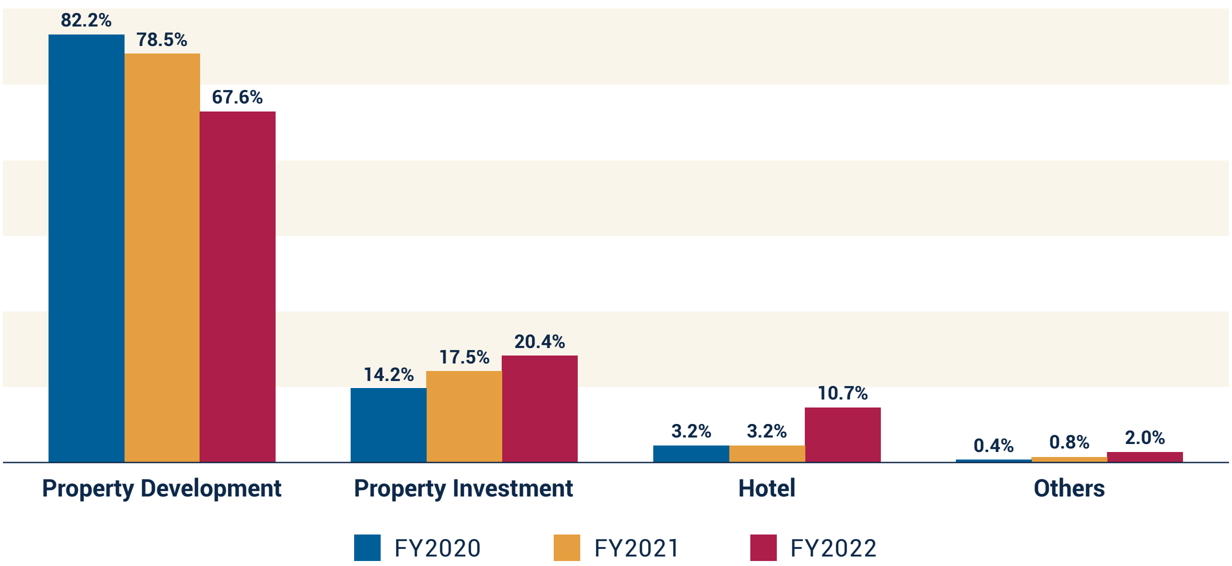
Financial Performance

Year Ended 31 December (RM million)	2022	2021	2020
Revenue	451.7	547.5	844.6
Profit Before Tax	287.2	316.7	479.9
Taxation	64.4	88.4	80.2
Net Profit After Tax	222.8	228.3	399.7
Profit Before Tax Margin (%)	63.6%	57.8%	56.8%
Net Tangible Asset Per Share (RM)	2.46	2.50	2.63
Earnings Per Share (sen)	0.09	0.10	0.19
Ordinary Dividend Per Share			
- Interim (sen)	-	-	-
- Final (sen)	10	14	14
- Special (sen)	-	1	-

UOA remained profitable amid the negative impact from the Covid-19 pandemic that resulted in lower number of launches, and slower take-up rate of units for projects. The lower progressive recognition from on-going development projects such as Laurel Residence resulted in lower revenue and profit. The sales of stocks were largely attributed to The Goodwood Residence, Aster Green Residence, and United Point Residence.

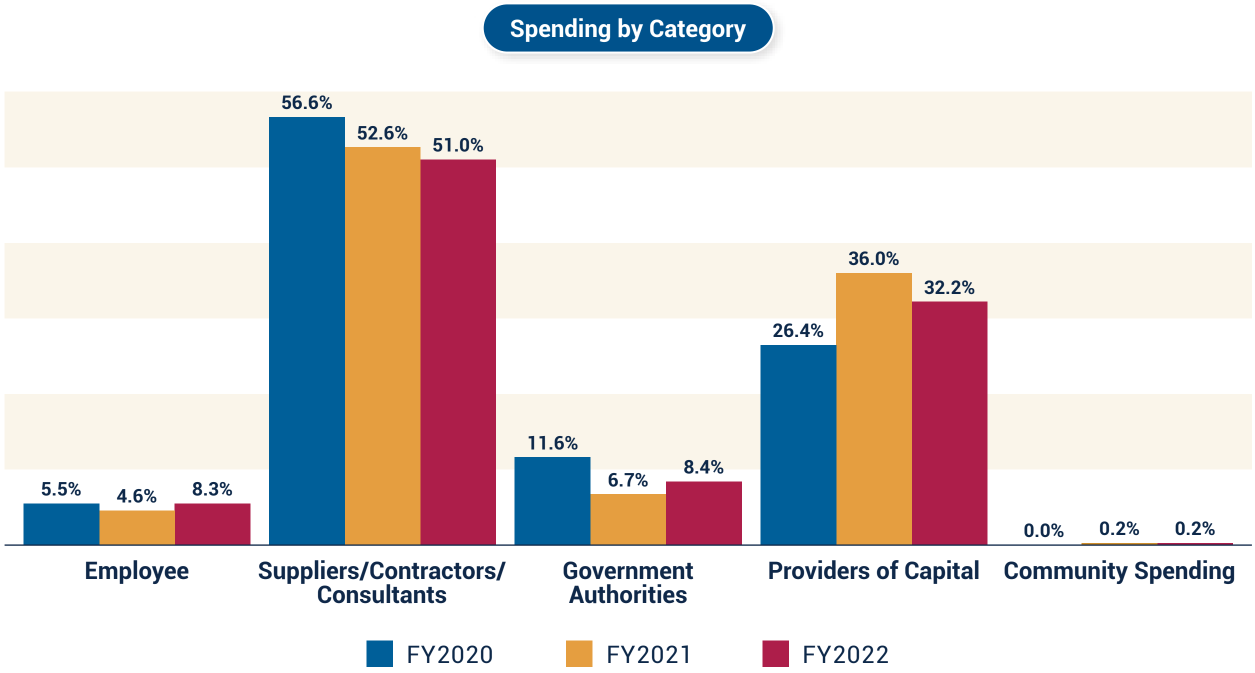
During the FY2022, we managed to achieve total new property sales of about RM638.2 million, which was mainly derived from Laurel Residence, The Goodwood Residence, and United Point Residence. The total unbilled sales as at 31 December 2022 was about RM203.4 million.

Income by Segments



Property development remained the Group's top income contributor with a share of 67.6%, in comparison to 78.5% a year ago. The drop was largely due to lower progressive recognition from on-going development projects. Contribution from property investment in FY2022 recovered from a year ago. The lifting of MCO enabled contribution from hotel to jump by more than three-fold, enabling the segment to contribute a high percentage of 10.7% of total income.

SUSTAINABILITY STATEMENT (CONTINUED)



UOA adopts a prudent approach to deploying its working capital, amid a challenging economic environment in FY2022.

In addition to an increase in existing business activities, the increase in employee costs from RM41.7 million (4.6%) to RM61.2 million (8.3%) is mainly due to the increase in head count as a result of UOA investing into medical-related businesses, and the new opening of Komune Living & Wellness in May 2022.

Spending on suppliers/contractors/consultants, such as construction and development costs remained the largest expense ranging between 51.0% to 56.6% of the total spending over the last three financial years. Even though development activities are lower during FY2022 compared to previous years, spending on suppliers/contractors/ consultants remained high, largely due to a steep rise in raw material costs.

UOA remained profitable amid slowing economic activities brought about by the Covid-19 pandemic since early 2020. Besides registering lower income, the bottom line was pressured by escalating raw material prices, and overheads.

CUSTOMER SATISFACTION AND RELATIONSHIP

UOA strives to achieve long-term growth through excellent customer relationship, and satisfaction from existing customers while expanding new customer base. Besides delivering high standards of quality in our products and services, we place a strong emphasis on understanding and meeting the needs and expectations of our customers, while maintaining a competitive margin to reward our stakeholders and shareholders.

Our corporate philosophy of building excellence played an important role in guiding us, and enabling us to gain the trust and confidence of our customers who demand high quality standards as they seek their ideal home, their ideal business premise, short-term accommodation or investment that could provide them with a healthy return over the years.

SUSTAINABILITY STATEMENT (CONTINUED)

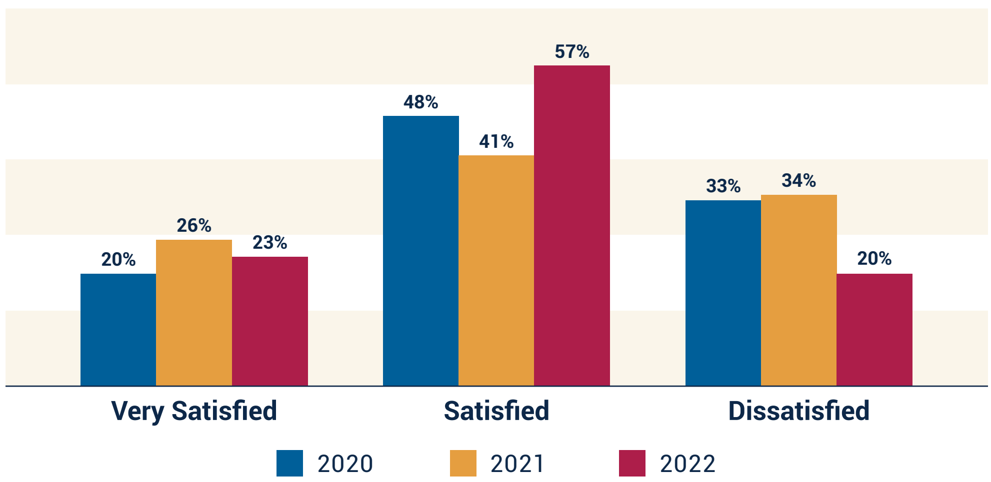
To ensure customer satisfaction, we listen to feedback by conducting annual customer survey, monitoring of performance scores of our customers. We understand the importance of these engagements as they allow us to measure our performance in categories such as quality performance, lead time, responsiveness, cost competitiveness, after sales service and support.

Despite the challenging effects of the Covid-19 pandemic during the early part of FY2022, which prevented us from communicating efficiently with many of our customers and suppliers/contractors/consultants, we maintained continuity in communication by engaging in frequent conference calls with them to ensure that product developments and issues are addressed accordingly in an effective, efficient and timely manner.

During the FY2022, we continued to receive excellent ratings in our customer satisfaction surveys which were conducted virtually.

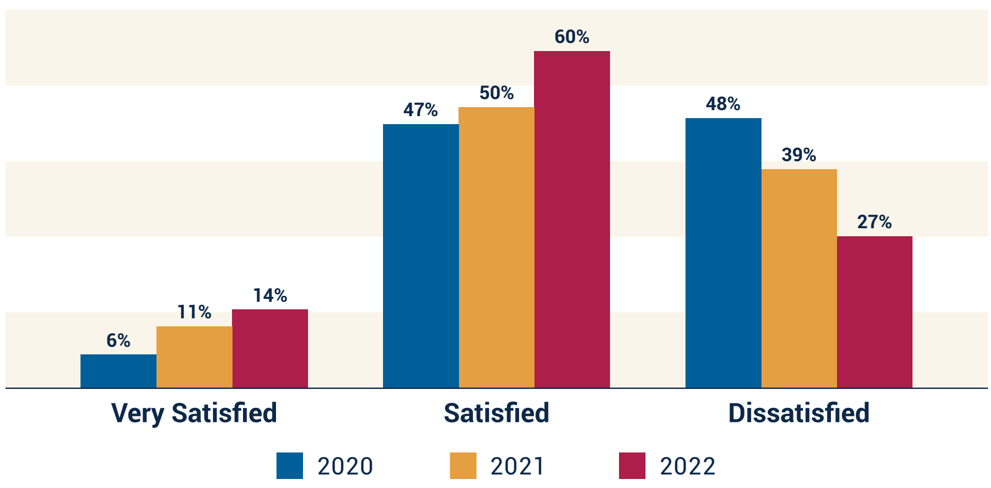
CUSTOMER SATISFACTION FOR OFFICE TOWERS

Customer Satisfaction for Bangsar South City



Bangsar South City ("BSC"), our award-winning flagship integrated city development continues to enjoy favourable response from our customers. Customers who were "dissatisfied" with BSC have dropped by about 40% in FY2022 compared to a year ago. In addition, customers who gave us a "satisfied" rating increased by about 30% in FY2022 against FY2021. However, there was a marginal decline among customers that gave BSC a "very satisfied" rating.

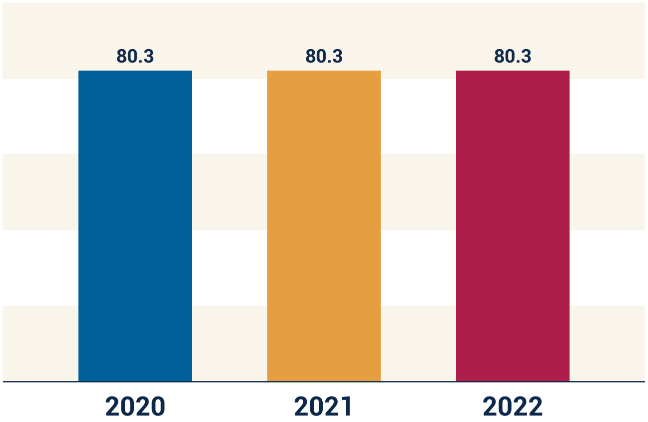
Customer Satisfaction for UOA Business Park



SUSTAINABILITY STATEMENT (CONTINUED)

For UOA Business Park in Glenmarie ("UBP"), customers continue to be impressed with the project. Ratings for "very satisfied" and "satisfied" continued to improve on a year-on-year basis. As for the "dissatisfied" rating, it continued to decline over the years. UOA believes that its approach on sustainability particularly on environment and community, plays an important role in the improvement of the positive satisfaction ratings. During the FY2022, UBP was awarded the "Five-Star Management Award" by the Shah Alam City Council.

Performance Scores for Komune Living Hotel

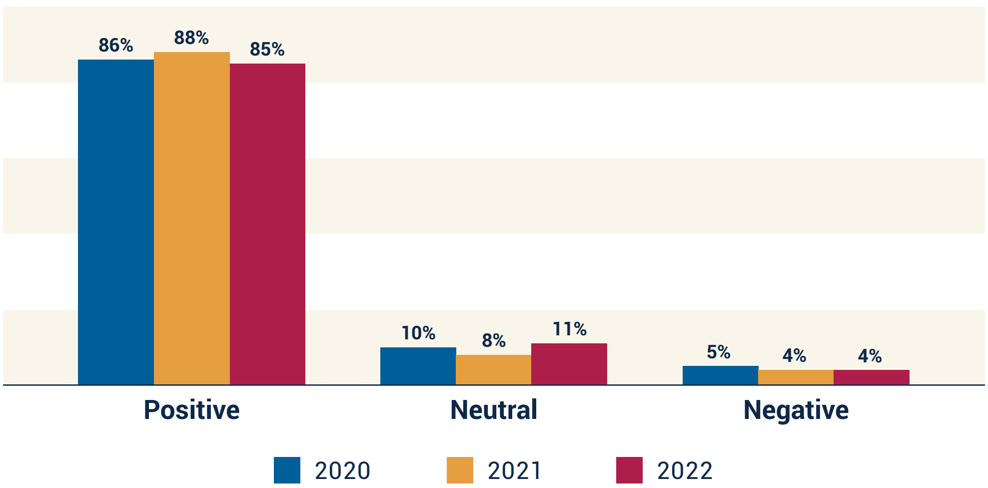


Komune Living is a co-living concept space with private studios, apartment-style rooms, as well as plenty of recreational facilities and community living spaces, which are highly suitable for both long and short-term stays.

Introduced in October 2019, Komune Living in Bangsar South is a co-living hotel concept which is part of the dynamic integrated development of Bangsar South where business, social and entertainment coexist perfectly. In May 2022, we expanded Komune Living to Cheras, Kuala Lumpur which is adjoined to a 99-acre tropical public park.

Komune Living has achieved 80.3% in its overall customer satisfaction rating over the last three financial years.

Customer Satisfaction for VE Hotel & Residence



VE Hotel & Residence received positive response on Customer Satisfaction over the last three financial years. In addition, the "positive" response is overwhelmingly more than the "neutral" or "negative" response. The management team of VE Hotel & Residence will continue to improve its customer satisfaction rating and to convert those "negative" response and "neutral" response into "positive" response rating. VE Hotel & Residence will also strive to implement more sustainability initiatives while improving its current practices to satisfy all its stakeholders.

SUSTAINABILITY STATEMENT (CONTINUED)

CYBERSECURITY AND INFORMATION TECHNOLOGY

UOA believes that a security breach and risk of scams can have a detrimental impact on a company's systems, technology infrastructure, and reputation. As a result, UOA has created Cybersecurity Policy to help outline the security measures, ensuring information remains secure and protected.

We remain cautious and vigilant about the growing potential cybersecurity risks that are ever present in our business environment as many of our customers and suppliers/contractors/consultants may not have adopted strong cybersecurity measures.

We continue to place great importance on our internal control framework to protect the privacy and security of data, information and intellectual properties belonging to us and our stakeholders. We have established a cybersecurity policy related to cybersecurity and IT management and we constantly review, upgrade, and improvise to ensure that they are up-to-date and our employees are aware of the latest threats.

Our cybersecurity policy covers:

i. Hardware (including server room and office computers),
ii. Networking (including firewall, company internal network, company web-based application),
iii. Integration between the company internal network and web-based application,
iv. Operation of system (including right to use for company computers and users' control), and
v. Btackup and disaster recovery.

We are not aware of any security breaches or risk of scams during the FY2022.

RISK MANAGEMENT, ETHICS AND COMPLIANCE

UOA places great emphasis on being transparent and conducting our business in the most ethical and principled way to achieve long-term success and sustainable growth, and to ensure trust among shareholders, investors and fund providers.

We require all our employees to maintain the highest standards of conduct and integrity when conducting business with customers, suppliers, contractors, consultants and other stakeholders. In addition, we do not tolerate any breach of the Group's Corprate Code of Conduct ("Code") and encourage our employees to highlight any instances of malpractice and non-compliance.

Our corporate governance framework includes risk management and internal controls, external audits, our Code, Anti-Bribery & Corruption Policy and Whistleblowing Policy.

GOOD CORPORATE GOVERNANCE

UOA believes that good Corporate Governance is a pre-requisite for the Group to build sustainable long-term value for its shareholders. We are therefore guided by legislative and regulatory requirements, including corporate governance best practices published by the relevant authorities.

Our Corporate Governance Overview Statement forms part of our Annual Report.

SUSTAINABILITY STATEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL

UOA continues to seek innovative ways to grow its businesses without compromising on the fundamentals of a good corporate governance system which is based on a sound system of risk management, and the adequacy and integrity of our internal controls. This would help UOA to identify opportunities and threats within the Group's businesses and operations.

In order to manage risks in our activities and ensure they are aligned with the Group's strategic objectives and regulatory requirements as well as in addressing the Group's material EESG matters and the enhanced corporate governance of the Malaysian Code of Corporate Governance ("MCCG") released by the Securities Commission of Malaysia in April 2021, we implemented this update to appropriately identify, measure, assess and manage risks faced by the Group.

The Board has delegated authority to the Risk Management Working Committee ("RMWC") to undertake the review of the risk management policy and risk dashboards, which detail the likelihood and impact of significant risks and their corresponding action plans. The functioning of the RMWC is supported by the Audit and Risk Management Committee ("ARMC"), key management staff and the heads of departments. The Internal Auditor performs periodical audit on the risk management functions.

STANDARDS OF CONDUCT, BUSINESS ETHICS AND CONFLICT OF INTEREST

Our Code comprises policies on Standards of Conduct, Business Ethics and Conflicts of Interest. The Code encompasses the following policies:

- i. Conflicts of Interest
- ii. Gifts and Entertainment
- iii. Confidential Information
- iv. Insider Trading
- v. Compliance with Law and Regulations
- vi. Fair Dealing

All employees of UOA are expected to comply with the Code which is adopted at all levels within the Group. It covers the principles by which behaviours are assessed, and guide employees direct and indirect roles and responsibilities inside and outside the Group. These principles are shared with all employees and emphasised during training sessions. Upon employment in UOA, employees pledge their agreement to the Code when signing their letter of offer.

How our employees behave is also governed by our Mission Statement which form the foundation of our culture, who we are and aspire to be. Our Mission Statement:

> *"To develop and invest in the highest quality properties, products and services consistent with community, environmental and government requirements; keeping in pace with our changing environment to constantly add value to what we do."*

Key objectives are as follows:

- i. Maintaining the highest levels of Integrity in all our dealings and compliance,
- ii. Ensuring cost and operational efficiency,
- iii. Building properties that can be cherished and shared with generations to come,
- iv. Building and reinforcing the recognition and confidence in our commitment, expertise and ability in delivering and maintaining top quality properties
- v. Providing excellent all-round services and building good long-term relationships with customers,
- vi. Maintaining a transparent and effective organisation,
- vii. Creating a motivating, enjoyable and rewarding team,
- viii. Maintaining a conducive and safe working environment with a culture of excellence and integrity,
- ix. Practising effective communication and relationship building, and
- x. Maintaining consistent growth in profit, dividend and investment value.

SUSTAINABILITY STATEMENT (CONTINUED)

ANTI-BRIBERY AND CORRUPTION POLICY ("ABC")

UOA has zero tolerance towards bribery and corruption within the Group, and will not hesitate to take stern action against its stakeholders especially its employees who are proven to have contravene this policy.

We reach out to our stakeholders particularly our suppliers/contractors/consultants and employees, by constantly informing and reminding them of our zero-tolerance approach towards bribery and corruption, and the expectation that they apply the same standards.

The Anti-Corruption Amendments requires Public Listed Companies ("PLCs") on Bursa Malaysia to establish and implement policies and procedures on anti-corruption and whistleblowing to prevent corrupt practices, which will enable PLCs to have a measure of defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. In addition, the Anti-Corruption Amendments require PLCs and their board of directors to review the policies and procedures periodically or at least once every three years to assess their effectiveness. The Anti-Corruption Amendments also require PLCs to ensure that corruption risks are included in the annual risk assessment of PLCs and their group of companies.

UOA confirms that there was no report received related to ABC during the period of reporting.

WHISTLE BLOWING POLICY

The Whistle Blower Protection Act 2010 provides the guide in formulating the Whistleblowing Policy ("WBP") of UOA. This WBP provides the assurance and confidence to our employees and external parties that we have an effective channel to report on any activity that breaches our Code and/or any breach of ethics or omission by an employee of UOA.

Our WBP can be accessed from our website <https://uoa.com.my/investor-relations/uoa-development/>. Whistle blowers can write to whistleblowing@uoa.com.my and the report will go directly to ARMC where it will be handled at a level appropriate to the complaint being made.

UOA confirms that there was no complaint received during the period of reporting.

SUPPLY CHAIN MANAGEMENT

UOA always stresses the importance of managing a sustainable and responsible supply chain as we view our suppliers as critical partners in our business success, and any disruption to our supply chain is a key risk to our business. We trust that these sustainable practices will enable us to secure a stable supply of raw materials and services, and achieve cost competitiveness, as well as efficient and effective delivery of quality products and services.

We have established the Purchasing Control System for the purchasing of goods and procurement of services to ensure products purchased and services engaged conform to the specifications and quality requirements. This system will apply to all purchases of goods and services, and evaluation of supplier/vendor's performance that has direct impact on the quality of our products and services. We strictly conform to all our adopted standards, such as ISO9001 and AECSB-Quality Manual, and conduct annual assessment on our suppliers and vendors.

At UOA, we give priority to sourcing our supplies from local suppliers. For FY2022, we sourced 100% of our supplies from local suppliers.

Managing a sustainable and successful supply chain is also critical to our business continuity planning. The Covid-19 pandemic has strengthened the value of having an effective business continuity planning, including measures to ensure continuity of supply of our key inputs.

SUSTAINABILITY STATEMENT (CONTINUED)

UOA Group adopts an integrated approach in the design, construction and development of its projects. We are committed to managing our supply chain across the life cycle of the projects, from conceptual design development phase to subsequent construction and operation phases. This allows us to effectively manage our suppliers, contractors and consultants, as well as the diverse range of materials, equipment and services required to successfully deliver the developments. Suppliers, contractors and consultants are selected based on their track record, financial strength, commitment towards high quality, as well as environmental and safety standards.

Our supply chain principles are derived from the following principles:

1. Compliance With Applicable Laws
2. Equality And Diversity
3. No Forced Or Compulsory Labour
4. No Child Labour
5. Environmental Impact

We also implemented a risk mitigation plan of our supply chain management for critical materials by awarding to multiple sources and service providers to minimise the impact of the Covid-19 pandemic on our supply chain.

A sound supply chain management and solid procurement practices ensure our business grows on a solid platform. Suppliers/Contractors/Consultants are our valued business partners, and we always stress the importance of collaborating with them particularly in project and product developments. This is to ensure we form a good understanding of our needs and their abilities to meet our product quality expectations.

UOA is guided by the following procedures and documents:

1. Quality Manual
2. Purchasing Control Policy
3. New Vendor Selection And Registration
4. Vendor Performance Review

OUR ENVIRONMENTAL MANAGEMENT

Climate change is the biggest global challenge, largely due to continuous and rising human activities such as aggressive development and rapid urbanisation. As a result, climate change poses a variety of physical threats to the property development sector. These sectors primarily involve physical assets, thus exposing the sectors to various risks of climate change such as water security, flooding, energy security, and the heat island effect.

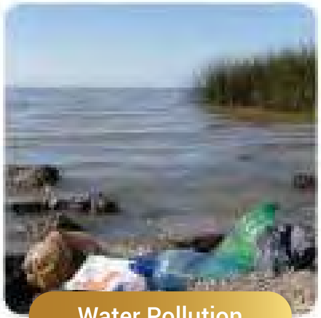
UOA mitigates and minimises our exposure to climate risks by reviewing the Group's sustainability risks, and identifying and aligning the risks with the property development's climate-related risks.

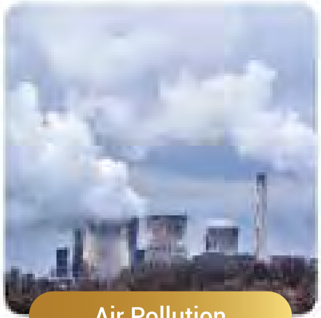
We undertake several measures to manage climate-related risks, e.g. during land clearing stage for development in a project, we transplant trees to designated landscape areas when a project is completed. In addition, we also conserve land as much as possible by controlling open cutting of land and designing the construction sequence to ensure slopes are protected, and underground water is controlled. Excavated earth is used as backfill. We construct washing troughs to ensure soil and dirt are not spilled out of the construction site.

We are well aware that the threat of flooding is one of the physical impacts of climate change and we aim to ensure that our development activities and operations do not affect the hydrological systems in the areas in which we operate. We employ water pumps at construction sites to ensure efficient flood management is in place at all times.

SUSTAINABILITY STATEMENT (CONTINUED)

The table below shows a summary of the identified risks, most of which are being addressed and mitigated through our existing measures:


Water Pollution


Air Pollution


Soil Pollution


Rising Temperature

Environmental-related risks commonly associated with our property development projects are as follows:

1. **Water Pollution**
   Due to polluted water source and supply of quality water.
2. **Air Pollution**
   Due to unauthorised rubbish or disposal dumps or inappropriate waste management which leads to unpleasant and/or toxic odours or gas.
3. **Soil Pollution**
   Due to unresolved environmental issues such as deforestation and improper waste disposal method.
4. **Climate Change**
   Due to rapid climate change which affects the stages and safety of construction, and the completed project.

UOA takes into consideration the above environmental-related risks during its business and project planning phases aligning it with our priorities for the safety of our employees and customers.

As a responsible developer, UOA is constantly seeking to improve energy, water and resource efficiency across our portfolio while working to minimise and mitigate the impacts of our building operations.

Our efforts to reduce unnecessary usage and wastage are reflected in the following initiatives for designated buildings:

1. Bangsar South City (BSC)
2. South Link Lifestyle Apartments (SL)
3. The Goodwood Residence (TGR)
4. UOA Business Park (UBP)
5. United Point (UP)
6. Sentul Point (SP)
7. Aster Green Residence (AGR)
8. Komune Living and Wellness (KLW)
9. Bamboo Hills (BH)
10. Aster Hill Residence (AHR)

SUSTAINABILITY STATEMENT (CONTINUED)

UOA ensures responsible environmental management, and conservation of resources while promoting responsible consumption. UOA understands that every step it takes has an impact on the environment. As a result, UOA takes great stride in monitoring and managing the output of its activities, to ensure minimal negative impact on the environment and that the activities strictly adhere to the relevant environmental laws and regulations.

UOA recognises the severity of climate change and its associated adverse impacts on our operations. As a result, we take climate change issues seriously when developing our sustainability and business strategies.

CARBON FOOTPRINT

In the 12th Malaysia Plan ("12MP") 2021-2025, Malaysia is committed to achieving net-zero GHG emissions by as early as year 2050. The commitment is guided by the pillars of sustainability, e.g. EESG.

As a property developer, we are conscious about the carbon footprint of our property developments. This include (i) building materials utilised in the construction of the projects (ii) water and energy consumed, and (iii) waste generated. For instance, the manufacturing of building materials for usage in our projects such as steel, cement and glass has an impact to carbon footprint. Although the management of carbon footprint within the manufacturing sector of building materials is beyond the control of UOA, we do make conscientious efforts to ensure our building materials are manufactured on a sustainable basis or are EESG-compliant.

As a result, UOA is cognisant of the need to decarbonise our business and we strive to support the country's commitment to be carbon neutral by year 2050. UOA plans to initiate its roadmap in FY2023 to reduce its carbon emissions. The roadmap will detail our aspirations and steps on how we plan to reduce our carbon footprint. In addition, UOA also plans to determine to what level products embodied carbon (a large part of Scope 3 carbon emissions) can be reduced by combining our targets (Scope 1, Scope 2 and Scope 3).

As part of our sustainability drive, UOA will require the collective action of all its stakeholders to participate in its roadmap to help reduce carbon emissions.

UOA plans to achieve the highest possible standard/award of the Green certification and/or Green Building Index ("GBI"), and backed by a Sustainability Policy, to ensure EESG factors are embedded in our businesses, project planning, and day-to-day operations.

GREENHOUSE GAS

In preparing our sustainability roadmap, UOA is taking priority in addressing the management of its GHG emissions, which are categorised into 3 groups or "Scopes", according to the Greenhouse Gas Protocol ("GHG Protocol"), a widely-used international accounting tool.

Scope 1

These are 'direct' emissions from own or controlled sources.

We aggregate consumption across different fuel sources, before translating that data into a carbon footprint.

Scope 2

These are 'indirect' emissions created in the production of the energy that we purchased.

Scope 3

All other emissions that occur due to the Group's activities, but from sources that we do not own or control. Basically, it covers all indirect emissions that occur in our Group's value chain.

As carbon footprint is the amount of carbon dioxide ("CO2") being produced in our day-to-day operations, we are incorporating the following steps:

i. Adoption of renewable energy sources and technologies for our new projects, such as roof top solar panel in our Bamboo Hills project,
ii. Include and introduce more green spaces in building designs and to landscape with more trees and plants to convert more CO2 to oxygen,
iii. Strive to increase the utilisation of green suppliers who are certified "Green" or embrace environmentally friendly practices, and
iv. Re-selling of construction waste materials (steel bar/scaffolding/mould scrap/angle scrap/zinc scrap/plastic scrap/wire rope/copper) to recycling companies.

The priority for UOA is to use sustainable materials and processes in our property development with as many eco-features as possible.

SUSTAINABILITY STATEMENT (CONTINUED)

GREEN INITIATIVES

Urban Rooftop Farm, Nexus - Bangsar South

URBAN ROOFTOP FARM (NEXUS, BANGSAR SOUTH)

UOA is in partnership with Homegrown Farms, one of the pioneers of vertical aquaponic rooftop farming agricultural solutions. The pilot rooftop farming project aimed to contribute to the sustainability of Bangsar South and Kerinchi neighbourhood by nurturing the community's connection with nature as well as to encourage other businesses in Bangsar South to undertake a similar programme.

The rooftop at Nexus was identified as a suitable place to install a vertical aquaponic farm - one that combines aquaculture (the rearing of fish) with hydroponics (plant growing) within a water medium, mimicking a natural ecosystem and creating a potent, dynamic equilibrium between fish, plants, and bacterial microorganisms. Spread over an area of 200 square feet, the construction of Nexus' rooftop farm was completed at the beginning of the recovery movement control order ("RMCO") and planting began in early July 2020. Its first harvest was in mid-September 2020 (and subsequent ones after that) produced a flourishing crop of organic, pesticide free herbs and vegetables.

CASHLESS AND TICKETLESS VISITOR PARKING SYSTEM

We introduced Cashless and Ticketless Visitor Parking System ("CTVPS") in our buildings. We expect such a system would reduce our carbon footprint as it would cut down on the use of paper parking tickets, electricity to power the ticketing machines, and regular periodic maintenance as well as removal of cash from the ticketing machines and the logistics required to deposit the cash into banks.

HOTELS AND CONVENTION CENTRES

- Eliminate single-use plastics
- Provision of water station instead of bottled water

OFFICE

- Minimise paper consumption by using electronic communication devices, encouraging the use of double-sided printing and utilising recycled paper and envelopes
- Reduce travelling by utilising virtual meeting platforms such as Zoom, Google Meet or Team
- Recycle festive decoration materials to reduce waste generation
- Use of centralised air-conditioning system to reduce overall energy consumption
- Installation of chilled water and condenser water treatment, and usage of efficient cooled chiller
- Default setting of room temperature to 24 degree Celsius for the main lobby, lift lobby and office areas
- Implement the switching off of lighting when not in use or away from the room
- Lighting zoning and energy saving lighting fitting
- Installation of motion sensored lightings in stairways, toilets and car parks
- Maximing natural lighting in office space designs.

OTHERS

UOA continues to encourage green initiatives in its working environment, such as utilising high power factor LED lights, and switching off lights and air-conditioning when there are no occupants in certain areas especially during long breaks and after working hours.

For computers that can still be used, we maintain them as back-up computer in the event any computers breaks down and cannot be repaired immediately. For end of life computers, we engage certified scrap collectors to collect and dispose them in an environmentally friendly manner.

SUSTAINABILITY STATEMENT (CONTINUED)

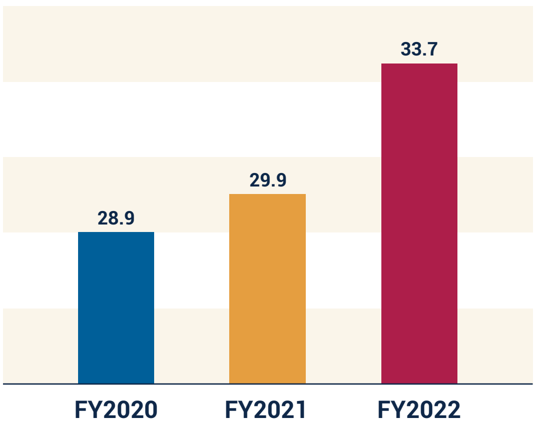
ENERGY CONSUMPTION

The energy consumption primarily derives from diesel due to heavy machinery usage, transportation, generator sets in property development work sites, and building maintenance. Other sources of energy include purchased electricity, and petrol.

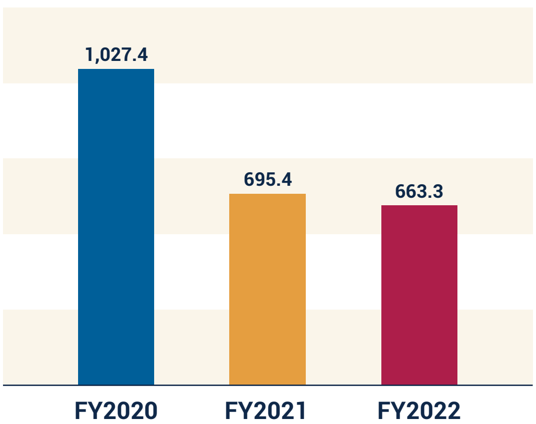
The establishment of our roadmap on reducing carbon footprint will include utilisation of renewable energy, energy efficient machinery, and other property development hardware.

During the FY2022, UOA initiated the Lighting Zoning & Energy Saving Light Fitting for our Bangsar South project. The lighting zones allow for more flexible control by owners and tenants to reduce energy consumption and cost by lighting only areas or zones that are occupied. This is complemented by the energy saving light fittings to reduce energy throughout the office spaces. Sensor stairway lights are also installed and tested with a digital power meter in designated buildings to reduce energy consumption.

Electricity Usage (kwh million)



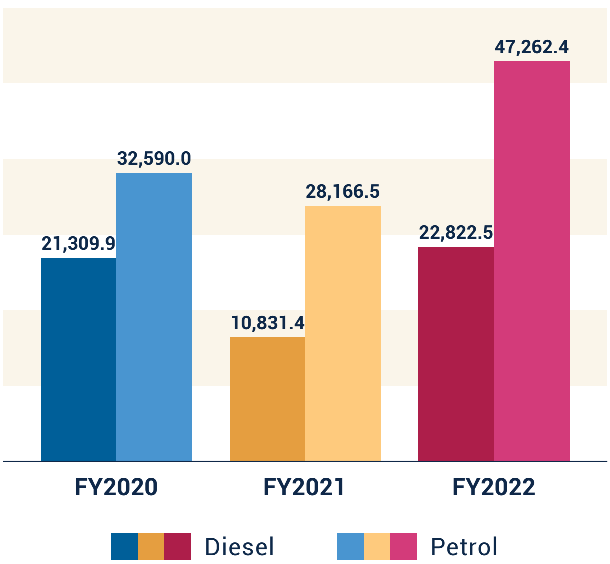
Group Income (RM million)



During the FY2022, UOA registered an increase in electricity consumption despite recording lower revenue on a year-on-year basis. The increase in electricity consumption is largely attributed to:

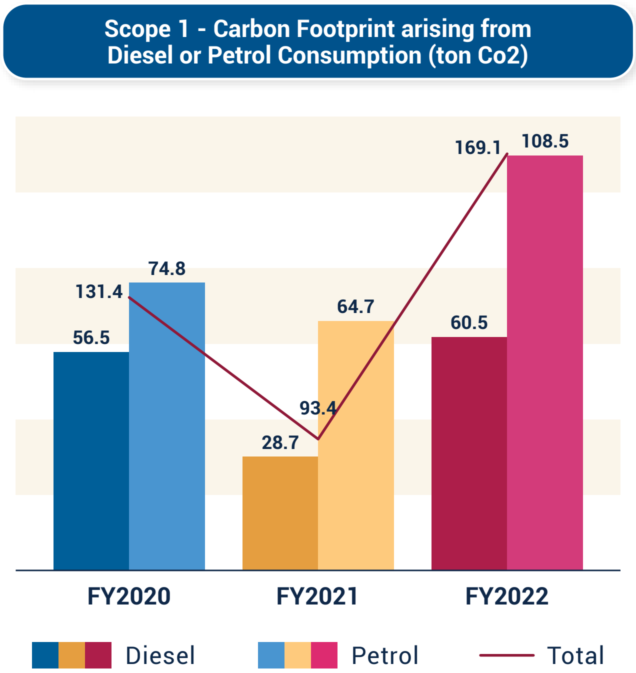
1. Opening of a new hotel namely Komune Living Hotel in Cheras.
2. Opening of Bamboo Hills.
3. Overall increase in business activities of CCEC, hotels and office activities after the easing and eventual lifting of the MCO in the country.

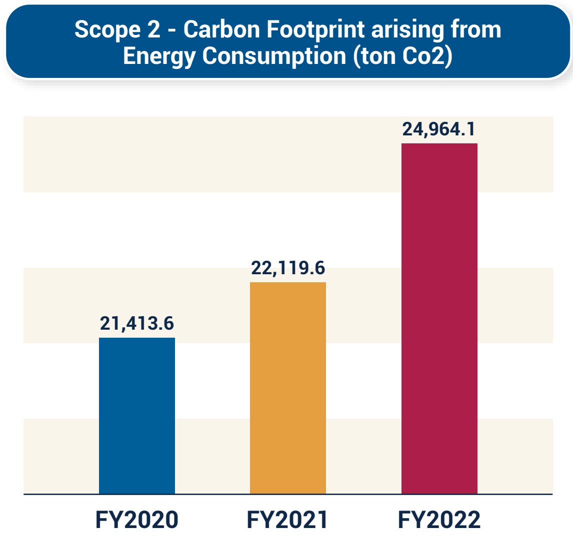
Diesel and Petrol Consumption (litres)



For FY2022, the consumption of diesel and petrol rebounded from a year ago, largely due to the re-sumption of business and development activities arising from the easing and eventual` lifting of the MCO.

SUSTAINABILITY STATEMENT (CONTINUED)





For FY2022, we collected data on fuel consumption in addition to electricity consumption, to provide a more complete picture of our GHG emissions. The emissions reported include Scope 1 (direct emissions from the burning of carbon fuel sources such as petrol and diesel, and Scope 2 (emissions produced from the consumption of grid electricity), calculated using an emission factor.

Our Scope 1 emissions have increased during the financial year post pandemic due to the increased use of company vehicles and machineries. We continue to encourage the utilisation of electric powered vehicles or petrol hybrid vehicles as part of our efforts to reduce our carbon footprint.

Based on the electricity consumption reported above, our total GHG Scope 2 emissions have been steadily increasing since FY2020, largely due to the relaxation of the MCO which was implemented in year 2020, and was gradually relaxed from year 2021 onwards.

Presently, we do not track Scope 3 emission as it involves all other emissions generated from sources that we do not own or control but are part of our value chain.

ENERGY MANAGEMENT

UOA aims to play an active and significant role in reducing its carbon footprint. We voluntarily practise GHG emissions and energy reduction monitoring, in order to play a meaningful role in the reduction of GHG emissions each and every year.

Electricity constitutes a significant proportion of UOA's operational expenditure. It impacts the total amount of Scope 2 emissions released through our business activities. UOA places emphasis on cost-effective measures to improve our energy performance, and reduce carbon emissions and energy intensities. We are setting energy reduction targets for our managed properties, while continually improving the energy performance through careful review and implementation of our energy management plans.

Other initiatives include:

Solar Panel

UOA constantly seeks alternative sources of energy that are more efficient, cheaper, and friendlier to the environment as part of our sustainability efforts. As a result, we are considering the possibility of tapping into solar energy as part of the source of energy to be utilised in our operations across the Group.

During the FY2022, we have initiated a roof top solar system in our Bamboo Hills project, where we installed a system size of 382 kwp for self-consumption with an expected annual yield of 434.4 MWh. According to our solar panel consultant, the expected annual CO2 emissions reduction would be about 278 tons pf CO2 (based on 0.639tCO2/MWh, 2016).

We intend to identify more projects to be powered by solar power.

WASTE MANAGEMENT

As a property developer, UOA generates tonnes of construction waste. As a responsible corporate citizen, we make every effort to prevent our construction waste from negatively impacting our natural eco-system and polluting landfills which could result in a compounding effect on the environment such as soil erosion, and degradation and pollution of our sources for water.

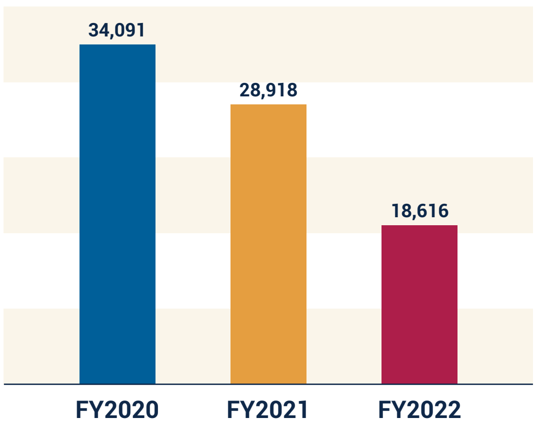
SUSTAINABILITY STATEMENT (CONTINUED)

UOA strives to make a positive impact on the environment, and we are committed to reducing our waste output and prolonging the lifespan of the materials we use. We adopt strategies to derive maximum value possible from products and materials that we utilise while generating the least amount of waste. In addition, we are intensifying our efforts and priority to incorporate more eco-friendly building components and materials into our construction and development processes. We also recycle and reuse certain construction material throughout the construction process, to reduce waste and extend the material's life. Basically, we embrace the proven waste management technique of Reduce, Reuse and Recycle.

Waste disposal from our hospitality segment comprised the recycling of used oil, and the disposal of plastic and used plastic bottles. In FY2022, we saw a significant increase in waste disposal from this segment as demand for the services provided by our hospitality segment such as hotel accommodation and events surged compared to FY2021.

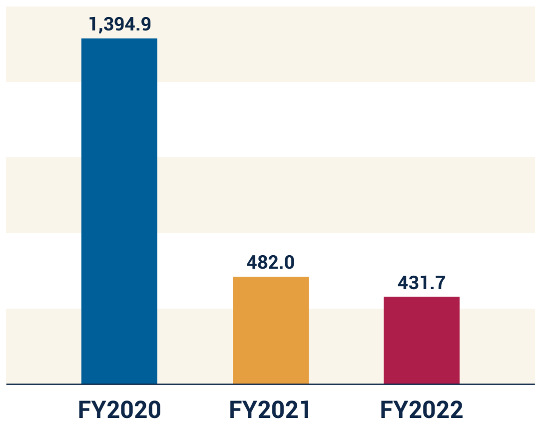
For scheduled waste, UOA strives to protect the environment, and comply with the Environmental Quality (Scheduled Wastes) Regulations, 2005. We employ contractors that are licensed by the Department of Environment ("DOE") to collect and dispose of our scheduled waste at approved facilities.

Waste Disposal – Construction (Tons)



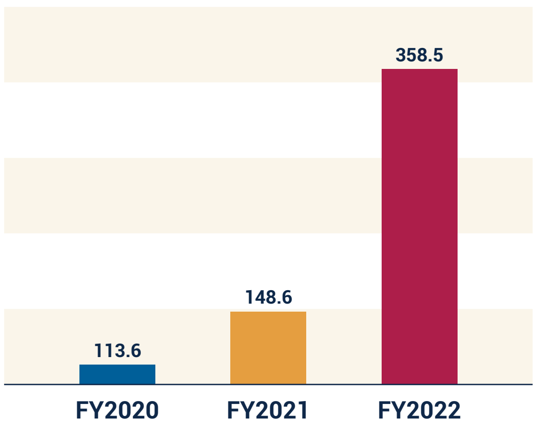
Waste disposal from the construction sites are normal construction waste such as rubbish and debris being disposed. The declining trend since FY2020 is mainly due to the slow down in development activities, a direct result of the MCO during the Covid-19 pandemic.

Scrap Materials – Construction (Tons)

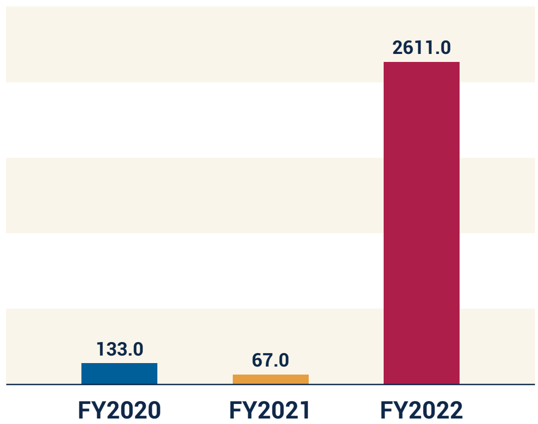


Scrap materials are mainly derived from our Property Development and Construction segment. The amount of disposed scrap materials remained low in FY2022 as development and construction activities have yet to fully gain its momentum. We expect the level of disposal of scrap materials to increase as development and construction activities gather momentum in FY2023.

Waste Disposal - Hospitality (Tons)



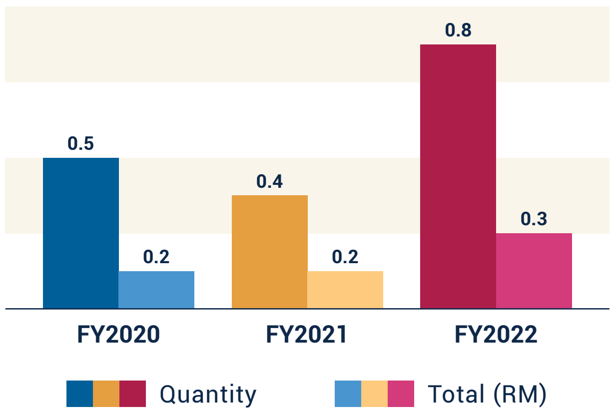
Waste Management for Used Oil (Kg)



SUSTAINABILITY STATEMENT (CONTINUED)

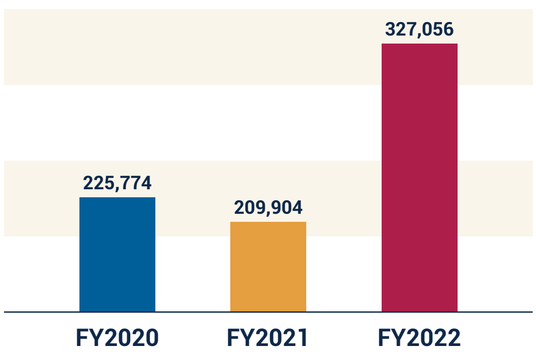
As part of UOA's recycling programme, our hospitality division disposed of its used oil to licensed contractors for recycling purposes, instead of disposing it directly. In FY2022, our hospitality division experienced a significant increase in the disposal of used oil due to a significant increase in hotel and centres convention activities, as the Government lifted the MCO to enable the resumption of travelling and business activities.

Plastic Usage



Plastic usage is mainly generated from our hospitality segment. The usage of plastic normally consists of garbage bags, containers, cups, disposable stirrers, gloves and other plastic-related items. For FY2022, there was a surge in the usage of these items as the lifting of the MCO, and the opening of borders for travellers, saw the return of demand for event halls and accommodations in our hospitality segment.

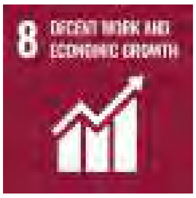
Reduction of Plastic Bottle Used (Quantity)



In our efforts to reduce the disposal of plastic water bottles, we are glad to report a more than 50% increase in the reduction of plastic bottles used in FY2022 compared to a year ago.

The positive result is mainly due to the fact that our Komune Living Hotels, both in Bangsar South and Cheras, have stopped providing PET bottled water in their hotel rooms. Instead, a glass jug is placed in each room for guests to fill with water supplied from the water stations located at each level in the hotels.

OUR PEOPLE



UOA believes human capital is its most valuable and greatest asset. We continuously invest in our human capital as we strongly believe that our people are the key force propelling us towards sustainable growth in the long term. As a result, we continuously engage with our employees to ensure that they understand our mission, culture, best practices, and most importantly, our commitment to our Sustainability Statement.

We strive to ensure that our employees derive satisfaction from working in UOA while providing them a structured career development path with opportunities to ascend within the Group. As a responsible employer, UOA also takes the health and safety of our employees seriously as we believe that we owe them a duty of care.

UOA does not condone unfair discrimination within the Group and its stakeholders. To ensure we operate as an ethical and responsible group, we emphasise human rights considerations in developing our business strategy. This includes initiatives to prevent incidents of sexual harassment, child labour and forced labour. UOA has several measures in place to address human rights-related risks, including our Code and Conflicts of Interest that covers all forms of harassment and discrimination. This Code warrants that no employee, regardless of gender, status or stature, is to be subjected to any form of harassment within the Group.

We also believe that the foundation of a solid relationship with our stakeholders is further strengthened by developing relationships with them in a sustainable manner. The key to UOA achieving sustainable growth and providing long-term value creation to our stakeholders is by building a strong and enriching community.

SUSTAINABILITY STATEMENT (CONTINUED)

DIVERSITY AND INCLUSION

OUR BOARD OF DIRECTORS

In the release of the Budget 2022, it was stated that women only hold 25% of board positions on the top 100 public listed companies in Malaysia, and 27% or 252 companies listed on Bursa Malaysia still do not have any female directors.

In recognising the role of women in decision-making processes and to strengthen the governance and effectiveness of boards, the Government, through the Securities Commission, will make it mandatory to have at least one female board member for all public listed companies, taking effect from 1 September 2022 for large market capitalisation companies and from 1 June 2023 for the remaining of the listed companies.

UOA currently has two (2) highly accomplished and experienced female board members:

1. **Ms. Ang Kheng Im**
   Executive Non-Independent Director

2. **Ms. Stephanie Kong Pei Zen**
   Alternate Director to Mr. Kong Pak Lim

OUR EMPLOYEES

At UOA, we inculcate the value of diversity by hiring and promoting based on credibility and merit. Our workforce comprises employees from diverse cultures and backgrounds, which enable them to offer unique ideas and insights that will make our organisation more resilient.

We are committed to creating a culture that respects and values each other's differences. We uphold zero tolerance for any form of discrimination against race, religion, gender, age, disabilities, and nationality. We practise equal opportunities, and are committed to ensuring our workplace is free from any form of harassment, whether by internal or external parties.

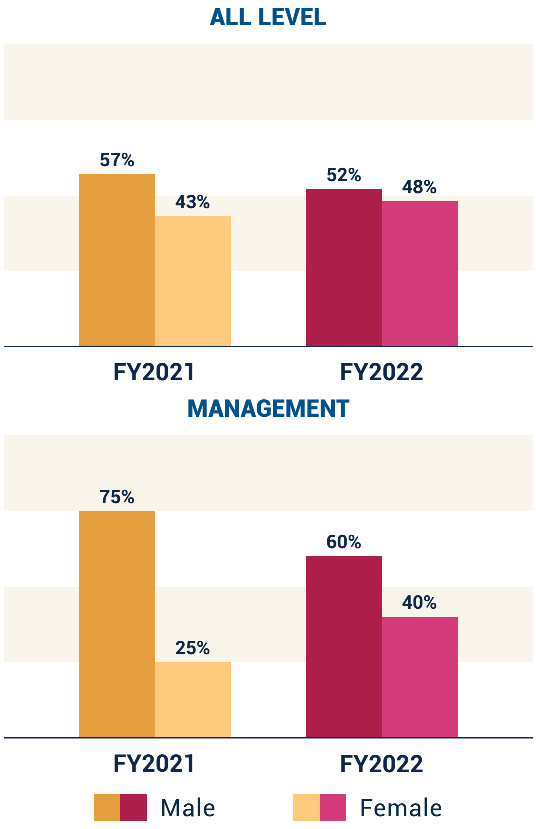
UOA's mix of employees at different age groups has remained constant over several years. We continue to rebalance the numbers accordingly to achieve a better balance to support the achievement of our long-term strategic vision and sustainable operating objective.

UOA believes in investing and giving the younger generation a chance to contribute to the success of our long-term growth. The inclusion of younger staff, especially those who are technology savvy allows us to join the forefront of the rapidly changing trends in innovation and technology.

UOA does not set any gender targets, however, we strive to achieve gender balance at departmental and Group levels.

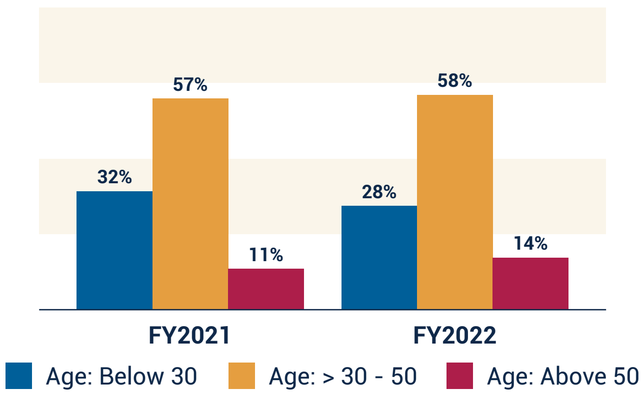
SUSTAINABILITY STATEMENT (CONTINUED)

Our Employee Gender Group



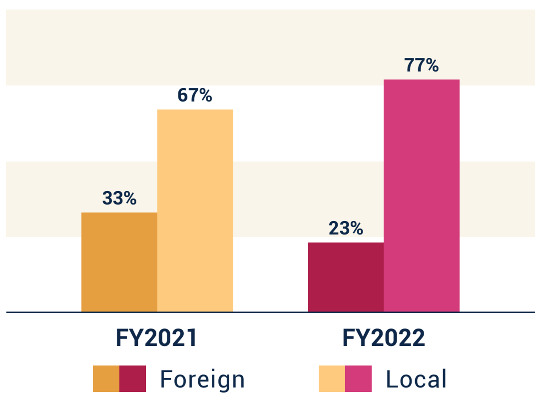
UOA continued to record a higher percentage of male employees due to the need at our worksites. At management level, the representation of female employees increased to 40% in FY2022 from 25% in FY2021.

Our Employee Age Group



The composition of our employees showed that we have more matured employees (age > 30 – 50), as we continue in our efforts to increase the number of experienced and qualified employees.

Composition of Local and Foreign Employees



UOA gives priority to hiring locals for its operations. For FY2022, UOA saw its composition of local workers against its total workforce rose to 77% compared to FY2021. The increase was due to an increase in the hiring of local employees as business operations returned to normal after the lifting of the MCO, and many foreign employees returned to their respective countries upon completion of their contract, or resigned.

EMPLOYEE TURNOVER

	FY2021	FY2022
Employee Turnover Rate	1.64%	3.42%

The turnover rate changed significantly in FY2021 due to the Covid-19 pandemic and its related consequences. During the FY2022, the attrition rate rose due to "the Great Resignation" which resulted in employees around the world reconsidering their view towards being an employee and working from home.

UOA continues to seek ways to retain its employees. This is in spite of the combined forces of increased competition for the same pool of resources, higher business investment in the locations where we are based, and the restrictions on migrant workers which have increased demand for labour without a corresponding increase in supply of those same resources.

SUSTAINABILITY STATEMENT (CONTINUED)

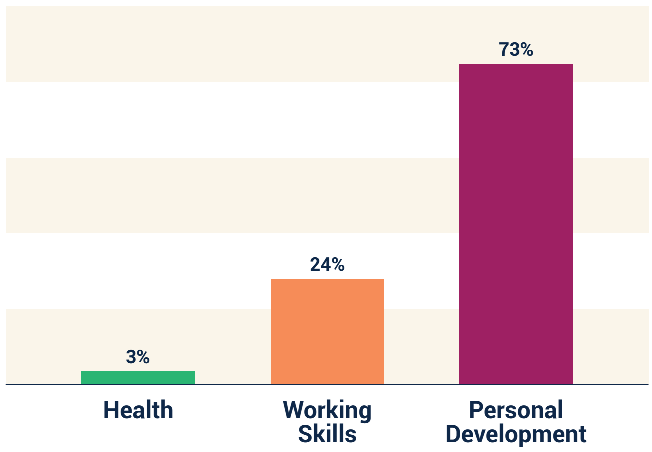
EMPLOYEE LEARNING AND DEVELOPMENT

UOA believes in investing in our employees at all levels as the investment would ensure that our employees stay relevant to our ever-evolving businesses, and to push the boundaries of innovation in order to respond to the needs of our customers.

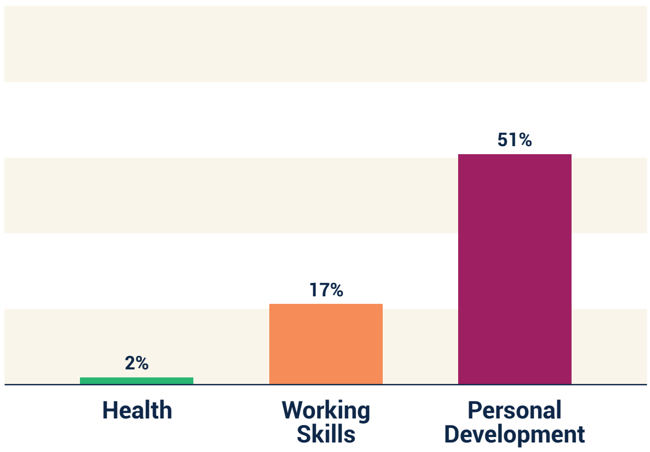
MAINTAINING A SKILLED WORKFORCE

UOA launched UOA Academy on 1 November 2022 to strengthen our commitment towards lifelong learning. UOA Academy offers learning and development programmes in a structured way through in-house expert trainers. It is a certified Human Resource Development Corporation ("HRD Corp") training centre by HRD Corp. This allows us to identify the knowledge and skills gaps within the organisation against external factors, such as industry and regulatory changes, employee expectations, and the latest innovation and technological advancements.

Number of Staff Attended Trainings



Number of Trainings



At UOA, we place importance on personal development. As such, 73% of our training is based on personal development while working skills took up 24% of the total training conducted.

Even though training for health aspects only took up 3% of the total training, UOA does provide other health-related training through talks and seminars.

We are now in the process of getting UOA Academy certified as Sistem Latihan Dual Nasional ("SLDN") & Permohonan Pusat Penilaian Amali PPT ("PPA") centre by Jabatan Kemahiran Malaysia which will allow us to offer certification programmes by second quarter of year 2023.

At the construction sites, there is a daily morning briefing called Toolbox Briefing conducted by the respective site safety supervisors to all staff and workers before work commences. Every Saturday, the subcontractors and their workers will also join the morning briefing called General Toolbox Briefing conducted by Safety Officer/Manager. In the event of any accidents immediate briefing to all parties involved will be conducted to address the issue.

SUSTAINABILITY STATEMENT (CONTINUED)

UOA

- **570** UOA Group's staff have successfully attended training program.
- **69%** of UOA Staff have attended at least 1 Training Activity.
- Total Training Hours Spent: **14,609.35 HRS**
- 1 UOA Staff has an average of **17.6 training hours.**

EMPLOYEE WELL-BEING, HEALTH AND SAFETY

UOA is committed to provide a safe and healthy workplace for all our stakeholders. We rigorously manage the potential risks associated with hazardous activities and processes, such as those with the potential to result in injuries related to fires, explosions, and sudden release of toxic materials.

We emphasise preventive measures, and have a robust safety management system in place. We adhere strictly to the Occupational Safety and Health Act and Regulations which guides our operations and applies to all our stakeholders at all levels.

SUSTAINABILITY STATEMENT (CONTINUED)

DEDICATED SAFETY GOVERNANCE

Under the direct supervision of our BOD, Employee Health and Safety Committees ("ESHC") at UOA are responsible for ensuring compliance with all safety and health protocols, which are aligned with the Occupational Safety and Health Act and Regulations.

A Safety and Health Committee ("SHC") is set up at every project site. ESHC at each project site is chaired by an authorised Project Manager. The ESHC comprises representatives of UOA as a main contractor and sub-contractors. At our managed buildings, each Emergency Response Team ("ERT") is chaired by the respective heads of the managed buildings.

For hotels and convention centres, the Occupational Safety and Health Administration ("OSHA") Committee is set up at each hotel and convention centre, and is chaired by the respective heads of hotels and convention centres.

PROJECT SITES, HOTEL AND CONVENTION CENTRE

In a SHC, the appointment of management and workers representatives are in accordance with Occupational Safety and Health (Safety and Health Committee) Regulations 1996. The roles covered by SHC are shown below:

- Review safety and health procedures at the workplace.
- Investigate safety and health related complaints.
- Investigate any accidents or other related matters that are raised.
- Inspect workplace.

BUILDING MANAGEMENT

Every building under UOA must have an Emergency Response Plan ("ERP") and an Emergency Response Team ("ERT") must be ready and have the ability and competence to respond to any situation in a timely manner according to the ERP.

Every member of ERT is given a specific and clear role to carry out in times of emergency. The roles are of highest priority and must be carried out without failure.

The ERP covers various types of emergency situations including:

i. Fire outbreak (within the building and its premises),
ii. Natural disaster (flood, landslide or earthquake),
iii. Medical emergency (heart attack, stroke, epilepsy, and others),
iv. Accident within the building (car park, entrance or exit of the building),
v. Robbery,
vi. Civil disturbance,
vii. Discovery of a dead body (within the building and its premises); and
viii. Suicide attempt.

There is no record of compound or accident from year 2020 to 2022.

RESPONSE TO THE COVID-19 PANDEMIC

The initiatives taken by UOA and the Standard Operating Procedures ("SOPs") that have been established to respond to the Covid-19 pandemic have evolved to ensure that it is effective in protecting our employees in our business environment.

In FY2022, our focus has been on ensuring the health and safety of our employees while maintaining business continuity.

The measures undertaken above are part of a comprehensive plan developed over a period of time to address an evolving situation. Although many countries are transitioning to endemicity, we will need to remain alert to respond to any adverse developments in ensuring our employees and our business are protected.

SUSTAINABILITY STATEMENT (CONTINUED)

EMPLOYEE BENEFITS

Our employee benefits include a range of plans and programmes that are intended to attract, retain and motivate the high performing employees we depend on for growth and success. We are guided by our Human Resources Policies and the laws of the countries in which we operate.

TYPE OF EMPLOYEE BENEFITS

- Inpatient coverage through appointed insurance company
- Outpatient coverage for staff and immediate family members
- Cash relief for staff on parent's demise
- Extended wellness coverage to include Traditional Chinese Medicine ("TCM")
- Weekly dance for fitness programme
- Marriage token
- Personal Accident Coverage
- Dental coverage for employee
- Annual increment
- Performance bonus
- Health talk
- Long service award
- Zero MC award

UOA places emphasis on employees' wellness and health, by helping employees to adopt and maintain physical health by introducing weekly dance for fitness programmes and health screening programmes. In FY2022, we collaborated with Pertubuhan Keselamatan Social ("PERKESO") and CLEADOC to organise a health screening programme for all our staff.

SUSTAINABILITY STATEMENT (CONTINUED)

ESTABLISHING A CONDUCIVE WORKPLACE

UOA Group collaborated with The Healthy Rojak on a Panel Discussion on The Grey Area: The Sexual Harassment

UOA believes all of its employees are an asset to the Group. Hence, we believe it is our responsibility to provide a conducive working environment for all our staff where they do not have to fear for their well-being.

During FY2022, UOA collaborated with The Healthy Rojak to conduct a panel discussion on The Grey Area: The Sexual Harassment. This is in line with the approval of Anti-Sexual Harassment Bill 2021. Speakers shared views on how the human resources department could address reports raised by the employees (in relation to sexual harassment), how much time a victim has to bring the case to light and, how affects the mental health of an individual. On the topic of The Sexual Harassment Dilemma, five different scenarios were put together in role-plays to highlight what constitutes sexual harassment.

Nexus - Bangsar South

SUSTAINABILITY STATEMENT (CONTINUED)

LABOUR PRACTICES

COMMITMENT TO LABOUR RIGHTS

UOA upholds the labour rights of its workforce by fostering an inclusive and diverse work environment. Our Code and other labour policies protect labour rights and is based on local employment regulations, such as the Malaysian Employment Act 1955, and relevant industry standards, such as the Responsible Business Alliance ("RBA"). The labour rights that we uphold include:

1. No Child Labour
2. No Forced Labour
3. No Unreasonable Working Hours
4. Fair Wages
5. Safe Workplace
6. Humane Treatment
7. No Discrimination

GRIEVANCE MECHANISM

Employees need to have an avenue to vent their dissatisfaction or grievances so that issues can surface and be addressed accordingly before they spread and affect morale.

At UOA, we have put in place a grievance mechanism for this purpose. A process flow is established for employees to report any grievance, dissatisfaction or even a breach of our Code. We also provide an avenue for anonymous complaints.

There is no grievance made during the FY2022.

EXPATRIATE/MIGRANT WORKER MANAGEMENT

All our employees are treated with the same level of respect, regardless of gender or nationality as all deserve equal treatment. As an example, all our expatriates in Malaysia are "permanent" employees on our payroll instead of being hired on a fixed term contract. This means they enjoy the same terms and benefits as our Malaysian employees.

It is also our policy that all our migrant workers do not pay recruitment fees or tie themselves up in debt by joining us. Our migrant workers can set up their own bank accounts in Malaysia, and we remit their wages directly into their bank accounts. In addition, our migrant workers can keep their own passport.

LABOUR ACCOMMODATION ACT

With the enforcement of Act 446 ("Accommodation Act"), we have taken the necessary steps to ensure all our labour quarters comply with the requirement of Act 446. We worked closely with the Labour Department to ensure compliance and permit issuance.

UOA conducted a briefing on the changes in Employment Act and Act 446 to all our Heads of Departments ("HODs") in September 2022. We invited the Director of Department of Labour Peninsular Malaysia (Ministry of Human Resources) to conduct the briefing.

The briefing has greatly benefited our managers, and demonstrated our commitment to be a responsible employer.

SUSTAINABILITY STATEMENT (CONTINUED)

OUR OUTREACH

As a responsible corporate citizen, we give back to communities wherever we operate through our multi-faceted approach towards Corporate Social Responsibility ("CSR"). UOA recognises the importance of such engaging initiatives as they form the basis of a caring community, thereby helping to shape a better and more sustainable society.

COMMUNITIES AND INDIRECT ECONOMIC IMPACT

During the FY2022, UOA had initiated numerous CSR initiatives for various communities which include:

1. TONG XIN TANG FREE MEDICAL SERVICES

Tong Xin Tang Healthcare International Sdn Bhd ("TXT") became a part of the UOA Group since FY2021.

It was established in year 2008 and adheres to the principle of developing the TCM healthcare industry. TXT focuses on three major segments - TCM Medical Treatment, TCM Recreation, and Health Care Products Retailing.

TXT also adheres to the purpose of serving the public, giving full play to the advantages of a green, natural, balanced, and holistic approach to Chinese medicine, constantly improving the quality of medical treatment and services, and always maintaining the characteristics of TCM.

During the FY2022, TXT has been continuously carrying out its "100 Free Medical Consultation Services Event", and health talks both online and offline, with the aim to raise the community's awareness on health, understanding their body conditions, early detection of certain diseases, early prevention, and early treatment.

SUSTAINABILITY STATEMENT (CONTINUED)

During the FY2022, UOA took part in providing free medical consultation services via TXT. A total of 21 sections throughout the events which 8 sections were took part in year 2022. 3 medical consultation services were carried out including but not limited to Internal Medicine, Orthopaedic Injuries, Dermatology and Gynaecology.

2. PROMOTING DEVELOPMENT AND EMPLOYMENT OF LOCAL YOUTHS

UOA believes in contributing to the development of the next generation of graduates and business leaders through our internship programme.

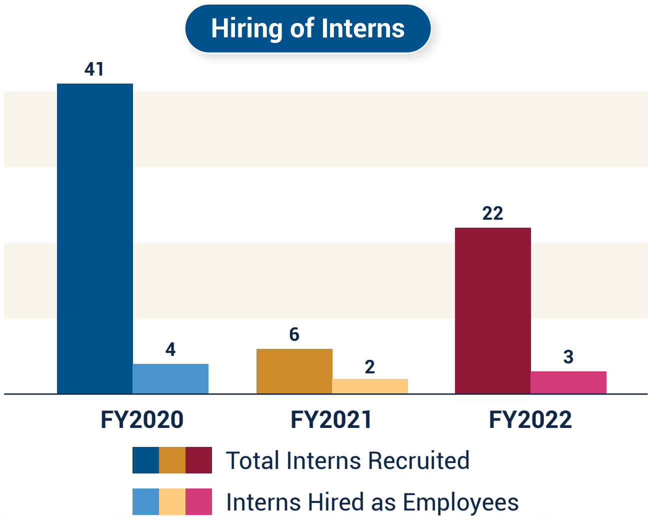
We support the hiring of interns based on the following considerations:

1. It provides opportunities for local youths who want "real life" working experience.
2. It increases brand awareness in the market especially among the youths.
3. It ensures that we are able to hire those who are already accustomed to the working culture of our Group, while increasing the probability that those hired remain committed to us.

We strongly believe that hiring candidates who already have a strong knowledge of our culture, processes and systems, and have already built relationships throughout the organisation creates a friendlier and more cordial working environment.

In FY2022, our recruitment activities recruited 22 interns and we managed to recruit three of our former interns as full-time employees.

SUSTAINABILITY STATEMENT (CONTINUED)



The intake of interns during the FY2022 jumped more than three-fold to 22 compared to previous year. The improvement was due to the reopening of our workplace and "back-to-office" drive after the lifting of the MCO. Even though the total number of interns hired is only about half of our achievement of 41 in FY2020, we are confident that the number will increase in years to come post pandemic.

During the FY2022, we identified and offered full-time employment to 3 of the total 22 interns hired during the financial year. They were selected after undergoing a rigorous training programme, and our hiring committee agreed that they have the potential to be groomed to becoming our future leaders.

3. SERVING THE UNDERSERVED COMMUNITY

Raya Food Hampers for 250 Single Parents & OKUs

UOA organised the annual Sambutan Aidilfitri in Kerinchi ahead of the Hari Raya Aidilfitri festive season to bring cheer to the underserved community. The event was held in April 2022 and was graced by the presence of YB Fahmi Fadzil, Member of Parliament for Lembah Pantai. We distributed about 250 food hampers together with duit raya to the single parents and orang kurang upaya ("OKUs").

Due to the prevalent of the Covid-19 pandemic during that time, the Raya hamper distribution was conducted with strict adherence to the established Covid-19 standard operating procedures ("SOPs") and guidelines. To better manage the number of attendees at the event, the Raya hamper recipients were divided into small groups, and notified in advance on the allocated time slot(s) to collect their hampers. Each hamper comprised food items such as rice, cooking oil, sugar, flour, coffee, biscuits and canned food.

Allocation of RM500,000 Senior Care Fund for Komune Living and Wellness

In May 2022, UOA established a RM500,000 Senior Care Fund to provide financial aid to eligible young working families in urgent need of support to care for their aging parents due to unexpected financial hardship. The fund is channelled towards the purpose of providing holistic support for seniors by extending subsidies to eligible families in dire circumstances in the form of aged care services at Komune Living and Wellness.

We strongly believe that this meaningful cause will be able to bring care support closer to the senior citizens that need medical attention and care, and to enable them to live better and age comfortably.

SUSTAINABILITY STATEMENT (CONTINUED)

4. MEDICAL NEEDS FOR THE COMMUNITY

Donation of RM300,000 for Development of UTAR Hospital in Kampar, Perak

In conjunction with the official launch of Komune Living & Wellness in May 2022, UOA has donated RM300,000 to the UTAR Education Foundation ("UTAR"), that would contribute towards the development and construction of UTAR Hospital in Kampar, Perak.

UTAR will embark on a journey to establish UTAR Hospital as it foresees the need to improve the quality healthcare services that will be affordable to meet the needs of the local community and the needy. In addition, UTAR Hospital will also pave the way for the training of its medical students in the right environment with qualified staff and modern facilities.

Donation of RM50,000 in Support of Breast Cancer Awareness Campaign

UOA donated RM50,000 to MH-Bifrost Run 2022: Run Against Breast Cancer that was held in October 2022. The campaign was promoted by Breast Cancer Resource Centre of University Malaya Medical Centre (BCRC, UMMC) in conjunction with Pink October Breast Cancer Awareness Campaign. The ultimate objective of the campaign was to raise diagnostics funds for B40 breast cancer patients while promoting social awareness of breast cancer prevention.

The event was graced by Datin Paduka Chew Mei Fun, former Deputy Minister of Women, Family and Community Development, Ms. Chiong Pei, Chief Brand Officer for eShoplive, and Puan Sri Chelsia Chan, Honorary Advisor of UMMC Pink Warrior who came together as the Pink Warrior ambassadors to unite and inspire Malaysians to participate in the charity run.

5. EDUCATION SUPPORT FOR DESERVING RECIPIENTS

RM60,000 e-Paper Sponsorship to Benefit Tertiary Students

In September 2022, UOA sponsored subscriptions of The Star ePaper worth RM60,000 for selected higher learning institutions, under SMG's University Sponsorship Programme 2022. The objective of the sponsorship is to encourage tertiary students to keep improving their literacy skills, and hope it would provide students in need with greater access to knowledge and information as they work on pursuing excellence, particularly in English.

In the spirit of lifelong learning and good reading habits, UOA believes it is important to help these students, who are our future leaders, to be equipped with a strong foundation in information literacy and analytical thinking, so that they can develop sound judgement and make informed decisions.

UOA provides free upgrade work at the Pre-Clinical Building of Universiti Kebangsaan Malaysia ("UKM") worth RM150,000

During the FY2022, UOA contributed RM150,000 worth of upgrading works at the Pre-Clinical Building of Universiti Kebangsaan Malaysia ("UKM") that resulted in the creation of a new student lounge with the aim to provide a conducive environment for student learning, discussion, and relaxation. The student lounge is intended to support the academic and social needs of the students.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kong Pak Lim
Chairman
Non-Independent Director

Kong Chong Soon @ Chi Suim
Managing Director
Non-Independent Director

Ang Kheng Im
Executive Director
Non-Independent Director

Fong Heng Boo
Independent Non-Executive Director

Tuan Haji Ramley Bin Alan
Independent Non-Executive Director

Eugene Lee Chin Jin
Independent Non-Executive Director

Kong Sze Choon
Alternate Director to Kong Chong Soon @ Chi Suim

Stephanie Kong Pei Zen
Alternate Director to Kong Pak Lim

AUDIT AND RISK MANAGEMENT COMMITTEE

Fong Heng Boo
Chairman
Independent Non-Executive Director

Tuan Haji Ramley Bin Alan
Independent Non-Executive Director

Eugene Lee Chin Jin
Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Fong Heng Boo
Chairman
Independent Non-Executive Director

Tuan Haji Ramley Bin Alan
Independent Non-Executive Director

Eugene Lee Chin Jin
Independent Non-Executive Director

SECRETARIES

Yap Kai Weng
MAICSA No: 74580

Wong Yoke Leng
MAICSA No: 7032314

COMPANY NO.

200401015520 (654023-V)

REGISTERED OFFICE

No. 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur
Telephone : +603 9287 1000
Facsimile : +603 9287 2000

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
Telephone : +603 2783 9299
Facsimile : +603 2783 9222

PRINCIPAL PLACE OF BUSINESS

UOA Corporate Tower
Lobby A, Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : +603 2245 9188
Facsimile : +603 2245 9128

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP 0022494-LCA & AF No. 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : +603 2692 4022
Facsimile : +603 2691 5229

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
United Overseas Bank (M) Bhd
CIMB Bank Berhad
Industrial and Commercial Bank of China

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

STOCK CODE

5200

WEBSITE

www.uoa.com.my

INVESTOR RELATIONS

Email : uoacare@uoa.com.my
Telephone : 1 300 88 6668

The Horizon - Bangsar South

FINANCIAL CALENDAR

FINANCIAL YEAR

1 January to 31 December 2022

ANNOUNCEMENT OF QUARTERLY RESULTS

30 May 2022
Announcement of unaudited consolidated results for the first quarter ended 31 March 2022

23 August 2022
Announcement of unaudited consolidated results for the second quarter ended 30 June 2022

29 November 2022
Announcement of unaudited consolidated results for the third quarter ended 30 September 2022

22 February 2023
Announcement of unaudited consolidated results for the fourth quarter ended 31 December 2022

ANNUAL REPORT & ANNUAL GENERAL MEETING

21 April 2023
Date of notice of 19th Annual General Meeting and issuance of Annual Report 2022

22 May 2023
Date of 19th Annual General Meeting

DIVIDEND

To be proposed at the 19th Annual General Meeting

Bangsar South

CORPORATE STRUCTURE
AS AT 31 DECEMBER 2022

UOA DEVELOPMENT BHD

100% — UOA PROPERTIES SDN BHD

KUMPULAN SEJAHTERA SDN BHD	100%	100%	PARAMOUNT PROPERTIES SDN BHD		UOA PROPERTIES SDN BHD		
TIARAWOODS SDN BHD	100%	85%	SERI TIARA DEVELOPMENT SDN BHD	100%	DYNASTY PORTFOLIO SDN BHD		
MAGNA TIARA DEVELOPMENT SDN BHD	100%	100%	MAXIM DEVELOPMENT SDN BHD	100%	LENCANA HARAPAN SDN BHD		
IDP INDUSTRIAL DEVELOPMENT SDN BHD	100%	100%	INFINITE ACCOMPPLISHMENT SDN BHD	100%	BANGSAR SOUTH CITY SDN BHD		
SUNNY UPTOWN SDN BHD	100%	100%	ORIENT HOUSING DEVELOPMENT SDN BHD	100%	NASIB UNGGUL DEVELOPMENT SDN BHD		
PENINSULAR HOME SDN BHD	60%	100%	SERI PRIMA DEVELOPMENT SDN BHD	100%	ENCHANT HERITAGE SDN BHD		
MAGNA KELANA DEVELOPMENT SDN BHD	73.75%	100%	CITRA JAYA SEJAHTERA SDN BHD	100%	TUNJANG IDAMAN SDN BHD		
SCENIC POINT DEVELOPMENT SDN BHD	60%	100%	SAGAHARTA SDN BHD	100%	DISTINCTIVE ACRES SDN BHD		
CEYLON HILLS SDN BHD	54%	100%	CONCORD HOUSING DEVELOPMENT SDN BHD	100%	FULL MARKS PROPERTY SDN BHD		
SAUJANIS SDN BHD	100%	100%	FABULLANE DEVELOPMENT SDN BHD	100%	NOVA LAGENDA SDN BHD		
ALLIED ENGINEERING CONSTRUCTION SDN BHD	100%	100%	TOPVIEW HOUSING SDN BHD	100%	UOA GOLDEN PINES SDN BHD		
URC ENGINEERING SDN BHD	100%	85%	NOVA METRO DEVELOPMENT SDN BHD	100%	UOA SOUTHLINK SDN BHD		
RESODEX CONSTRUCTION SDN BHD	100%	100%	REGENTA DEVELOPMENT SDN BHD	100%	UOA SOUTHVIEW SDN BHD		
			0.00002%				
PERTIWI SINARJUTA SDN BHD	100%	60%	EUREKA EQUITY SDN BHD				
WINDSOR TRIUMPH SDN BHD	100%	100%	FEDERAYA DEVELOPMENT SDN BHD	59%	KOMUNE CARE CENTRE SDN BHD	1%	
EVERISE TIARA (M) SDN BHD	60%	100%	HSB GREEN SOLUTIONS SDN BHD	98.78%	TONG XIN TANG HEALTHCARE INTERNATIONAL SDN BHD	0.024%	
					100%		
PARAMOUNT HILLS SDN BHD	100%	100%	UOA ACADEMY SDN BHD		TONG XIN TANG WELLNESS CENTRE SDN BHD		
COSMO HOUSING DEVELOPMENT SDN BHD	100%	100%	UOA HOSPITALITY SDN BHD	100%	UMH REHABILITATION MEDICINE SDN BHD		
EVERISE PROJECT SDN BHD	60%	100%	UOA KOMUNE SDN BHD	59%	UMH NK SDN BHD	1%	
51%							
JENDELA DINAMIK SDN BHD		100%	ARMADA HARTASEGAR SDN BHD		UMH NK AESTHETICS SDN BHD	100%	
		51%	JDIN MEDIA SDN BHD		UMH NK WELLNESS SDN BHD	100%	
					UMH NK DENTAL SDN BHD	99.99%	

BOARD OF DIRECTORS

The members of the Board of Directors are as follows:

KONG PAK LIM
Chairman / Non-Independent Director

KONG CHONG SOON @ CHI SUIM
Managing Director / Non-Independent Director

ANG KHENG IM
Executive Director / Non-Independent Director

FONG HENG BOO
Independent Non-Executive Director

TUAN HAJI RAMLEY BIN ALAN
Independent Non-Executive Director

EUGENE LEE CHIN JIN
Independent Non-Executive Director

KONG SZE CHOON
Alternate Director to Kong Chong Soon @ Chi Suim

STEPHANIE KONG PEI ZEN
Alternate Director to Kong Pak Lim

The Vertical Lake Garden - Bangsar South

PROFILE OF BOARD OF DIRECTORS

KONG PAK LIM

Chairman / Non-Independent Director

Kong Pak Lim, Malaysian, male, aged 70, was appointed a Director of the Company on 27 May 2004. He oversees the planning and design of the Group's commercial and residential projects and is also responsible for the identification and negotiation of all new land acquisitions. He was appointed Chairman of the Board of Directors on 8 April 2022.

Mr. Kong has over 44 years of experience in the construction, mining and property development industries in both Malaysia and Australia. He has worked extensively in various capacities in Australia, among them as Project Engineer in Davis Wemco in charge of mining design, construction and material handling and as a Director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil & gas and mining equipment.

He co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") with Mr. Kong Chong Soon and played an integral part in spearheading the Parent and our Group's rapid growth.

Mr. Kong graduated with a Bachelor of Engineering Degree with Honours from University of Western Australia in 1975. He is a member of the Institute of Engineers Malaysia and the Association of Professional Engineers Malaysia.

He is the father of Ms. Stephanie Kong Pei Zen, who is his Alternate Director. He does not have any family relationship with any other Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KONG CHONG SOON @ CHI SUIM

Managing Director / Non-Independent Director

Kong Chong Soon @ Chi Suim, Malaysian, male, aged 82, was appointed a Director of the Company on 27 May 2004. He is responsible for the overall group management and strategy development. He has over 38 years of experience in the construction and property development industries, both in Malaysia and Singapore. He played a key role as Project Advisor to the Harapan group of companies where he was instrumental in overseeing the successful construction of 3 internationally-rated hotels in Singapore, namely Hotel Meridien, Glass Hotel and Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, Mr. Kong co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 32 years, our Parent Group together with other Group members have successfully completed numerous residential, industrial and commercial developments in various parts of Kuala Lumpur. He has in the past served in various capacities in several public-listed companies both in Malaysia and Singapore which included Raleigh Bhd, Town and City Properties Ltd and Tuan Sing Holdings Ltd.

Mr. Kong graduated with an Associateship in Civil Engineering from the then Perth Technical College (now known as Curtin University) in 1964 and is a member of the Chartered Engineers of Australia.

He is the father of Mr. Kong Sze Choon, who is his Alternate Director. He does not have any family relationship with any other Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

ANG KHENG IM

Executive Director / Non-Independent Director

Ang Kheng Im, Malaysian, female, aged 57, was appointed a Director of the Company on 11 April 2018. She has been the Chief Financial Officer of our Parent Group since 1994. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company. She is responsible for our finance and accounts departments and also oversees the internal control function, company secretarial compliance, tax compliance, management information system and legal matters. Prior to joining our Group, she spent 4 years as a Senior Auditor at Khoo Wong and Chan. She completed the final year of professional education at Emile Woolf College, London, United Kingdom in 1992 and obtained her professional qualification from the Association of Chartered Certified Accountants in London, United Kingdom in the same year. She is a Chartered Accountant of Malaysia and is a member of the Malaysian Institute of Accountants.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences, and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

PROFILE OF BOARD OF DIRECTORS (CONTINUED)

FONG HENG BOO

Independent Non-Executive Director

Fong Heng Boo, Singaporean, male, aged 73, was appointed an Independent Non-Executive Director to the Company on 12 October 2021. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

He was a Fellow and Council Member of the Institute of Singapore Chartered Accountants. He has over 47 years of experience in auditing, finance, business development, corporate governance and management. He graduated in 1973 from the University of Singapore with a Bachelor of Accountancy (Honours).

Mr. Fong currently sits on several listed and private companies in Singapore and Hong Kong, SAR China. In the past he occupied the position of Chief Financial Officer at Easy Call International Pte Ltd, Director-Special Duties at Singapore Totalisator Board, Senior Vice President-Corporate Service at Singapore Turf Club, General Manager-Corporate Development at Amcol (Holdings) Ltd (Singapore), Assistant Auditor General at Auditor-General's Office.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

TUAN HAJI RAMLEY BIN ALAN

Independent Non-Executive Director

Tuan Haji Ramley Bin Alan, Malaysian, male, aged 68, was appointed an Independent Non-Executive Director to the Company on 18 August 2022. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

He holds a Masters degree in Business Administration (MBA) Major in Industrial Development from Dallas University, Texas, United States, a Bachelor degree in Business Administration (BBA) from Ohio State University, Ohio, United States and a diploma in food microbiology from Institute Teknologi Mara (ITM), Malaysia.

Tuan Haji Ramley was a Deputy of Head Research and Development of the Sabah Economic Development Corporation (SEDCO) in charge of research and development on new projects and business; responsible for research, planning and implementing new projects and protocols into organization and overseeing the development of new projects.

He was a Head of Bumiputera Unit and Deputy Project Manager of the Sabah Economic Development Corporation (SEDCO) in charge of Bumiputera participation in business in SEDCO group of companies; responsible in ensuring Bumiputera development achieved based on the criteria, goals and objectives of the program.

He was also a Deputy Project Manager of SEDCO in charge of new projects and business development; projects and businesses that area created including Steel Mill Project, Cement Project, Flour Mill Project, Fertilizer Project, Sedcovest Holdings Sdn Bhd, Production of Condom Project, Production of Detergents & Cement Repacking Plant Project. He was a Consultant and General Manager of Sedcovest Holdings Sdn Bhd in developing strategic plans by studying technological and financial opportunities; presenting assumptions; recommending objectives; promote company image by collaborating with customers, government, community organizations, and employees, enforcing ethical business practices.

In the past he occupied the position of Project Director at Ramajuta Sdn Bhd; Adil Bestari Sdn Bhd; Alpine Properties Sdn Bhd; Special Advisor and Treasurer at Koperasi Balung Cocos Tawau Berhad and Project Consultant at AR Enterprise.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

PROFILE OF BOARD OF DIRECTORS (CONTINUED)

EUGENE LEE CHIN JIN

Independent Non-Executive Director

Eugene Lee Chin Jin, Malaysian, male, aged 48, was appointed an Independent Non-Executive Director to the Company on 18 August 2022. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

He holds a Bachelor of Science degree in Business Administration (Finance) from Northeastern University, Boston, United States.

Mr. Lee started his career as a Manager Business Banking at Hong Leong Bank from 1997 to 2001. He was a Team Head Business Banking at AmBank Bhd from 2001 to 2004. He was appointed General Manager of Corporate Affairs and was responsible for overseeing all corporate affairs matters of UOA Development Bhd from 2004 to 2016. He is currently an Executive Director in Jemco group of companies, involving in manufacturing and trading of heavy machinery and automobile spare parts with presence in China, Singapore, Indonesia and Malaysia since 2016.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KONG SZE CHOON

Alternate Director to Kong Chong Soon @ Chi Suim

Kong Sze Choon, Singaporean, male, aged 46, was appointed on 20 August 2015 as Alternate Director to Mr. Kong Chong Soon @ Chi Suim, who is Managing Director of the Company. He is a graduate of Curtin University of Technology, Perth, Australia with a Bachelor of Commerce Degree in Finance. He has worked in financial institutions in Singapore where he was involved in managing and growing the investment portfolio of high net worth individuals. He was part of the management team of UOA Asset Management Sdn Bhd ("UOA Asset Management") which is the Manager for UOA Real Estate Investment Trust, and held the position of Assets Management Manager prior to his appointment as Chief Executive Officer of UOA Asset Management.

Mr. Kong joined UOA Holdings Group in 2002 and his roles in UOA Holdings Group were predominantly in leasing as well as sales and marketing of commercial and residential developments of the Group. Apart from his key role in the Leasing department, he was also involved in business development of UOA Holdings Group.

He is currently Chief Executive Officer and Non-Independent Executive Director of UOA Asset Management and Director of UOA (Singapore) Pte Ltd, a subsidiary company of the ultimate holding company of the Manager, United Overseas Australia Ltd.

He is the son of Mr. Kong Chong Soon @ Chi Suim, and does not have any family relationship with any other Director and/or major shareholder of the Company. He has no convictions for any offences and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

STEPHANIE KONG PEI ZEN

Alternate Director to Kong Pak Lim

Stephanie Kong Pei Zen, Malaysian, female aged 38, was appointed on 12 October 2017 as Alternate Director to Mr. Kong Pak Lim, who is the Executive Director of the Company. She is a First Class Honours graduate from The University of Sydney, Australia with a Bachelor Degree in Mechanical/Biomedical Engineering.

Ms. Kong worked at The Agency for Science, Technology & Research (A*Star), Singapore as a Commercialisation Manager for over 4 years. Her role focused on technical assessment and analysis of innovative science and technology to identify commercial opportunities for intellectual property. As the link between scientific research and industry, she raised both internal gap funding and industry capital to bring early stage technologies to the market. She led several projects that focused on diagnostic product development, most noteworthy were the setup of an international MNC R&D investment business in Singapore and the licensing arrangement for the diagnostic test used in Singapore for the 2009 H1N1 flu epidemic.

Ms. Kong joined UOA Development Bhd in January 2016. Her role as General Manager, Projects includes overseeing project planning, design development and construction implementation as well as ensuring timely project completion within budget.

She is the daughter of Mr. Kong Pak Lim, and does not have any family relationship with any other Director and/or major shareholder of the Company. She has no convictions for any offences and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

KEY MANAGEMENT TEAM

The key management team is responsible for the day-to-day management and operations of the Group. The key management team consists of experienced personnel in charge of departments related to construction, human resource, corporate affairs, risk management, legal and corporate secretariat, finance and administration.

The members of the key management team, as at 31 December 2022, are as follows:

Name	Nationality	Designation
Kong Pak Lim	Malaysian	Chairman
Stephanie Kong Pei Zen	Malaysian	Alternate Director to Kong Pak Lim
Kong Chong Soon @ Chi Suim	Malaysian	Managing Director
Kong Sze Choon	Singaporean	Alternate Director to Kong Chong Soon @ Chi Suim
Ang Kheng Im	Malaysian	Executive Director/Chief Financial Officer
Cecelia Chan	Singaporean	Property Director
Tong Ee Ping	Malaysian	Chief Operating Officer (Construction)
Kong Sze Hou	Singaporean	Head of Hospitality
Yap Kang Beng	Malaysian	Head of Corporate Affairs

The Sphere - Bangsar South

PROFILE OF KEY MANAGEMENT TEAM

CECELIA CHAN
Property Director

Cecelia Chan, Singaporean, female, aged 68, was Property Director of UOA Holdings Sdn Bhd from 1989 to 2004, a position she held until the establishment of UOA Real Estate Investment Trust (UOA REIT) in 2005. She was then appointed as Chief Executive Officer of UOA Asset Management Sdn Bhd (Manager for UOA REIT), a position she held until her resignation on 14 January 2011. Whilst at UOA Asset Management Sdn Bhd, she oversaw the property leasing and building management activities of UOA REIT. At UOA Holdings Sdn Bhd as Property Director, she was responsible for leading and formulating its marketing and sales strategies. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company and redesignated as our Property Director. Before joining United Overseas Australia Ltd ("Parent Group"), she held various positions in a number of private property development companies in Singapore. She graduated from YMCA in 1974 with a Diploma in Marketing Management.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences, and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

TONG EE PING
Chief Operating Officer (Construction)

Tong Ee Ping, Malaysian, male, aged 64, who is our Chief Operating Officer (Construction) has been with our Parent Group since 1988. He is responsible for overseeing our Parent Group's construction activities undertaken through Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd Following the reorganisation pursuant to the listing of our Company, he was transferred to our Company. Prior to joining our Group, he was Senior Site Foreman at Progressive Builders Pte Ltd between 1985 and 1988 where he supervised building works. He holds a Bachelor of Science Degree in BioChemistry with Honours from Punjab Agricultural University where he graduated in 1981.

He is the nephew of Mr. Kong Chong Soon who is the Managing Director and a major shareholder of the Company. He has no conflict of interest with the Company, no convictions for any offences, and no sanction or penalty was imposed on him by any regulatory bodies over the past 5 years.

KONG SZE HOU
Head of Hospitality

Kong Sze Hou, Singaporean, male, aged 39, heads the hospitality division of the UOA Group. He joined our Group in 2016. He is responsible for the expansion, branding and operation of the Hospitality division.

Prior to joining the Group, he was working in Merrill Lynch as an investment banking corporate finance analyst. He graduated from Singapore Management University in 2009 with a double major in accounting and finance.

He is the son of Mr. Kong Chong Soon @ Chi Suim and the brother of Kong Sze Choon. He does not have any family relationship with any other Director and/or major shareholder, nor any conflict of interest with the Company. He has no conviction for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

YAP KANG BENG
Head of Corporate Affairs

Yap Kang Beng, Malaysian, male, aged 47, who is our Head of Corporate Affairs, joined UOA Group in 2010. He is responsible for corporate affairs and investor relations matters. He is also involved in leasing as well as sales and marketing of commercial developments of the Group.

He has worked in the financial industry for over 13 years prior to joining UOA Group. Before he assumed the present position, he was a global investment specialist in J.P. Morgan Private Bank (Singapore). Prior to that, he also took up different roles in Treasury and Risk Management in Hong Leong Bank Berhad and Standard Chartered Bank Berhad. He holds a degree in Economics and Social Studies from The University of Manchester.

He is also a Non-Independent Non-Executive Director of UOA Asset Management Sdn Bhd, the manager for UOA Real Estate Investment Trust. He was appointed as a member of the Audit and Risk Management Committee on 20 January 2022.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no conviction for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of UOA Development Bhd recognises the importance of adopting the principles and best practices of the Malaysian Code on Corporate Governance 2021, issued by the Securities Commission ("the CG Code"). The Board is committed to good corporate governance, accountability and transparency towards creation of wealth in achieving short-term and long-term shareholders' value.

As such, the Board strives to adopt the substance behind corporate governance principles and not merely the form. The Board is pleased to provide a narrative statement on the application of the principles and the extent of compliance with the best practices as set out in the CG Code issued by the Securities Commission, aimed to enhance the effectiveness of corporate governance framework to safeguard the interest of shareholders and other stakeholders as prescribed under Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

A. BOARD OF DIRECTORS

Board Responsibilities

The Board is responsible for the overall corporate governance of the Group, including its strategic direction, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing an investor relations program, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals.

The Board delegates the day-to-day management of the Company to the Executive Directors and Senior Management of the various departments in the Company. The Executive Directors have oversight of these departments and the daily operations of the Company.

The Board has formalised its Board Charter setting out the roles and responsibilities of the Board together with its corporate objectives. The Board Charter serves as a guide to the Board in carrying out its duties. The Board Charter is published on UOA's website. The Board Charter was last reviewed on 12 April 2022.

The Board has established a Whistle Blowing Policy that allows the public to have access to the Independent Directors of the Company.

The Company's Anti-Bribery & Corruption Policy was established on 28 May 2020 and is published on the Company's website. It was set up in accordance with the Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) which came into effect in June 2020. The Company has taken the necessary steps to implement the criteria of the said Policy.

Independence and Time Commitment

The Board receives annual written confirmation from the Independent Directors confirming their independence and in which the Directors acknowledge their respective positions. All the Directors are able to devote sufficient time and attention to the operations of UOA Development Bhd and to update themselves with knowledge and skills by attending seminars and training. The Directors are also accessible by email and telecommunication should the need arises.

Supply of Information

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, the Board has unrestricted access to all information pertaining to the Company. Updates on operational, financial, corporate issues and strategic matters as well as current developments of the Group which require the Board members' attention are disseminated without delay, with Board papers distributed in advance of the meetings to enable Directors to obtain further explanations if required.

All Directors have access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board, management representatives and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties.

The Directors are regularly updated by the Company Secretary on new statutory and regulatory requirements relating to Directors' duties and responsibilities. The Company Secretary ensures that accurate and proper records of the proceedings and resolutions passed at meetings are recorded and maintained.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Composition

As at the date of this Annual Report, the Board consists of six (6) members comprising three (3) Executive Directors, one of which is a female, and three (3) Independent Non-Executive Directors. The Board composition fulfills the prescribed requirements of the Listing Requirements and the CG Code.

The Board composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, real estate development, engineering, banking, and business development professions. This combination of different professionals and skills working together enables the Board to effectively lead and govern the Company.

The Independent Non-Executive Directors bring independent advice and unbiased judgement on issues of strategy, business performance and standard of conduct and thus help to ensure that the interest of shareholders and stakeholders of the Company are safeguarded. There is a clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman's primary role is to lead and manage the Board and is responsible for conducting meetings of the Board and shareholders. He also ensures that the Directors are properly briefed during Board discussion and shareholders are informed of any subject matters requiring their approval in General Meeting. The Managing Director has the primary responsibility of managing the Group's business and resources and is responsible for the development, implementation of strategy and overseeing and managing the day-to-day operations of the Group.

The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional backgrounds, 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.

Board Meetings

The Board meets at least once every quarter and additional meetings are convened as and when necessary. The Board is provided in advance with the agenda together with reports and supporting documents for Board Meetings. All proceedings of the Board Meetings are duly minuted and signed by the Chairman of the meeting. During the financial year under review, the Board met six (6) times and the attendance record for each Director is as follows:

Name of Director	Total Meetings Attended	Percentage of Attendance (%)
Kong Pak Lim	5/6	83
Kong Chong Soon @ Chi Suim	6/6	100
Dato Sri Ar. Low Shu Nyok *(retired on 25 May 2022)*	3/3	100
Teo Chee Seng *(retired on 25 May 2022)*	3/3	100
Ang Kheng Im	6/6	100
Fong Heng Boo	6/6	100
Eugene Lee Chin Jin *(appointed on 18 August 2022)*	2/2	100
Tuan Haji Ramley Bin Alan *(appointed on 18 August 2022)*	2/2	100
Stephanie Kong Pei Zen *(Alternate Director to Mr. Kong Pak Lim)*	6/6	100
Kong Sze Choon *(Alternate Director to Mr. Kong Chong Soon @ Chi Suim)*	6/6	100

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Committees

The Board delegates specific responsibilities to various committees such as the Audit and Risk Management Committee and the Nomination and Remuneration Committee to assist in discharging their duties. All committees have written terms of reference and the Board receives reports of their proceedings and deliberations, where appropriate. The Chairman of the committee will report to the Board on the outcome of the committee meetings and the minutes of meetings are circulated to the Board. These committees are formed in order to enhance business and operational efficiency as well as efficacy of the Group.

- **Audit and Risk Management Committee**

  The Audit and Risk Management Committee also oversees the risk management and internal control functions of the Company. The key functions and responsibilities of the Audit and Risk Management Committee, its activities during the financial year, details of attendance of each member and the number of meetings held, are set out in the Audit and Risk Management Committee Report contained in this Annual Report. The Audit and Risk Management Committee meets with the external auditors to assess their independence and reviews their reports on the audit of the Company's financial statements.

- **Nomination and Remuneration Committee**

  The Nomination and Remuneration Committee comprises entirely of Non-Executive Directors, all of whom are independent. The Chairman is an Independent Non-Executive Director. The role of the Nomination and Remuneration Committee is to assist the Board in their responsibilities in nominating new nominees to the Board and assessing the effectiveness of the Board, the committee of the Board and the contribution of each individual Director on an annual basis. All assessment and evaluations carried out by the Nomination and Remuneration Committee and the discharge of all its functions are documented. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

  There is a clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman's primary role is to lead and manage the Board and is responsible for conducting meetings of the Board and shareholders. The Managing Director has the primary responsibility of managing the Group's business and resources and is responsible for the development, implementation of strategy and overseeing and managing the day-to-day operations of the Group. The Nomination and Remuneration Committee is of the opinion that the Board is adequate and functions well as a whole.

  The Nomination and Remuneration Committee determines the policy and structure of the remuneration package of the Executive Directors. In the case of the Independent Non-Executive Directors, determination of their remuneration is a matter for the Board as a whole. The respective directors will abstain from deliberation of their own remuneration. The Nomination and Remuneration Committee held two (2) meetings during the financial year ended 31 December 2022.

  The Nomination and Remuneration Committee also reviews the term of office and performance of the Audit and Risk Management Committee annually and determines whether the Audit and Risk Management Committee has functioned effectively during the year under review. As the members of both committees are the same Directors, the Audit and Risk Management Committee is assessed as a whole based on its achievements in reviewing the external auditors' and internal auditors' reports and bringing up significant issues to the Board. The last review by way of an assessment form was performed on 28 March 2023.

  In regards to new appointments and re-election to the Board, there are various disclosure, declaration and confirmation forms for the directors to complete, verify and confirm their suitability as directors and for Independent Directors, confirmation of their independence.

  The Nomination and Remuneration Committee is guided by the principles of meritocracy and fairness with regards to appointment of directors and key management personnel. There is no preference with regards to ethnicity and age. Appointments and promotions of all employees are based on the same principles.

  During the financial year, the Nomination and Remuneration Committee had conducted an assessment of the Directors who are seeking re-election at the forthcoming Annual General Meeting. It was concluded that Mr. Kong Pak Lim, Mr. Eugene Lee Chin Jin and Tuan Haji Ramley Bin Alan are eligible for re-election.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Retirement by Rotation and Re-election to the Board

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to retirement and re-election by shareholders at the next annual general meeting subsequent to their appointment. The Constitution also provides that one-third (1/3) of the Directors shall be subject to retirement by rotation and be eligible for re-election at each annual general meeting. All Directors shall retire from office, once every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

Directors' Training

In order to keep abreast with the latest regulatory development, all Directors are required to attend the Mandatory Accreditation Programme ("MAP") and other continuing education programmes prescribed by Bursa Securities. The Directors will continue to undergo relevant training programmes on a continuous basis in compliance with Paragraph 15.08 of the Listing Requirements.

The Board has taken on the responsibility in evaluating and determining the specific and continuous training needs of the Directors on a regular basis. Programmes are sent regularly to all the Directors for them to select the programmes that they are able to attend. During the financial year, the Directors attended the following training programmes and seminars to further broaden their skills, knowledge and perspective and keep them abreast with the new and relevant developments pertaining to changes in legislation and regulations in order to discharge their duties more effectively.

Directors	Training / Seminars Attended
Kong Pak Lim	1) Bursa Advocacy Programme
Kong Chong Soon @ Chi Suim	1) Bursa Advocacy Programme
Ang Kheng Im	1) Leading Data Driven Organisation and Applying Ethics in Technology 2) The Golden Key to Zero Trust Security 3) JC3 Upskilling Sustainability Training (JUST) Series - Importance of Data and Disclosure 4) Creating Long-Term Value with ESG Strategy
Fong Heng Boo	1) PLC Transformation Programme - Guidebook 3 Highlights 2) Conversation with Audit Committee - Session 2
Eugene Lee Chin Jin	1) Mandatory Accreditation Programme
Tuan Haji Ramley Bin Alan	1) Mandatory Accreditation Programme
Kong Sze Choon *Alternate Director to Kong Chong Soon @ Chi Suim*	1) Preparing Leaders & Executives for Artificial Intelligence 2) Decoding Transactions and Related Party Transactions Rules
Stephanie Kong Pei Zen *Alternate Director to Kong Pak Lim*	1) Vietnamese Language Studies - Dynamic Online Course

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

B. DIRECTORS' REMUNERATION

The Nomination and Remuneration Committee which comprises entirely of Non-Executive Directors, all of whom are independent, recommends to the Board the remuneration package for the Executive Directors. Remuneration packages for Executive Directors are structured on the basis of linking rewards to corporate and individual performance. Performance is measured against the result achieved by the Group and individual achievement against targets set. It is the ultimate responsibility of the entire Board to approve the remuneration of these Directors with the Executive Directors concerned abstaining from deliberations on their own remuneration.

The remuneration packages for Non-Executive Directors are determined by the Board as a whole, with the Non-Executive Directors abstaining from discussion on their own remuneration.

The detailed disclosure on named basis for the remuneration of individual Directors are set out below:

Directors	Fees RM'000	Salaries RM'000	Bonuses RM'000	*Other Emoluments RM'000	Benefits in Kind RM'000	Total RM'000
Kong Pak Lim	–	1,317	1,500	339	16	3,172
Kong Chong Soon @ Chi Suim	–	1,317	1,500	339	115	3,271
Ang Kheng Im	–	972	380	365	16	1,733
Dato Sri Ar. Steve Low Shu Nyok	25	–	–	5	–	30
Terence Teo Chee Seng	25	–	–	5	–	30
Fong Heng Boo	60	–	–	10	–	70
Eugene Lee Chin Jin	25	–	–	1	–	26
Tuan Haji Ramley Bin Alan	25	–	–	1	–	26

** Other Emoluments include Travelling, Meeting and Other Allowances, and Post Employment benefits*

C. SHAREHOLDERS

The Board acknowledges the need for shareholders to be kept informed of all material business matters affecting the Group. Shareholders are provided with an overview of the Group's performance and operations through the timely release of financial results on a quarterly basis. Timely announcements are also made to the public on corporate proposals and other required announcements to ensure effective dissemination of information relating to the Company.

The Company's Annual General Meeting remains the principal forum for dialogue and communication with shareholders. Shareholders are encouraged to ask questions about the resolutions proposed and the operations of the Group. The Company's website, www.uoa.com.my also provides a comprehensive avenue for information dissemination.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual report and audited financial statements and quarterly announcements to shareholders, the Board aims to provide and present an accurate, balanced and meaningful assessment of the Group's financial performance and prospects. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Audit and Risk Management Committee in assisting the Board, is responsible for ensuring that the financial statements are drawn up in accordance with applicable Malaysian and International Financial Reporting Standards and policies, and that judgements and estimates made are reasonable and prudent.

Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board. All related party transactions are presented to the Audit and Risk Management Committee for review on a quarterly basis and later circulated to the Board for notation.

Statement on Risk Management and Internal Control

The Statement on Risk Management and Internal Control furnished on page 69 to 73 of this Annual Report provides an overview on the status of internal controls within the Group.

Relationship with External Auditors

Key features underlying the relationship of the Audit and Risk Management Committee with the external auditors are included in the Audit and Risk Management Committee's terms of references as set out in the Audit and Risk Management Committee Report. The Audit and Risk Management Committee has always maintained a transparent relationship with the Company auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards. The external auditors also meet with the Audit and Risk Management Committee in the absence of management during the Audit and Risk Management Committee's meetings.

The suitability and independence of the external auditors has been assessed by the Audit and Risk Management Committee annually, and the Board as a whole, has determined the suitability and independence of the external auditors.

Compliance with the Practices of the CG Code

The Board of Directors has taken measures to ensure that the Group fully complies with all the practices of corporate governance as identified in the CG Code throughout the financial year ended 31 December 2022. The CG Report can be viewed at the Company's website, www.uoa.com.my.

The disclosure of this Statement on Corporate Governance was approved by the Board on 12 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

FORMATION

The Audit and Risk Management Committee ("ARMC") was formed by the Board pursuant to its meeting on 25 January 2011. Its primary responsibility is to provide assistance to the Board of Directors ("Board") in fulfilling its corporate governance responsibilities in relation to the Company and Group financial reporting, internal control structure, related party transactions and external and internal audit functions. The ARMC may invite any of the key management or employees to participate in its meetings and to appoint any relevant consultants or professionals to assist it to discharge its functions.

COMPOSITION

The ARMC consists of the following three (3) Independent Non-Executive Directors:

Fong Heng Boo	- Independent Non-Executive Director/Chairman of the ARMC
Dato Sri AR Low Shu Nyok *(retired on 25 May 2022)*	- Independent Non-Executive Director
Teo Chee Seng *(retired on 25 May 2022)*	- Independent Non-Executive Director
Eugene Lee Chin Jin *(appointed on 18 August 2022)*	- Independent Non-Executive Director
Tuan Haji Ramley Bin Alan *(appointed on 18 August 2022)*	- Independent Non-Executive Director

SUMMARY OF TERMS OF REFERENCE

1. COMPOSITION

The ARMC shall be appointed by the Board with the following requirements:

- Comprise at least three members of whom the majority shall be independent
- All members must be non-executive Directors
- All members should be financially literate and at least one member must be a member of the Malaysian Institute of Accountants or similar professional accounting association or body
- The Chairman shall be an Independent Director

The Terms of Reference of the ARMC is published on the Company's website.

2. FREQUENCY AND ATTENDANCE OF MEETINGS

A minimum of four meetings a year shall be planned and any additional meetings will be on a need basis.

The ARMC meets with the External Auditors without Executive Board members present at least twice a year.

The ARMC meets regularly, with due notice of issues to be discussed, and record its conclusions and then report to the full Board as and when necessary.

The Chairman of the ARMC engages on a continuous basis with Senior Management, such as the Chief Operating Officer, the Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to keep abreast of matters affecting the Group.

The Chief Financial Officer, Head of Internal Audit and a representative of the External Auditor shall attend meetings as and when required.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

Other Board members and employees may attend any particular ARMC meeting with the invitation of the ARMC on a matter specific to the meeting.

The ARMC held four (4) meetings during the financial year ended 31 December 2022. The details of attendance of the ARMC are as follows:

Name of Director	Total Meetings Attended
Teo Chee Seng *(retired on 25 May 2022)*	2/3
Dato Sri Ar. Low Shu Nyok *(retired on 25 May 2022)*	3/3
Fong Heng Boo	4/4
Eugene Lee Chin Jin *(appointed on 18 August 2022)*	1/1
Tuan Haji Ramley Bin Alan *(appointed on 18 August 2022)*	1/1

3. KEY FUNCTIONS & RESPONSIBILITIES

The key functions and responsibilities of the ARMC shall be:

External Audit

i. To recommend to the Board any matters relating to the appointment of external auditors, the fees and any matters in relation to resignation or dismissal of the external auditors,
ii. To review the external auditors audit planning memorandum, discuss problems and reservations arising from the interim and final audits and to present the audit findings and recommendations of the external auditors to the Board, and
iii. To assess the suitability and independence of the external auditors. The ARMC reviews the independence of the external auditors at the meeting where the external auditors confirm their independence when they table their audit findings to the ARMC.

Internal Audit

i. To review the internal audit plans, consider the major findings of internal audits and management's responses and ensure coordination between the internal and external auditors,
ii. To review the adequacy of the scope, functions, competency and resources of the internal audit departments and ensure that it has the necessary authority to carry out its work,
iii. To review the audit reports, and
iv. To direct internal auditors to any specific area or procedure where necessary.

The Internal Audit Function of the Company is performed in-house, undertaken by the Internal Audit Department of the ultimate holding company, United Overseas Australia Ltd. The share of cost for the Internal Audit Function amounted to approximately RM257,122 for the financial year ended 31 December 2022.

The ARMC reviews the reports of the Internal Auditors at its quarterly meetings and directs the focus of the Internal Auditors where necessary. Any significant issues will be brought to the Board's attention.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

Financial Reporting Review

To review with management and the external auditors the quarterly results and year-end financial statements prior to approval by the Board and make applicable recommendations to the Board.

The ARMC ensures that the Financial Statements comply with applicable Malaysian and International Financial Reporting Standards and policies. The ARMC reviews significant findings and audit reports of the Auditors at least two times a year.

Related Party Transactions

To review any related party transactions and conflict of interest situation that may have arisen or have the possibility to arise within the Group.

Internal Control Systems

To keep under review the effectiveness of internal control systems and the internal and/or external auditors' evaluation of these systems.

Other Matters

i. To discuss problems and reservations arising from the internal audit, interim and final audits and matters the internal and external auditors may wish to discuss (in the absence of management where necessary),
ii. Where the ARMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the ARMC must promptly report such matter to Bursa Securities, and
iii. To carrying out any other functions that may be mutually agreed upon by the ARMC and the Board.

4. SUMMARY OF ACTIVITIES OF THE ARMC DURING THE YEAR

The ARMC met four times during the financial year ended 31 December 2022. The activities of the ARMC for the financial year were as follows:

i. Reviewed the quarterly financial results announcements and year-end financial statements of the Group examining

- the overall performance of the Group
- the prospects for the Group
- the implementation of major accounting policies and practices
- compliance with accounting standards and other legal requirements

ii. Discussed any significant audit findings in respect of the financial statements of the Group with External Auditors.
iii. Reviewed the External Auditors' Audit Progression Memorandum, Audit Completion Memorandum and Audit Plan.
iv. Reviewed the reports and statements for the Annual Report 2021.
v. Reviewed and approved the internal audit plan for year ending 31 December 2023.
vi. Reviewed the internal audit reports including details of planned activities that were carried out, audit findings and recommendations, which were tabled at the quarterly ARMC Meetings. A summary of internal audit activities are as follows:

- Reviewed the Group wide risk register and heat map subsequent to the yearly risk assessment
- Reviewed of hospitality audit for VE Hotel & Residence.
- Reviewed of contract management audit for Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd.

vii. Reviewed the independence and performance of the External Auditors and the non-audit services of the External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 ("the CG Code") sets out the Principles, Best Practices and Guidance for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") to establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets.

The Board is committed to establish a sound risk management framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board affirmed that sound corporate governance practices are essential to safeguard the shareholders' investment and the Group's assets. With this in view, the Board undertakes the responsibility for the Group's overall system of corporate governance including risk management and internal controls, financial or otherwise which:

- Provides reasonable assurance on the achievement of the Group's objectives; and
- Ensures the effectiveness and the efficiency of operations, reliability of financial information and compliance with laws and regulations.

The Board recognises that reviewing the Group's system of internal controls is a concerted and ongoing process, designed to manage and mitigate, rather than eliminate the risk of failure to achieve the Group's corporate objectives. It should be noted that such systems are designed to provide only reasonable but not absolute assurance against material misstatement or loss. The system of internal controls includes, inter-alia, financial, budgetary, organisational, operational and compliance controls. The system of internal controls also encompasses sufficient preventive and detective control that could mitigate risk to meet company objectives.

INTERNAL AUDIT FUNCTION

The internal audit function is undertaken by the Internal Audit Department of the ultimate holding company, United Overseas Australia Ltd ("UOA Ltd"). The Audit and Risk Management Committee ("ARMC") assisted by the Internal Audit Department of UOA Ltd ("Internal Auditors"), provides the Board with the assurance it requires on the adequacy and integrity of the system of internal control. The ARMC has an oversight function of all activities carried out by the Internal Auditors. The principal role of the Internal Auditors is to independently review whether internal controls and risk management of the Group are appropriate for its business and is operating as intended, a framework of controls and an effective risk management framework are in place to manage risks and effectiveness of internal control.

The Internal Audit Department function is guided by the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). The internal control framework is designed to be in line with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework. The Internal Audit Department reports directly to the ARMC and has unrestricted access of information within the Group.

The Internal Auditors engage in regular communication with the management team and various departments within the organisation in relation to its internal audit activities and efforts for continuous improvement in operations and systems. Internal audit activities are carried out by the Internal Auditors based on the internal audit plan presented to and approved by the ARMC. The internal audit plan is designed based on a risk-based approach, which takes into consideration the risk profile of Group and Board's risk appetite. During internal audit assignments, the Internal Audit Department also undertook, wherever relevant, the following:

- Assessment of operating efficiencies;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making; and
- Ensuring compliance with the Group's policies and relevant legislations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT FUNCTION (CONTINUED)

On a quarterly basis, the internal auditors report to the ARMC on areas for improvement and will subsequently follow up to determine the extent that their recommendations have been implemented.

The professionalism and competency of internal auditors are being emphasized through continuous training, regular performance evaluation by the ARMC and attaining professional certification. For the year ended 31 December 2022, The Internal Audit Department comprises 3 internal auditors. The head of Internal Audit Department is a Certified Internal Auditor and member of The Institute of Internal Auditors Malaysia. All internal audit personnel are free from any relationship or conflicts of interest, which could impair their independence and objectivity.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy encompassing a sound Risk Management Framework and Internal Control System. A Risk Management Working Committee ("RMWC") comprises of key personnel from various departments has been formed to identify potential risks, to assess the effectiveness of existing controls, to develop mitigating measures to manage significant risks and continuous monitoring of Group's risk profile and appetite.

The management has given assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the Group's risk management and internal control system.

KEY ELEMENTS OF INTERNAL CONTROL

- Established a conducive internal control environment in respect of the overall attitude, awareness and actions of Directors and management regarding the internal control system and its importance to the Group.

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.

- Relevant Board Committees with formal Terms of References clearly outlining their functions and duties delegated by the Board. The authorities and accountabilities are further emphasized in the Board Charter.

- Key responsibilities and accountability in the organisational structure are clearly defined, with clear reporting lines up to the Board and its committees. Established delegation of authority which sets out the appropriate authority levels for decision making, including matters requiring Board's approval. A process of hierarchical reporting has been established which provides a documented and auditable trail of accountability.

- Internal policies and guidelines are effectively communicated to all employees through memos and internal information portals.

- Establishment of an effective segregation of duties via independent checks, reviews and reconciliation activities to prevent human errors, fraud and abuses.

- Continuous quality improvement initiatives to obtain accreditation for all operating subsidiaries such as ISO QMS 9001, QLASSIC and BuildQAS certification.

- Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to periodical review and update to reflect changing risks to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Internal Auditors to the Board via the ARMC.

- The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operational plans. The management team formulates and communicates action plans to address areas of concern.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

KEY ELEMENTS OF INTERNAL CONTROL (CONTINUED)

- A budget is prepared and regular budget meetings are held to ensure variances are promptly identified and addressed by the management.
- Establishment of an in-house Internal Audit Department which undertakes the responsibility as independent reviewer of internal control to provide sufficient and reasonable assurance to ARMC.
- A Whistle Blowing Policy has been implemented to provide a channel for staff to voice any concerns.
- Human Resource Department periodically informed the staff through employee engagement and new policies to govern staff code of conduct, cultivate corporate culture and define employee performance and ethical behaviour.
- The ARMC regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The ARMC reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control system.
- The preparation of periodic and annual results and the state of affairs of the Group is reviewed and approved by the Board before release of the same to the regulators whilst the full year financial statements are audited by the external auditors prior to their issuance to the regulators and shareholders.
- Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- Directors regularly attend training in areas that are relevant to them in the discharge of their duties as Directors.
- Implementation of proper guidelines for hiring and termination of staff, formal training programs for staff, annual performance appraisals and other procedures are in place to ensure professionalism and competency of staff have been emphasised through continuous training and regular performance evaluation.
- Safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations have been considered and complied with, as appropriate.

RISK MANAGEMENT FRAMEWORK

The Board has established a sound risk management framework which is currently being adopted by the Management that enables it to continuously identify, evaluate, mitigate and monitor risk that affect the Group. Responsibility for managing risks lies initially with the business unit concerned, working within the overall strategy outlined by the Board. Therefore, the Management has formed the Risk Management Working Committee (RMWC) which encompasses key personnel from various departments to identify potential risks, to assess the effectiveness of existing controls and to develop mitigation measures to manage significant risks.

With the assistance rendered by the internal auditors, the RMWC has formulated and developed a Risk Management Policy which was reviewed by the ARMC and approved by the Board. The Risk Management Policy was revised in year 2021 and aim to:

- Provide objectives and principles in risk management activities;
- Establish responsibilities and accountability in risk management;
- Establish risk management structure and process; and
- Establish risk parameters in risk assessment.

Identified risks are categorised and assessed in terms of likelihood and consequence. Subsequently to the risk assessment, a residual risk rating is recorded after considering the effectiveness of internal controls in mitigating the risk. The outcome of the risk assessment is recorded in a Risk Register and Risk Heat Map for ARMC deliberation. The RMWC ensures that internal controls are in place and are effective in mitigating the risk while the ARMC provide an oversight role in risk management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT FRAMEWORK (CONTINUED)

For year 2022, the Group identified major risks and mitigating actions were undertaken within appropriate timeframes. The major risks identified are as follows:

1. Subdued Property Market

Decline in market conditions have significant repercussions in Revenue. The highest contribution to the Group is from the Property Sector and thus any negative market conditions could have significant impact on Group's financial performance. Sluggish economic growth, rising interest rate and inflation pressure has affected the demand on residential as well as commercial properties.

Mitigation Plan: In response to this, the Group has developed an innovative incentive plan to market our products and social media marketing is adopted to widen the customer base. In addition, our expertise in acquiring land at strategic locations enhance the competitiveness of our products. The Group has carried out market surveys, to ensure the buyer's positive response on the products introduced which includes affordable products. Moving away from conventional property is also the Group's strategy to combat such threats through diversification of revenue. The Group has ventured into additional businesses such as hotel, convention centre, community office & living space and healthcare.

2. Changes on Government Policies

Due to the rapid changes in the business environment, the Group is exposed to the risk of uncertain implementation and changes of government policies. The changes of government policies and procedures will influence and affect the planning and decision making of the Group especially when construction plans involve long-term planning and decisions.

Mitigation Plan: In this regard, management has continuously updated themselves with current and latest announcements from the government. Management takes every piece of the information seriously where it will be brought up for discussion among the Board and to discuss on the action needed.

3. Rising Cost of Building Material

Uncertainty in global politics, supply chain constraints and rising interest rates have put pressure on price increases and this has increased the cost of building materials.

Mitigation Plan: The Group practices prudent management on cost. Project budget is prepared in advance to facilitate cost monitoring. Regular budget meetings are held to ensure cost is within budget and the process for project implementation is effective and efficient. In addition, management performs aggressive sourcing of building materials, competitive comparisons and regular negotiations with suppliers to obtain favourable terms for our purchases.

RISK MANAGEMENT STRATEGIES

The Group has set 4 strategies in response to any identified risk. The 4 strategies are as follows:

Risk Mitigation / Reduction	–	Taking steps to reduce the risk of loss by implementing more internal controls, introducing policies and procedures, providing training to staff and continuous monitoring.
Risk Transfer	–	Taking steps to transfer the risk by using business strategies, opportunities, negotiation, outsourcing, sharing business risk via joint venture or partnership and transferring financial risk via insurance coverage.
Risk Avoidance	–	Taking steps to avoid the risk by either stopping business dealings/processes that potentially may give rise to threats to the Group, avoiding unnecessary business ventures which the Group is unfamiliar with and altering processes to avoid those risks.
Risk Acceptance	–	In cases where risks are insignificant or inherent due to business nature, the RMWC and Board would accept the risk as long as it meets the objective of the Group and processes are efficiently and effectively carried out at the minimal cost to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT STRATEGIES (CONTINUED)

Other Risks and Control Process

The Board has also put in place organisational structures with formally defined reporting lines, segregation of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

Review of monthly financial information which includes actual results compared against budget, an explanation on significant variances and management actions taken, where necessary. In addition, the ARMC and the Board review the quarterly results and year-end financial statements. Where areas of improvement in the internal control system are identified, the Board considered the recommendations made by the ARMC.

Review of the Statement by External Auditors

As required by paragraph 15.23 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guides 3 ("AAPG 3") issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

The Board's Commitment

The Board is committed towards maintaining a sound system of internal control and is of the view that the current system of internal control is responsive to the business environment of the Group. In addition, the Board is of the view that the Group could attain its business objective and operational efficiency by continuous commitment towards a sound system of internal control. The Board continues to take measures to enhance the system of internal control.

The Goodwood Residence - Bangsar South

ADDITIONAL COMPLIANCE INFORMATION

SHARE BUY BACKS

There were no share buy backs during the financial year ended 31 December 2022.

As at 31 December 2022, there were 1,133,800 treasury shares held by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options granted or convertible securities issued during the financial year ended 31 December 2022.

AMERICAN DEPOSITORY RECEIPTS (ADR) OR GLOBAL DEPOSITORY RECEIPTS (GDR)

There were no ADR or GDR sponsored by the Company during the financial year ended 31 December 2022.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors and Management by the relevant regulatory bodies during the financial year ended 31 December 2022.

NON-AUDIT FEES

Non-audit fees paid/payable to External Auditors of the Company and the Group for the financial year ended 31 December 2022 amounted to RM5,000 (2021: RM8,000) and RM33,800 (2021: RM35,000) respectively. The non-audit fees were in respect of review of the Statement on Risk Management and Internal Control of the Company and reporting on the Housing Development Accounts.

The provision of non-audit services by the External Auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity.

VARIATION IN RESULTS

There were no profit estimations, forecasts and projections made or released by the Company during the financial year ended 31 December 2022.

PROFIT GUARANTEE

There were no profit guarantees given by the Company and its subsidiaries during the financial year ended 31 December 2022.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in Note 38(a) to the Financial Statements.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company did not have any ESOS in place for the year ended 31 December 2022.

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting of the Company held on 25 May 2022, the Company had obtained the approval from its shareholders for the proposed renewal of shareholders' mandate and proposed new mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 25 May 2022 and will continue until the conclusion of the forthcoming Annual General Meeting of the Company. The Company will be seeking its shareholders' approval to renew this mandate at the forthcoming general meeting. Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in note 38 to the Financial Statements in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

1. Adopted appropriate accounting policies and applied them consistently;
2. Made judgements and estimates that are reasonable and prudent; and
3. Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have taken reasonable steps to detect and prevent fraud and other irregularities, and to safeguard the assets of the Group and of the Company.

Komune Living & Wellness - Exterior Facade

REPORTS AND FINANCIAL STATEMENTS

Bamboo Hills

CORPORATE INFORMATION

Directors

Kong Chong Soon @ Chi Suim
Kong Pak Lim
Ang Kheng Im
Fong Heng Boo
Eugene Lee Chin Jin (appointed on 18.8.2022)
Tuan Haji Ramley Bin Alan (appointed on 18.8.2022)
Kong Sze Choon (alternate for Kong Chong Soon @ Chi Suim)
Stephanie Kong Pei Zen (alternate for Kong Pak Lim)
Low Shu Nyok (retired on 25.5.2022)
Teo Chee Seng (retired on 25.5.2022)

Secretaries

Yap Kai Weng
Wong Yoke Leng

Auditors

Grant Thornton Malaysia PLT
(Member Firm of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Registered Office

No. 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur

Principle Place of Business

UOA Corporate Tower
Lobby A, Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

There has been no significant change in the Company's principal activity during the financial year.

The principal activities of the subsidiary companies are disclosed in Note 7 to the Financial Statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Attributable to:		
Owners of the Company	219,937	
Non-controlling interests	2,823	
Net profit for the financial year	222,760	116,794

DIVIDENDS

During an Annual General Meeting held on 25 May 2022, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Scheme ("DRS").

The DRS provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who did not elect to participate in the option to reinvest will receive the entire dividend wholly in cash.

During the financial year, the following dividends were declared and paid by the Company:

A first and final single tier dividend of 10 sen per ordinary share amounting to RM232,646,550 in respect of the financial year ended 31 December 2021, as proposed in the Directors' report for that financial year.

The dividends of RM232,646,550 were settled as follows:

- RM132,003,757 was reinvested via the issuance of 80,983,900 new ordinary shares pursuant to the DRS to shareholders who have elected for the DRS.
- RM100,642,793 was paid to shareholders who elected to receive the dividends in cash.

The Directors now recommend a first and final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM240,744,940 based on 2,407,449,400 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in the statements of changes in equity as an appropriation of retained profits in the financial year ending 31 December 2023.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2,821,766,612 to RM2,953,770,369 by way of issuance of 80,983,900 new ordinary shares pursuant to the DRS of the Company.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance of any debentures during the financial year.

SHARE OPTIONS

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

TREASURY SHARES

During an Annual General Meeting held on 25 May 2022, the shareholders of the Company resolved to approve the Company's share buy-back of up to 10% of the Company's issued and paid-up ordinary shares.

During the financial year, there was no buy-back of treasury shares.

The authority from shareholders to repurchase shares will expire and is required to be renewed at the conclusion of the forthcoming Annual General Meeting.

HOLDING COMPANIES

The Directors regard United Overseas Australia Ltd, a company incorporated in Australia and listed on the Australian Stock Exchange and the Stock Exchange of Singapore as the ultimate holding company.

The immediate holding company is UOA Holdings Sdn Bhd, a company incorporated and domiciled in Malaysia.

SUBSIDIARY COMPANIES

Details of the subsidiary companies are set out in Note 7 to the Financial Statements.

There is no qualified auditors' report on the financial statements of any subsidiary company for the financial year in which this report is made.

As at the end of the financial year, none of the subsidiary companies hold any shares in the holding company or in other related corporations.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

DIRECTORS

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

Kong Chong Soon @ Chi Suim
Kong Pak Lim
Ang Kheng Im
Fong Heng Boo
Eugene Lee Chin Jin (appointed on 18.8.2022)
Tuan Haji Ramley Bin Alan (appointed on 18.8.2022)
Kong Sze Choon (alternate for Kong Chong Soon @ Chi Suim)
Stephanie Kong Pei Zen (alternate for Kong Pak Lim)
Low Shu Nyok (retired on 25.5.2022)
Teo Chee Seng (retired on 25.5.2022)

The Directors of the Company's subsidiary companies who held office during the financial year and up to the date of this report other than those named above are:

Chang Cheng Wah
Foong Kin Fai
Koh Koek Hung
Kong Sze Hou
Tong Ee Ping
Carol Philomena Clark
Albert Chan Kin Soong
Cao Qiang
Martin Yap Lu Hoong
Yap Woon Bin
Lan Leong Chung
Ng Yoong Duong
Vyshnevi Vijayanandan (appointed on 16.2.2022)
Chan Cecelia (appointed on 29.6.2022)
Khoo Chian Yi (resigned on 29.6.2022)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end are as follows:

	Number of Ordinary Shares			
	At 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
The Company				
Direct interests				
Kong Sze Choon	114,600	7,000	–	121,600
Ang Kheng Im	186,820	–	–	186,820
Indirect interests				
Kong Chong Soon @ Chi Suim*	1,664,246,240	77,258,100	–	1,741,504,340
Kong Pak Lim*	1,663,995,120	77,242,900	–	1,741,238,020
Kong Sze Choon*	42,200	2,500	–	44,700
United Overseas Australia Ltd (ultimate holding company)				
Direct interests				
Kong Chong Soon @ Chi Suim	2,877,104	65,978	–	2,943,082
Indirect interests				
Kong Chong Soon @ Chi Suim*	1,106,951,557	25,384,491	–	1,132,336,048
Kong Pak Lim*	850,944,407	18,285,703	–	869,230,110

* Deemed interests by virtue of their shares in Griyajaya Sdn Bhd, Transmetro Corporation Sdn Bhd, Transmetro Sdn Bhd, Macrolantic Technology Sdn Bhd, Mahareno Sdn Bhd, Dream Legacy Sdn Bhd, Amerena Sdn Bhd, Accomplished Portfolio Sdn Bhd, United Overseas Corporation Pty Ltd, Metrowana Development Sdn Bhd, Global Transact Sdn Bhd and close family members.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

By virtue of their substantial interests in the shares of United Overseas Australia Ltd, Kong Chong Soon @ Chi Suim and Kong Pak Lim are deemed to be interested in the shares of all the subsidiary companies of United Overseas Australia Ltd to the extent that United Overseas Australia Ltd has an interest.

	Number of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Directors' interest in subsidiary companies				
Indirect interests				
Kong Chong Soon @ Chi Suim#:				
Peninsular Home Sdn Bhd	40	–	–	40
Scenic Point Development Sdn Bhd	100,000	–	–	100,000
Ceylon Hills Sdn Bhd	90,000	–	–	90,000
Everise Tiara (M) Sdn Bhd	120,000	–	–	120,000
Everise Project Sdn Bhd	120,000	–	–	120,000

Deemed interest by virtue of his shares in Transmetro Sdn Bhd.

DIRECTORS' BENEFITS

During the financial year, the fees, remunerations and other benefits received and receivable by the Directors of the Company are as follows:

	Incurred by the Group (RM)	Incurred by the Company (RM)
Directors' fees	160,000	160,000
Directors' remunerations and other benefits*	8,197,602	8,197,602
Insurance paid for Directors' indemnity given	18,295	18,295

* Included in the Directors' remunerations and other benefits are benefits-in-kind (based on estimated monetary value) for the Group and the Company of RM146,779 and RM146,779 respectively.

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

Since the end of the previous financial year, no Directors of the Company have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the above) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

OTHER STATUTORY INFORMATION

Before the financial statements were made out, the Directors took reasonable steps:

a. to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

b. to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

a. which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

b. which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

c. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

d. not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

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

a. any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

b. any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

a. no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

b. the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS

The total amount of fees paid to or receivable by the auditors, Grant Thornton Malaysia PLT, as remuneration for their services as auditors of the Group and the Company for the financial year ended 31 December 2022 are amounted to RM498,800 and RM77,000 respectively.

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

The auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

KONG PAK LIM

KONG CHONG SOON @ CHI SUIM

28 March 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 88 to 157 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

KONG PAK LIM	**KONG CHONG SOON @ CHI SUIM**

28 March 2023

STATUTORY DECLARATION

I, Ang Kheng Im, being the Director primarily responsible for the financial management of UOA Development Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 88 to 157 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
28 March 2023)

ANG KHENG IM
(MIA NO.: 11954)
CHARTERED ACCOUNTANT

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD

(Incorporated in Malaysia)
Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UOA Development Bhd, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 88 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Fair value of investment properties

The risk - The Group has investment properties that are stated at fair values based on valuation reports prepared by independent professional valuers. These valuations rely on the accuracy of assumptions, estimates and financial information provided to the valuers.

Consequently, the determination of the fair values of investment properties involves significant management judgement and estimations by the Directors. As such, we have identified this area as a significant risk requiring special audit consideration.

Our response - Our audit procedures included, amongst others, evaluating the competencies, capabilities and objectivities of the independent valuers, performing site visits of all material investment properties, checking the accuracy and relevance of input data used in the valuations, evaluating the valuation amounts by comparing against comparable property sales and market data used in the valuations.

The Group's disclosures regarding investment properties are included in Notes 3.3 and 5 to the Financial Statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD (Incorporated in Malaysia) Registration No.: 200401015520 (654023-V) (CONTINUED)

Key Audit Matters (Continued)

Revenue and cost of sales recognition for property development activities

The risk - The Group recognises revenue and cost of sales for property development activities based on the measurement of the Group's progress towards complete satisfaction of the Group's performance obligations.

In determining the progress, management is required to exercise significant judgement in estimating total costs to complete and total estimated revenue. As such, we have identified this area as a significant risk requiring special audit consideration.

Our response - Our audit procedures included, amongst others, inquiries with the operational and financial personnel of the Group for the assumptions used, comparing estimated costs to actual costs to assess the reliability of management's budgeting process and control, inspecting contracts with sub-contractors, performing analyses of cost budgets, understanding and evaluating the operating effectiveness of key controls surrounding revenue and cost of sales, performing site visits of all ongoing projects, performing analyses of total estimated revenue and testing the computation of revenue and cost of sales recognised.

The Group's disclosures regarding property development activities are included in Notes 3.10, 6, 11, 29 and 30 to the Financial Statements.

There are no key audit matters in relation to the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD (Incorporated in Malaysia) Registration No.: 200401015520 (654023-V) (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD (Incorporated in Malaysia) Registration No.: 200401015520 (654023-V) (CONTINUED)

Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

KHO KIM ENG
(NO: 03137/10/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
28 March 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	359,510	351,108	5,150	5,628
Investment properties	5	1,624,119	1,608,236	–	–
Inventories	6	421,947	591,433	–	–
Investment in subsidiary companies	7	–	–	2,492,568	2,051,991
Equity investments	8	85,842	92,942	12,917	20,017
Deferred tax assets	9	34,962	35,145	–	–
Other receivables	10	–	4,359	–	–
Total non-current assets		2,526,380	2,683,223	2,510,635	2,077,636
Current assets					
Inventories	6	1,421,655	1,315,994	–	–
Contract assets	11	24,501	124,022	–	–
Trade receivables	12	189,906	227,304	–	–
Other receivables	10	79,597	216,797	1,842	3,541
Amount owing by immediate holding company	13	–	2	–	–
Amount owing by subsidiary companies	14	–	–	198,336	696,539
Amount owing by related companies	15	205	1,571	1	1
Current tax assets		47,973	46,206	2,199	2,229
Short term investments	16	1,315,904	834,724	149,428	232,279
Fixed deposits with licensed banks	17	232,070	390,347	30,987	21,357
Cash and bank balances	18	615,396	569,228	128,824	10,947
Total current assets		3,927,207	3,726,195	511,617	966,893
Total Assets		6,453,587	6,409,418	3,022,252	3,044,529
EQUITY AND LIABILITIES					
Equity					
Share capital	19	2,953,770	2,821,766	2,953,770	2,821,766
Merger reserve	20	2,252	2,252	–	–
Fair value reserve	21	6,124	13,224	4,041	11,141
Retained earnings		2,781,398	2,793,867	54,017	169,870
Treasury shares	22	(2,119)	(2,119)	(2,119)	(2,119)
Equity attributable to owners of the Company		5,741,425	5,628,990	3,009,709	3,000,658
Non-controlling interests	7	175,644	175,804	–	–
Total Equity		5,917,069	5,804,794	3,009,709	3,000,658

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
LIABILITIES					
Non-current liabilities					
Amount owing to non-controlling shareholders of subsidiary companies	23	1,948	258	–	–
Lease liabilities	24	431	413	259	106
Borrowings	25	212	256	–	–
Deferred tax liabilities	26	45,883	42,811	–	–
Total non-current liabilities		48,474	43,738	259	106
Current liabilities					
Trade payables	27	213,820	259,236	–	–
Other payables	28	223,126	251,809	11,593	14,353
Amount owing to immediate holding company	13	308	195	18	13
Amount owing to subsidiary companies	14	–	–	244	29,126
Amount owing to related companies	15	436	247	282	133
Amount owing to non-controlling shareholders of subsidiary companies	23	45,500	47,248	–	–
Lease liabilities	24	285	586	147	140
Borrowings	25	44	43	–	–
Current tax liabilities		4,525	1,522	–	–
Total current liabilities		488,044	560,886	12,284	43,765
Total Liabilities		536,518	604,624	12,543	43,871
TOTAL EQUITY AND LIABILITIES		**6,453,587**	**6,409,418**	**3,022,252**	**3,044,529**

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	29	451,653	547,484	120,762	295,039
Cost of sales	30	(238,291)	(298,917)	–	–
Gross profit		213,362	248,567	120,762	295,039
Fair value (loss)/gain on investment properties		(4,244)	92,373	–	–
Finance income		29,879	31,364	670	4,856
Other income	31	247,422	164,085	48,040	44,292
Reversal of impairment losses/(impairement losses) on financial assets		2,793	(6,144)	–	–
Reversal of impairment losses/(impairement losses) on non-financial assets		4,013	(55,530)	(7,100)	(13,600)
Inventories written down		(3,899)	(4,004)	–	–
Administrative and general expenses		(146,790)	(109,619)	(44,183)	(38,439)
Other expenses		(55,175)	(43,925)	–	–
Finance costs	32	(148)	(475)	(18)	(18)
Profit before tax	33	287,213	316,692	118,171	292,130
Tax expenses	34	(64,453)	(88,348)	(1,377)	(1,258)
Net profit for the financial year		222,760	228,344	116,794	290,872
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss					
Fair value (loss)/gain on remeasurement of financial assets		(7,100)	4,555	(7,100)	3,289
Total comprehensive income for the financial year		215,660	232,899	109,694	294,161
Net profit for the financial year attributable to:					
Owners of the Company		219,937	222,447		
Non-controlling interests		2,823	5,897		
		222,760	228,344		
Total comprehensive income attributable to:					
Owners of the Company		212,837	227,002		
Non-controlling interests		2,823	5,897		
		215,660	232,899		
Earnings per share (RM)	35	0.09	0.10		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	← Attributable to owners of the Company →							
		Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
Balance at 1 January 2021		2,519,752	2,252	8,669	2,889,633	(2,119)	5,418,187	177,070	5,595,257
Total comprehensive income for the financial year		–	–	4,555	222,447	–	227,002	5,897	232,899
Dividends to non-controlling shareholders of subsidiary companies		–	–	–	–	–	–	(6,134)	(6,134)
Dividends to shareholders of the Company	36	302,014	–	–	(318,566)	–	(16,552)	–	(16,552)
Acquisition of shares in a new subsidiary company		–	–	–	–	–	–	(673)	(673)
Accreation in stake in an existing subsidiary company		–	–	–	353	–	353	(356)	(3)
Balance at 31 December 2021		2,821,766	2,252	13,224	2,793,867	(2,119)	5,628,990	175,804	5,804,794
Total comprehensive income for the financial year		–	–	(7,100)	219,937	–	212,837	2,823	215,660
Dividends to non-controlling shareholders of subsidiary companies		–	–	–	–	–	–	(2,996)	(2,996)
Dividends to shareholders of the Company	36	132,004	–	–	(232,647)	–	(100,643)	–	(100,643)
Acquisition of additional shares in existing subsidiary companies		–	–	–	–	–	–	249	249
Dilution in stake in an existing subsidiary company		–	–	–	241	–	241	(236)	5
Balance at 31 December 2022		2,953,770	2,252	6,124	2,781,398	(2,119)	5,741,425	175,644	5,917,069

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Note	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
Company						
Balance at 1 January 2021		2,519,752	7,852	197,564	(2,119)	2,723,049
Total comprehensive income for the financial year		–	3,289	290,872	–	294,161
Dividends	36	302,014	–	(318,566)	–	(16,552)
Balance at 31 December 2021		2,821,766	11,141	169,870	(2,119)	3,000,658
Total comprehensive income for the financial year		–	(7,100)	116,794	–	109,694
Dividends	36	132,004	–	(232,647)	–	(100,643)
Balance at 31 December 2022		2,953,770	4,041	54,017	(2,119)	3,009,709

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
OPERATING ACTIVITIES					
Profit before tax		287,213	316,692	118,171	292,130
Adjustments for:					
Fair value loss/(gain) on investment properties		4,244	(92,373)	–	–
Bad debts written off		88	2	–	–
Inventories written down		3,899	4,004	–	–
Inventories written off		59	44	–	–
(Reversal of)/Impairment losses on financial assets		(2,793)	6,144	–	–
(Reversal of)/Impairment losses on non-financial assets		(4,013)	55,530	7,100	13,600
Depreciation		16,205	17,916	1,193	1,258
Gain on disposal of property, plant and equipment		(226)	(266)	–	(127)
Gain on disposal of investment properties		–	(677)	–	–
Property, plant and equipment written off		1,320	13	985	1
Loss on disposal of a subsidiary company		534	–	–	–
Distribution income from equity investments		(5,459)	(3,425)	–	–
Distribution income from short term investments		(12,175)	(12,880)	(286)	(4,303)
Dividend income from subsidiary companies		–	–	(120,404)	(294,766)
Dividend income from equity investments		(358)	(273)	(358)	(273)
Interest income		(17,704)	(18,484)	(384)	(553)
Interest expense		148	475	18	18
Operating profit before working capital changes		270,982	272,422	6,035	6,985
Changes in working capital:					
Inventories		57,823	29,268	–	–
Contract assets		99,521	61,423	–	–
Receivables		182,597	(152,185)	3,869	5,346
Payables		(73,839)	52,951	(2,611)	(3,503)
Cash generated from operations		537,084	263,899	7,293	8,828
Interest received		12,068	13,070	–	–
Dividend received		–	–	120,404	294,766
Net tax paid		(59,962)	(80,645)	(1,347)	(2,216)
Net cash from operating activities		489,190	196,324	126,350	301,378

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
INVESTING ACTIVITIES					
Additions to investment properties		(18,083)	(161,007)	–	–
Purchase of property, plant and equipment	A	(21,591)	(3,940)	(1,350)	(2,131)
Proceeds from disposal of property, plant and equipment		258	359	5	128
Proceeds from disposal of investment properties		–	15,117	–	–
Repayment from/(advances) to immediate holding company		2	(2)	–	–
Repayments from subsidiary companies		–	–	495,856	123,185
Repayments from/(advances to) related companies		49	(65)	–	(1)
Acquisition of shares in existing subsidiary companies		–	(3)	(447,500)	(222,053)
Acquisition of shares in new subsidiary companies, net of cash acquired		–	191	–	–
Distribution received from short term investments		12,175	12,880	286	4,303
Distribution received from equity investments		5,459	3,425	–	–
Dividend received from equity investments		358	273	358	273
Interest received		5,232	5,267	384	553
Net cash (used in)/from investing activities		(16,141)	(127,505)	48,039	(95,743)
FINANCING ACTIVITIES					
Drawdown of bank borrowings		–	300	–	–
Repayment of bank borrowings		(43)	(1)	–	–
Fixed deposits pledged		(3)	(3)	(3)	(3)
Payment of lease liabilities		(638)	(883)	(195)	(269)
Advances from/(repayments to) immediate holding company		3	(26)	5	(2)
(Repayments to)/advances from subsidiary companies		–	–	(28,882)	28,242
Advances from/(repayments to) related companies		40	(11,771)	–	–
Advances from non-controlling shareholders of subsidiary companies		100	28	–	–
Interest paid		(55)	(78)	(18)	(18)
Issuance of shares in existing subsidiaries to non-controlling shareholders		254	–	–	–
Dividends paid to owners of the Company	36	(100,643)	(16,552)	(100,643)	(16,552)
Dividends paid to non-controlling shareholders of subsidiary companies		(2,996)	(6,134)	–	–
Net cash (used in)/from financing activities		(103,981)	(35,120)	(129,736)	11,398

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH AND CASH EQUIVALENTS					
Net changes		369,068	33,699	44,653	217,033
At beginning of financial year		1,794,137	1,760,438	264,421	47,388
At end of financial year		2,163,205	1,794,137	309,074	264,421
Represented by:					
Short term investments		1,315,904	834,724	149,428	232,279
Fixed deposits with licensed banks		232,070	390,347	30,987	21,357
Cash and bank balances		615,396	569,228	128,824	10,947
		2,163,370	1,794,299	309,239	264,583
Fixed deposits pledged		(165)	(162)	(165)	(162)
		2,163,205	1,794,137	309,074	264,421

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Aggregate cost of property, plant and equipment acquired	24,226	4,525	1,705	2,131
Net reversals	(2,280)	(585)	–	–
Financed via lease liabilities arrangements	(355)	–	(355)	–
Total cash acquisitions	21,591	3,940	1,350	2,131

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payments relating to short-term leases	9,819	11,330	5,640	7,044
Payments of lease liabilities	638	883	195	269
Interest paid in relation to lease liabilities	46	70	18	18
Total cash outflows for leases	10,503	12,283	5,853	7,331

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

UOA Development Bhd (the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 77.

The Directors regard United Overseas Australia Ltd, a company incorporated in Australia and listed on the Australian Stock Exchange and the Stock Exchange of Singapore as the ultimate holding company.

The immediate holding company is UOA Holdings Sdn Bhd, a company incorporated and domiciled in Malaysia.

The Company is principally engaged in investment holding. There has been no significant change in the Company's principal activity during the financial year. The principal activities of the subsidiary companies are disclosed in Note 7 to the Financial Statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 28 March 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention except for certain land, buildings and investments that are measured at fair values at the reporting date as disclosed in the summary of significant accounting policies.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group or the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable

c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise indicated.

2.4 Adoption of new standards/amendments/improvements to MFRS

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and Company adopted new standards / amendments / improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2022.

Initial application of the new standards / amendments / improvements to the standards did not have material impact to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective:

MFRS and amendments to MFRSs effective 1 January 2023:

MFRS 17* and amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRSs effective 1 January 2024:

Amendments to MFRS 16*	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10* and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group's and the Company's operations

The initial application of the above applicable standards and amendments are not expected to have any material impacts to the financial statements of the Group and of the Company.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Useful lives of depreciable assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the depreciable assets to be within 5 and 99 years and reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage, physical wear and tear and technological developments, which may result in adjustments to the Group's and the Company's assets.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical changes which may cause selling prices to change rapidly and the Group's net result to change.

Fair value of investment properties

The Group measures its investment properties at fair value with any change in fair value recognised in the profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages independent professional valuers to determine fair value.

Information regarding the valuation techniques and inputs used in determining the fair value are disclosed in Note 5 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.1 Estimation uncertainty (Continued)

Property development activities and construction contracts

As revenue from ongoing property development activities and construction contracts are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the development and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

Provision for expected credit losses ("ECLs") of receivables and contract assets

The Group uses a provision matrix to calculate ECLs for receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, coverage by letter of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.1 Estimation uncertainty (Continued)

Income taxes

Significant judgement is involved in determining the Group's or the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

2.6.2 Significant management judgements

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

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed the criteria in making that judgement. Investment property is a property held to earn rental or for capital appreciation or both.

Certain properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group reviews the investment properties and concluded that the Group's investment properties are held under a business model whose objective is to recover the carrying amount of the investment properties through sale.

Accordingly, the Group recognises deferred taxes in respect of the changes in fair value of investment properties based on Real Property Gains Tax ("RPGT"). The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the economic benefits embodied in the investment properties be subsequently substantially consumed over time rather than through sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiary companies

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

Investment in a subsidiary company is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amounts is included in profit or loss.

3.1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies and entities controlled by the Company (including structured entities) made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

i) power over the investee;
ii) exposure, or rights, to variable returns from its involvement with the investee; and
iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to 1 or more of the 3 elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and ceases when the Company loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Consolidation (Continued)

3.1.2 Basis of consolidation (Continued)

Changes of interests in subsidiary companies

The changes of interests in subsidiary companies that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary company. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

Loss of control

When the Company loses control of a subsidiary company:

i. It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

ii. It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary company at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary company at the date when control is lost.

iii. It recognises any investment retained in the former subsidiary company at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary company in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

3.1.3 Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group, except for Allied Engineering Construction Sdn Bhd, URC Engineering Sdn Bhd and UOA Properties Sdn Bhd, which are consolidated using the merger method of accounting.

Under the merger method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the date that common control was established. The cost of an acquisition is measured at the nominal value of ordinary shares issued as consideration. The assets and liabilities acquired are included in the consolidated statement of financial position at their existing carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Consolidation (Continued)

3.1.3 Business combinations (Continued)

The difference between the cost of acquisition and the nominal value of shares acquired together with any share premium are taken to merger reserve (or adjusted against a suitable reserve, if any, in the case of debit differences). The other components of equity of the acquired entities are added to the same components within the Group.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

3.1.4 Non-controlling interests

Non-controlling interests at the reporting date, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if that results in a deficit balance.

3.2 Property, plant and equipment

All property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the assets to working condition for their intended use, cost of replacing component parts of the assets and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group or the Company recognise such costs as individual assets with specific useful lives and depreciation respectively.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment, that is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less the costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property, plant and equipment (Continued)

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated.

The principal annual depreciation rates used are as follows:

Leasehold land	Over the period of the lease
Leasehold buildings	2%
Freehold buildings	2%
Plant, machineries and motor vehicles	10% - 20%
Furniture, fittings and equipment	10% - 20%

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and rate of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss in the financial year in which such assets are derecognised.

3.3 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the year in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

If the fair value of an investment property under construction is not reliably measurable but the Group expects the fair value of the investment property to be reliably measurable when construction is complete, that investment property under construction is measured at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties (Continued)

Investment properties are derecognised when either they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

3.4 Leases

The Group and the Company assess at contract inception whether a contract is, or contains a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.4.1 As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.4.1.1 Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (Continued)

3.4.1 As a lessee (Continued)

3.4.1.2 Short-term leases

The Group and the Company apply the short-term lease recognition exemption to their short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

3.4.1.3 Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land - 99 years
- Leasehold buildings - 50 years
- Motor vehicles - 5 to 10 years
- Plant and machineries - 5 to 10 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment test as set out in Note 3.9 to the Financial Statements.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

3.4.2 As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of profit or loss due to its operating nature. Contingent rents are recognised as other income in the year in which they are earned.

3.5 Inventories

Inventories comprise land held for property development, properties under construction, completed properties held for sale, consumables and medicinal products.

Inventories are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Inventories (Continued)

Net realisable value is the estimated selling price in the ordinary course of business less any estimated costs necessary to make the sale.

Costs of consumables and medicinal products are determined on first in first out method. The cost of inventories comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

3.5.1 Land held for property development and properties under construction

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development are classified as non-current assets on the statement of financial position and are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

3.6 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price as disclosed in Note 3.10 to the Financial Statements.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group or the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 4 categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company carry financial assets at amortised cost and financial assets at fair value through OCI (equity instruments) on their statements of financial position.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and other receivables, amounts owing by immediate holding company, subsidiary companies, related companies and cash and cash equivalents.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably their equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Group and the Company elected to classify irrevocably their equity investments under this category.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a 'pass-through' arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's or the Company's historical experience and informed credit assessment and including forward-looking information, where available.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

Impairment (Continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of equity investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and equity investments at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

3.6.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in 2 categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (Continued)

3.6.2 Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

The Group's and the Company's financial liabilities include trade and other payables, amounts owing to immediate holding company, subsidiary companies, related companies, non-controlling shareholders of subsidiary companies, lease liabilities and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3.6.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short-term investments and short-term demand deposits which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

3.8 Equity instruments and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Company or its subsidiary companies after deducting all of their respective liabilities. Ordinary shares are equity instruments.

Fair value gains and losses on equity investments are included in fair value reserve.

Retained earnings include all current year's profit and prior years' retained profits.

All transactions with owners of the Company are recorded separately within equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Equity instruments and reserves (Continued)

Interim dividends on ordinary shares are accounted for in equity in the financial year in which they are declared while final dividends are recognised in equity upon approval of the shareholders in a meeting.

When share capital recognised as equity is bought-back, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Purchased shares that are not subsequently cancelled are classified as treasury shares. When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.9 Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of their non-financial assets to determine whether there is any indication of impairment by comparing the carrying amounts with the recoverable amounts. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a cash-generating unit or group of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised as an expense in profit or loss immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in profit or loss.

3.10 Revenue from contracts with customers

3.10.1 Revenue recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue from contracts with customers (Continued)

3.10.1 Revenue recognition (Continued)

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties such as services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with the customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development or contract costs incurred to date as a percentage of the estimated total development or contract costs of the contract, i.e. the stage of completion).

Revenue from sales of completed properties or land is recognised upon delivery of properties where the control of the properties or land has passed to the buyers.

Other revenue earned by the Group and the Company are recognised on the following bases:

- Distribution income is recognised when the right to receive payment is established.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis.
- Hotel room income is recognised when services are rendered.
- Food and beverage and other related income are recognised when services are rendered.
- Sale of medicinal, pharmaceuticals, healthcare and beauty care products income are recognised when the goods are delivered.
- Healthcare, medicinal, physiotherapy and acupuncture, dental consultancy and treatment and other healthcare related services income are recognised when services are rendered.
- Course fees from provision of education, training services and consultancy services income is recognised when services are rendered.

3.10.2 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue from contracts with customers (Continued)

3.10.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.10.4 Contract costs

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

3.11 Employee benefits

3.11.1 Short-term employees benefits

Wages, salaries, paid annual leave, paid sick leave and bonuses are recognised as expenses in the year in which the associated services are rendered by employees other than those that are attributable to property development activities or construction contracts in which case such expenses are recognised in property development costs.

3.11.2 Post-employment benefits

The Group and the Company pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group and the Company is limited to the amount that it is required to contribute to EPF. The contributions to EPF are charged to the profit or loss in the year to which they relate.

3.12 Borrowing costs

Borrowing costs consists of interest and other costs that the Group incurred in connection with the borrowing of funds.

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.13 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss.

3.13.1 Current tax

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and are measured using tax rates that have been enacted by the end of the reporting year and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Tax expenses (Continued)

3.13.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.14 Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Plant, machineries and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group							
Cost							
At 1.1.2021	18,500	150,900	241,000	2,294	96,178	57,644	566,516
Additions	–	291	411	–	833	2,990	4,525
Disposals	–	–	–	–	(1,235)	(15)	(1,250)
Written off	–	–	–	–	(24)	(12)	(36)
Reversals	–	*(585)	–	–	–	–	(585)
Acquisition of a subsidiary	–	–	–	–	262	1,165	1,427
At 31.12.2021	18,500	150,606	241,411	2,294	96,014	61,772	570,597
Additions	–	463	–	–	711	23,052	24,226
Disposals	–	–	–	–	(596)	(23)	(619)
Written off	–	–	–	–	(1,175)	(2,070)	(3,245)
Reversals	–	*(2,157)	–	–	*(4)	*#(629)	(2,790)
At 31.12.2022	18,500	148,912	241,411	2,294	94,950	82,102	588,169
Accumulated depreciation							
At 1.1.2021	–	3,607	29,674	324	87,605	25,293	146,503
Charge for the financial year	–	3,080	4,887	23	3,678	6,248	17,916
Disposals	–	–	–	–	(1,147)	(10)	(1,157)
Written off	–	–	–	–	(15)	(8)	(23)
Acquisition of a subsidiary	–	–	–	–	105	615	720
At 31.12.2021	–	6,687	34,561	347	90,226	32,138	163,959

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Plant, machineries and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group (Continued)							
Accumulated depreciation (Continued)							
At 31.12.2021 (Continued)	–	6,687	34,561	347	90,226	32,138	163,959
Charge for the financial year	–	1,835	4,889	23	2,428	7,030	16,205
Disposals	–	–	–	–	(569)	(18)	(587)
Written off	–	–	–	–	(1,122)	(803)	(1,925)
Reversals	–	–	–	–	*(1)	*#(509)	(510)
At 31.12.2022	–	8,522	39,450	370	90,962	37,838	177,142
Accumulated impairment loss							
At 1.1.2021	–	–	–	–	–	–	–
Impairment loss for the financial year	–	55,530	–	–	–	–	55,530
At 31.12.2021	–	55,530	–	–	–	–	55,530
Reversal of impairment loss for the financial year	–	(4,013)	–	–	–	–	(4,013)
At 31.12.2022	–	51,517	–	–	–	–	51,517
Net carrying amount							
At 31.12.2022	18,500	88,873	201,961	1,924	3,988	44,264	359,510
At 31.12.2021	18,500	88,389	206,850	1,947	5,788	29,634	351,108

* Reversal due to credit note received

Reversal due to expiry of lease term

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (Continued)

Reversal of impairment loss/impairment loss on freehold buildings was recognised during the financial year to represent its current state based on an assessment by the Board of Directors. The Board of Directors were guided by inputs from a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and asset being valued.

	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company			
Cost			
At 1.1.2021	4,079	9,158	13,237
Additions	–	2,131	2,131
Disposals	(428)	(2)	(430)
Written off	–	(3)	(3)
At 31.12.2021	3,651	11,284	14,935
Additions	398	1,307	1,705
Disposals	–	(20)	(20)
Written off	–	(1,260)	(1,260)
At 31.12.2022	4,049	11,311	15,360
Accumulated depreciation			
At 1.1.2021	3,495	4,985	8,480
Charge for the financial year	294	964	1,258
Disposals	(428)	(1)	(429)
Written off	–	(2)	(2)
At 31.12.2021	3,361	5,946	9,307
Charge for the financial year	241	952	1,193
Disposals	–	(15)	(15)
Written off	–	(275)	(275)
At 31.12.2022	3,602	6,608	10,210
Net carrying amount			
At 31.12.2022	447	4,703	5,150
At 31.12.2021	290	5,338	5,628

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Information on right-of-use assets are as follows:

	Group			Company		
	Carrying amount included in property, plant and equipment RM'000	Depreciation charged for the financial year RM'000	Additions RM'000	Carrying amount included in property, plant and equipment RM'000	Depreciation charged for the financial year RM'000	Additions RM'000
2022						
Leasehold land	1,924	23	–	–	–	–
Leasehold buildings	201,961	4,889	–	–	–	–
Motor vehicles	547	263	398	433	183	398
Plant and machineries	175	100	–	–	–	–
Total right-of-use assets	204,607	5,275	398	433	183	398
2021						
Leasehold land	1,947	23	–	–	–	–
Leasehold buildings	206,850	4,887	411	–	–	–
Motor vehicles	435	273	157	240	205	–
Plant and machineries	742	370	–	–	–	–
Total right-of-use assets	209,974	5,553	568	240	205	–

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

5. INVESTMENT PROPERTIES

	At fair value RM'000	At cost RM'000	Total RM'000
Group			
At 1.1.2021	1,232,929	113,490	1,346,419
(Reversal)/additions or subsequent enhancement	(305)	161,312	161,007
Disposals	(14,440)	–	(14,440)
Reclassifications	256,977	(256,977)	–
Transferred from inventories - land held for property development	–	22,877	22,877
Fair value gain	92,373	–	92,373
At 31.12.2021	1,567,534	40,702	1,608,236
(Reversal)/additions or subsequent enhancement	(2,472)	20,555	18,083
Transferred from inventories - property development costs	2,044	–	2,044
Fair value loss	(4,244)	–	(4,244)
At 31.12.2022	1,562,862	61,257	1,624,119

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties comprise freehold condominium and apartment, freehold commercial properties, leasehold commercial properties and properties under construction.

Some investment properties as at 31 December 2022 are stated at fair value by reference to a full valuation conducted by a registered independent valuer having appropriate recognised professional qualifications for certain investment properties and some based on an assessment by the Board of Directors by obtaining update valuations for investment properties that did not have a full valuation conducted.

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date.

Whilst a full valuation has not been conducted for certain investment properties, the Board of Directors have obtained updated market values of the investment properties as at 31 December 2022 carried out by a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and assets being valued. For investment properties where the assessment by the Board of Directors were based on updated valuations, the existing book values of the investment properties as at 31 December 2022 ("Book Values") were not materially different from the updated valuations performed.

In view of the above and taking into account current market conditions, the Board of Directors assessed that the Book Values are fair. Hence, the Book Values were not adjusted and were taken to represent the fair values of the investment properties at the same date.

The fair values of the investment properties were determined using comparison method, cost method or investment method.

The following assumptions have been applied in the valuations:

i. The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.
ii. Under the cost method, the value of the land is added to the replacement cost of the buildings and other site improvements. The replacement cost of the buildings is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.
iii. The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

The fair values of investment properties classified under Level 2 were determined using comparison method and Level 3 were determined using cost or investment method.

There has been no change in valuation methods used during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

The fair value hierarchy of the Group's investment properties as at the reporting date is as follows:

Group	2022			2021		
	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Freehold and leasehold properties	780,334	782,528	1,562,862	774,034	793,500	1,567,534

There is no transfer between the fair value hierarchies during the financial year except for the transfer from Level 2 to Level 3 as below:

Level 3

	2022 RM'000	2021 RM'000
At 1 January	793,500	491,500
Reversal	(2,472)	–
Fair value (loss)/gain	(8,500)	75,654
Reclassifications	–	220,546
Transferred from Level 2	–	5,800
At 31 December	782,528	793,500

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Cost method which estimates the amount of reconstruction cost of the building based on current market prices net of depreciation.	Estimated replacement costs.	The higher the estimated replacement costs, the higher the fair value.
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from capitalisation rate.	Discount rate of 6.50% to 7.00% (2021: 6.50% to 7.00%) Estimated capitalisation rate of 6.50% to 7.00% (2021: 6.50% to 7.00%) Occupancy rates of 85.19% to 94.83% (2021: 85.19% to 94.53%)	The higher the discount rate, the lower the fair value. The higher the estimated capitalisation rate, the lower the fair value. The higher the occupancy rate, the higher the fair value.

The properties under construction are measured at cost because the fair value is not yet determinable as of 31 December 2022. The fair value of the properties is expected to be reliably determinable when the construction is complete.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

Income and expenses recognised in profit or loss

	Group	
	2022 RM'000	2021 RM'000
Rental income	62,781	54,895
Direct operating expenses	26,793	25,535

6. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
Non-current:		
Land held for property development (Note 6.1)	421,947	591,433
Current:		
Property development costs (Note 6.2)	340,306	258,048
Completed properties (Note 6.3)	1,080,444	1,057,566
Consumables and medicinal products	905	380
	1,421,655	1,315,994
	1,843,602	1,907,427

6.1 Land held for property development

	Group	
	2022 RM'000	2021 RM'000
Freehold land at cost	354,834	389,110
Leasehold land at cost	45,108	61,424
Development cost	191,491	178,992
At beginning of financial year	591,433	629,526
Development cost incurred during the financial year	22,567	41,843
Cost transferred to inventories - property development costs	(192,053)	(56,752)
Cost transferred to investment properties	–	(22,877)
Cost written off	–	(44)
Disposals	–	(263)
At end of financial year	421,947	591,433

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6. INVENTORIES (CONTINUED)

6.2 Property development costs

	Group	
	2022 RM'000	2021 RM'000
Freehold land at cost	64,619	317,280
Leasehold land at cost	36,067	19,751
Development cost	361,814	2,063,362
Cost recognised as expenses in prior years	(204,452)	(1,965,955)
At beginning of financial year	258,048	434,438
Cost incurred during the financial year		
— freehold land at cost	7,250	—
— development cost	127,597	216,709
	392,895	651,147
Cost recognised as expenses in the current year	(155,261)	(231,973)
Cost transferred to inventories - completed properties	(87,337)	(217,878)
Cost transferred from inventories - land held for property development	192,053	56,752
Freehold land and development cost transferred to investment properties	(2,044)	—
At end of financial year	340,306	258,048

6.3 Completed properties

	Group	
	2022 RM'000	2021 RM'000
Completed properties held for sales	1,092,432	1,065,655
Inventories written down	(11,988)	(8,089)
	1,080,444	1,057,566

The title deeds for the completed properties totalling RM10,995,000 (2021: RM10,995,000) are registered in the name of a third party.

	Group	
	2022 RM'000	2021 RM'000
Recognised in profit or loss:		
Inventories written down	3,899	4,004
Inventories written off	59	44

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares at cost	2,529,218	2,081,541
Less: Impairment loss recognised	(36,650)	(29,550)
	2,492,568	2,051,991

The movement of impairment loss during the financial year is as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of financial year	29,550	15,950
Impairment loss recognised	7,100	13,600
At end of financial year	36,650	29,550

The Company conducted an impairment review of its investment in subsidiary companies at the reporting date, principally based on the Company's share of net assets in these subsidiary companies, which represents the Directors' estimation on fair value less costs to sell off these subsidiary companies. The review gave rise to the recognition of impairment in subsidiary companies which the impairment losses arose mainly due to the decline of their recoverable amounts.

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows:

	Equity interest		Principal activities
	2022 %	2021 %	
Ceylon Hills Sdn Bhd	54	54	Property development
Citra Jaya Sejahtera Sdn Bhd	100	100	Property development
Concord Housing Development Sdn Bhd	100	100	Property development
Cosmo Housing Development Sdn Bhd	100	100	Property development
Eureka Equity Sdn Bhd	60	60	Property development
Everise Project Sdn Bhd	60	60	Property development
Everise Tiara (M) Sdn Bhd	60	60	Property development
HSB Green Solutions Sdn Bhd	100	100	Property development
IDP Industrial Development Sdn Bhd	100	100	Property development
Infinite Accomplishment Sdn Bhd	100	100	Property development
Kumpulan Sejahtera Sdn Bhd	100	100	Property development
Magna Kelana Development Sdn Bhd	74	74	Property development
Magna Tiara Development Sdn Bhd	100	100	Property development
Maxim Development Sdn Bhd	100	100	Property development
UOA Academy Sdn Bhd *(formerly known as Naik Makmur Development Sdn Bhd)*	100	100	Provision of education, training services and consultancy
Nova Metro Development Sdn Bhd	85	85	Property development
Orient Housing Development Sdn Bhd	100	100	Property development
Paramount Hills Sdn Bhd	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows (Continued):

	Equity interest		
	2022 %	2021 %	Principal activities
Paramount Properties Sdn Bhd	100	100	Property development
Peninsular Home Sdn Bhd	60	60	Property development
Sagaharta Sdn Bhd	100	100	Property development
Saujanis Sdn Bhd	100	100	Property development
Scenic Point Development Sdn Bhd	60	60	Property development
Seri Tiara Development Sdn Bhd	85	85	Property development
Sunny Uptown Sdn Bhd	100	100	Property development
Tiarawoods Sdn Bhd	100	100	Property development
Topview Housing Sdn Bhd	100	100	Property development
Windsor Triumph Sdn Bhd	100	100	Property development
Allied Engineering Construction Sdn Bhd	100	100	Civil contractor
Resodex Construction Sdn Bhd	100	100	Civil contractor
URC Engineering Sdn Bhd	100	100	Civil contractor
Pertiwi Sinarjuta Sdn Bhd	100	100	Civil contractor
UOA Hospitality Sdn Bhd	100	100	To manage and operate hotels and service apartments
UOA Komune Sdn Bhd	100	100	Managing co-sharing office
UOA Properties Sdn Bhd	100	100	Investment holding
Fabullane Development Sdn Bhd	100	100	Property development
Federaya Development Sdn Bhd	100	100	Investment holding
Regenta Development Sdn Bhd	100	100	Property development
Seri Prima Development Sdn Bhd	100	100	Property development
UOA Vietnam BDC Pte Ltd*#@	–	100	Dormant
Armada Hartasegar Sdn Bhd	100	–	Investment holding
JDIN Media Sdn Bhd *(formerly known as Emerald Hills Development Sdn Bhd)*	51	–	Managing and maintaining pedestrian bridge and commercial lifts for the purpose of advertising
Held through UOA Properties Sdn Bhd:			
Bangsar South City Sdn Bhd	100	100	Property investment and hotel operations
Distinctive Acres Sdn Bhd	100	100	Property investment
Dynasty Portfolio Sdn Bhd	100	100	Property investment
Enchant Heritage Sdn Bhd	100	100	Property investment and hotel operations
Lencana Harapan Sdn Bhd	100	100	Property investment and hotel operations
Nasib Unggul Sdn Bhd	100	100	Property investment
Nova Lagenda Sdn Bhd	100	100	Property investment
Tunjang Idaman Sdn Bhd	100	100	Property investment
Full Marks Property Sdn Bhd	100	100	Property investment
UOA Southlink Sdn Bhd	100	100	Property investment
UOA Southview Sdn Bhd	100	100	Property investment
UOA Golden Pines Sdn Bhd	100	100	Property investment and hotel operations

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows (Continued):

	Equity interest		
	2022 %	2021 %	Principal activities
Held through Everise Project Sdn Bhd:			
Jendela Dinamik Sdn Bhd	51	51	Managing and maintaining pedestrian bridge for the purpose of advertising
Held through Federaya Development Sdn Bhd:			
Tong Xin Tang Healthcare International Sdn Bhd	51	51	Operator of Chinese medical, acupuncture and physiotherapy care centre and dealer in Chinese medicine
Komune Care Centre Sdn Bhd	60	60	Provision of care for post hospitalisation and seniors
UMH NK Sdn Bhd	60	100	Investment holding
UMH NK Wellness Sdn Bhd^	–	100	Dormant
UMH NK Aesthetics Sdn Bhd^	–	100	Dormant
UMH NK Dental Sdn Bhd^	–	100	Dormant
UMH Rehabilitation Medicine Sdn Bhd *(formerly known as Platinum Bliss Sdn Bhd)*	100	–	Dormant
Held through Tong Xin Tang Healthcare International Sdn Bhd:			
Tong Xin Tang Wellness Centre Sdn Bhd#	100	–	Dormant
Held through UMH NK Sdn Bhd:			
UMH NK Wellness Sdn Bhd^	100	–	Trading of healthcare and beauty care products and operate as aesthetics centre and other related operations
UMH NK Aesthetics Sdn Bhd^	100	–	Administrative health care services, specialised medical services, stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods
UMH NK Dental Sdn Bhd^	100	–	Dental consultancy, dental treatments and other related activities

* Principal place of business is in Singapore.

^ Being directly wholly-owned subsidiary companies to indirectly owned subsidiary companies.

No statutory audit was required as at the reporting date as the subsidiary companies were newly incorporated/remained dormant during the financial year. The Directors have consolidated the results of these subsidiary companies based on their management financial statements.

@ Disposed at a loss of RM533,766 for a cash consideration of RM3 during the financial year, the effects of the deconsolidation are immaterial to the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Newly acquired/incorporated subsidiary companies

2022

During the financial year, the Company acquired two subsidiary companies namely Armada Hartasegar Sdn Bhd and JDIN Media Sdn Bhd (formerly known as Emerald Hills Development Sdn Bhd) for cash considerations of RM100 for 100% of equity interest and RM51 for 51% of equity interest in the said subsidiary companies respectively.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

The Company also via its wholly-owned subsidiary, Federaya Development Sdn Bhd incorporated a new wholly-owned subsidiary company namely UMH Rehabilitation Medicine Sdn Bhd (formerly known as Platinum Bliss Sdn Bhd) with share capital of RM1.

2021

In prior year, the Company incorporated a new wholly-owned subsidiary company namely UOA Vietnam BDC Pte Ltd with share capital of 1 Singapore Dollar (approximately RM3).

The Company via its wholly-owned subsidiary, Federaya Development Sdn Bhd acquired two new subsidiary companies namely Komune Care Centre Sdn Bhd and Tong Xin Tang Healthcare International Sdn Bhd for cash considerations of RM60 for 60% of equity interest and RM310,004 for 51% of equity interest in the said subsidiary companies respectively.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

The Company also via its wholly-owned subsidiary, Federaya Development Sdn Bhd incorporated four wholly-owned subsidiaries namely UMH NK Sdn Bhd, UMH NK Wellness Sdn Bhd, UMH NK Aesthetics Sdn Bhd and UMH NK Dental Sdn Bhd with share capital of RM1 each, totalling RM4.

Additional shares subscribed in existing subsidiary companies

2022

During the financial year, the Company subscribed for additional ordinary shares and convertible redeemable preference shares ("CRPS") in existing subsidiary companies as follows:

	Types of shares	Issue price per share RM	Number of shares '000	Cash consideration RM'000
Citra Jaya Sejahtera Sdn Bhd	CRPS	10	11,300	113,000
Concord Housing Development Sdn Bhd	CRPS	10	200	2,000
Fabullane Development Sdn Bhd	CRPS	10	80	800
HSB Green Solutions Sdn Bhd	CRPS	10	90	900
Federaya Development Sdn Bhd	CRPS	10	650	6,500
Tiarawoods Sdn Bhd	CRPS	10	7,830	78,300
UOA Properties Sdn Bhd	Ordinary	–	246,000	246,000
				447,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Additional shares subscribed in existing subsidiary companies (Continued)

2022 (Continued)

During the financial year, the Company subscribed for additional ordinary shares in Magna Kelana Development Sdn Bhd for a total consideration of RM177,000 by capitalising part of the interest free advances owing by the subsidiary company.

2021

The Company subscribed for additional ordinary shares and CRPS in existing subsidiary companies as follows:

	Types of shares	Issue price per share RM	Number of shares '000	Cash consideration RM'000
Cosmo Housing Development Sdn Bhd	CRPS	10	4,000	40,000
Nova Metro Development Sdn Bhd	Ordinary	—	3	3
UOA Properties Sdn Bhd	Ordinary	—	130,000	130,000
UOA Properties Sdn Bhd	CRPS	10	5,205	52,050
				222,053

The Company subscribed for additional ordinary shares and CRPS in existing subsidiary companies by capitalising part of the interest free advances owing by the subsidiary companies as follows:

	Types of shares	Issue price per share RM	Number of shares '000	Amount capitalised RM'000
Concord Housing Development Sdn Bhd	CRPS	10	19,100	191,000
Fabullane Development Sdn Bhd	CRPS	10	2,720	27,200
Infinite Accomplishment Sdn Bhd	CRPS	10	17,649	176,490
Magna Tiara Development Sdn Bhd	CRPS	10	6,860	68,600
Seri Prima Development Sdn Bhd	CRPS	10	650	6,500
Sunny Uptown Sdn Bhd	CRPS	10	10,900	109,000
Tiarawoods Sdn Bhd	CRPS	10	4,670	46,700
Topview Housing Sdn Bhd	CRPS	10	3,610	36,100
UOA Hospitality Sdn Bhd	Ordinary	—	5,000	5,000
UOA Properties Sdn Bhd	CRPS	10	2,373	23,730
Windsor Triumph Sdn Bhd	CRPS	10	3,685	36,850
				727,170

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting year are as follows:

Name of subsidiary companies	Proportion of ownership interests held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2022 %	2021 %	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Eureka Equity Sdn Bhd	40	40	(508)	181	16,423	16,931
Everise Tiara (M) Sdn Bhd	40	40	152	1,018	1,989	3,957
Everise Project Sdn Bhd	40	40	5,149	4,057	121,333	116,184
Seri Tiara Development Sdn Bhd	15	15	(363)	193	25,974	26,337

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below:

	Eureka Equity Sdn Bhd RM'000	Everise Tiara (M) Sdn Bhd RM'000	Everise Project Sdn Bhd RM'000	Seri Tiara Development Sdn Bhd RM'000
2022				
Financial position as at reporting date				
Non-current assets	–	–	107,130	4
Current assets	48,225	16,187	360,716	177,140
Non-current liabilities	–	–	(2,206)	–
Current liabilities	(7,168)	(11,214)	(162,307)	(3,987)
Net assets	41,057	4,973	303,333	173,157
Summary of financial performance for the financial year				
Net (loss)/profit/total comprehensive (loss)/income for the financial year	(1,270)	380	12,873	(2,427)
Revenue included in the net (loss)/profit/total comprehensive (loss)/income	4,736	(6)	(626)	1,772
Summary of cash flows for the financial yeart				
Net cash inflows/(outflows) from operating activities	3,585	4,141	20,126	(800)
Net cash inflows/(outflows) from investing activities	328	228	(794)	110
Net cash (outflows)/inflows from financing activities	(77)	(5,301)	(16,440)	36
Net cash inflows/(outflows)	3,836	(932)	2,892	(654)
Other information				
Dividends paid to non-controlling interests	–	2,120	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below (Continued):

	Eureka Equity Sdn Bhd RM'000	Everise Tiara (M) Sdn Bhd RM'000	Everise Project Sdn Bhd RM'000	Seri Tiara Development Sdn Bhd RM'000
2021				
Financial position as at reporting date				
Non-current assets	–	–	106,427	5
Current assets	48,063	21,337	364,027	179,067
Non-current liabilities	–	–	(2,175)	–
Current liabilities	(5,736)	(11,444)	(177,819)	(3,488)
Net assets	42,327	9,893	290,460	175,584
Summary of financial performance for the financial year				
Net profit/total comprehensive income for the financial year	452	2,546	10,142	1,288
Revenue included in the net profit/(loss)/total comprehensive income/(loss)	1,743	5,545	4,477	(2)
Summary of cash flows for the financial yeart				
Net cash inflows from operating activities	15,890	746	14,420	15,429
Net cash inflows from investing activities	41	207	265	236
Net cash (outflows)/inflows from financing activities	56	(3,499)	(14,261)	(15,005)
Net cash inflows/(outflows)	15,987	(2,546)	424	660
Other information				
Dividends paid to non-controlling interests	–	1,400	–	2,250

8. EQUITY INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets at fair value through OCI:				
Shares quoted in Malaysia	85,742	92,842	12,917	20,017
Unquoted shares in Malaysia	100	100	–	–
	85,842	92,942	12,917	20,017

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. EQUITY INVESTMENTS (CONTINUED)

The fair value hierarchies of the Group's and the Company's investments in quoted and unquoted shares in Malaysia are at Level 1 and Level 3 respectively.

The Group deems the carrying value of the unquoted shares in Malaysia as its fair value and has estimated that there would be no significant changes in the fair value as a result of any inter-relationship between significant unobservable inputs.

There is no transfer between the fair value hierarchies during the financial year.

9. DEFERRED TAX ASSETS

	Group	
	2022 RM'000	2021 RM'000
At 1 January	35,145	60,093
Recognised in profit or loss	(183)	(24,948)
At 31 December	34,962	35,145

Deferred tax assets arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

10. OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Sundry receivables	–	4,359	–	–
Current				
Sundry receivables	76,278	205,832	1,520	2,785
Deposits and prepayments	19,441	28,780	1,630	2,064
	95,719	234,612	3,150	4,849
Impairment loss	(16,122)	(17,815)	(1,308)	(1,308)
	79,597	216,797	1,842	3,541

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10. OTHER RECEIVABLES (CONTINUED)

The movements of impairment loss during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of financial year	17,815	11,584	1,308	1,308
Impairment loss recognised	1,689	6,270	–	–
Reversal	(3,382)	(26)	–	–
Written off	–	(13)	–	–
At end of financial year	16,122	17,815	1,308	1,308

Included in current sundry receivables of the Group are amounts of RM4,511,956 due from a third party for the disposal of investment properties (2021: non-current and current of RM4,359,378 and RM13,559,087 respectively).

Included in the sundry receivables of the Group and of the Company is amount owing by associate companies of the immediate holding company of RM27,515 and RM13,141 (2021: RM732,350 and RM12,390) respectively.

In prior year, included in the current sundry receivables of the Group was an amount of RM131,031,041 advanced to a joint venture partner for a potential land development project, the amount had been fully received during the financial year due to the joint venture had not been materialised.

Reversal of impairment loss due to receipts had been collected during the financial year.

11. CONTRACT ASSETS

	Group	
	2022 RM'000	2021 RM'000
Contract assets		
Revenue recognised to date	557,608	3,419,230
Progress billings issued to date	(536,621)	(3,298,537)
	20,987	120,693
Contract costs		
Costs to obtain contracts	3,514	3,329
	24,501	124,022

Costs to obtain contracts comprise the following costs which resulted from obtaining contracts:
- sales commission paid to intermediaries and other costs; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries and other costs are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

During the financial year, RM9,686,000 (2021: RM11,784,000) was amortised to cost of sales and RM6,372,000 (2021: RM16,327,000) was amortised against revenue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. TRADE RECEIVABLES

	Group	
	2022 RM'000	2021 RM'000
Progress billings receivable	123,677	108,537
Funds held by stakeholders	73,896	127,534
Other trade receivables	15	15
	197,588	236,086
Impairment loss	(7,682)	(8,782)
	189,906	227,304

The movement of impairment loss during the financial year is as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	8,782	8,882
Reversal	(1,100)	(100)
At end of financial year	7,682	8,782

The progress billings receivable are due within 14 to 90 days (2021: 14 to 90 days) as stipulated in the sale and purchase agreements.

Reversal of impairment loss was due to receipts had been collected during the financial year.

13. AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY

In prior year, the amount owing by immediate holding company was non-trade, unsecured, interest free advance and receivable on demand.

The amount owing to immediate holding company comprises:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest free advances	88	85	18	13
Administrative fee payable	220	110	–	–
	308	195	18	13

The interest free advances are non-trade, unsecured and repayable on demand. The administrative fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2021: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by subsidiary companies comprises:

	Company	
	2022 RM'000	2021 RM'000
Interest free advances	190,023	686,056
Management fee receivable	8,310	10,406
Rental receivable	3	77
	198,336	696,539

The interest free advances are non-trade, unsecured and receivable within 12 months (2021: 12 months). The management fee and rental receivable are expected to be settled within the normal credit terms of 30 to 60 days (2021: 30 to 60 days).

The amount owing to subsidiary companies is non-trade, unsecured, interest free advance and repayable on demand.

15. AMOUNTS OWING BY/TO RELATED COMPANIES

Related companies are the fellow subsidiary companies of the ultimate holding company.

The amount owing by related companies comprises:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental receivable	–	1,317	–	–
Interest free advances	205	254	1	1
	205	1,571	1	1

In prior year, the rental receivable was expected to settled within the normal credit terms of 30 to 60 days.

The interest free advances are non-trade, unsecured and receivable on demand.

The amount owing to related companies comprises:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Management fee payable	282	133	282	133
Interest free advances	154	114	–	–
	436	247	282	133

Management fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2021: 30 to 60 days).

The interest free advances are non-trade, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

16. SHORT TERM INVESTMENTS

The short term investments are managed and invested into fixed income securities and money market instruments by fund management companies. The short term investments are readily convertible to cash.

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits is an amount of RM164,890 (2021: RM161,736) of the Group and of the Company pledged to secure the Group's bank guarantee facilities.

The effective interest rates of the fixed deposits range between 1.20% to 2.65% (2021: 1.20% to 1.95%) per annum. All the fixed deposits have maturity periods of less than three months.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM417,793,536 (2021: RM499,856,650) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations, 1991.

Funds maintained in the Housing Development Accounts earn interest at 0.25% to 2.75% (2021: 0.25% to 1.75%) per annum.

19. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Share capital				
Issued and fully paid ordinary shares with no par value:				
At 1 January	2,327,599	2,821,766	2,124,905	2,519,752
Issued pursuant to the DRS	80,984	132,004	202,694	302,014
At 31 December	2,408,583	2,953,770	2,327,599	2,821,766

20. MERGER RESERVE

The merger reserve arose from the acquisition of Allied Engineering Construction Sdn Bhd, URC Engineering Sdn Bhd and UOA Properties Sdn Bhd.

21. FAIR VALUE RESERVE

The fair value reserve arose from fair value changes in equity investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

22. TREASURY SHARES

There was no buy-back of shares nor resale or cancellation of treasury shares during the financial year ended 31 December 2022.

The cumulative treasury shares of the Group and of the Company are as follows:

	Group and Company	
	2022/2021	
	Number of shares '000	RM'000
At 1 January/31 December	1,134	2,119

23. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARY COMPANIES

The amount owing to non-controlling shareholders of subsidiary companies under non-current liabilities represents non-trade, unsecured, interest free advances which are not expected to be repaid within the next 12 months.

The amount owing to non-controlling shareholders of subsidiary companies under current liabilities represents non-trade, unsecured, interest free advances which are expected to be repaid within the next 12 months.

Included in the amount owing to non-controlling shareholders of subsidiary companies are amounts of RM792,501 and RM1,056,667 (2021: RM254,417 and RM957,301) owing to Directors of the Company and key management personnel of the Group respectively and an amount of RM45,500,000 (2021: RM45,500,000) owing to a company in which a Director has financial interest.

24. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current	285	586	147	140
Non-current	431	413	259	106
	716	999	406	246

Set out below are the movements of lease liabilities during the financial year:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
As at 1 January	999	1,697	246	515
Additions	355	–	355	–
Acquisition of a subsidiary company	–	185	–	–
Lease payments	(638)	(883)	(195)	(269)
Lease interest	46	70	18	18
Payment for lease interest	(46)	(70)	(18)	(18)
As at 31 December	716	999	406	246

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

24. LEASE LIABILITIES (CONTINUED)

Other than the exception of short-term leases, the Group and the Company have leases for plant, machineries and motor vehicles.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group and the Company to sublet the asset to another party, the right-of-use asset can only be used by the Group and the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group and the Company are prohibited from selling or pledging the underlying leased assets as securities.

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use assets recognised in property, plant and equipment on the statements of financial position:

	Range of remaining term	
	2022	**2021**
Group		
Leasehold land and buildings	84 to 88 years	85 to 89 years
Plant and machineries	1 to 2 years	1 to 3 years
Motor vehicles	1 to 7 years	1 to 8 years
Company		
Motor vehicles	1 to 5 years	1 to 4 years

There is no lease with extension options, variable payment linked to an index and termination options.

The effective interest rates of the lease liabilities are between 3.72% to 5.67% (2021: 4.41% to 5.67%) per annum for the Group and 3.72% to 5.55% (2021: 4.41% to 5.55%) per annum for the Company.

25. BORROWINGS

	Group	
	2022 RM'000	**2021 RM'000**
Islamic term loan:		
Non-current	212	256
Current	44	43
At end of financial year	256	299

The Islamic term loan is secured by:

i. asset sale agreement over Shariah compliant commodities;
ii. letter of guarantee from Credit Guarantee Corporation (M) Berhad; and
iii. joint and several guarantee by Directors of the subsidiary company.

The effective profit rate of the Islamic term loan is fixed at 3.50% (2021: 3.50%) per annum and the facility is to be repaid via 84 monthly instalments inclusive of 6 months moratorium period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

26. DEFERRED TAX LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
At 1 January	42,811	39,844
Recognised in profit or loss	3,072	2,961
Acquisition of a subsidiary company	—	6
At 31 December	45,883	42,811
Tax effects of temporary differences arising from:		
- Property, plant and equipment	1,278	100
- Real Property Gains Tax ("RPGT") on fair value gain of investment properties	42,600	41,345
- Other temporary differences	2,005	1,366
	45,883	42,811

Other temporary differences arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

27. TRADE PAYABLES

	Group	
	2022 RM'000	2021 RM'000
Sub-contractors' claims	5,032	7,090
Retention sums	49,620	62,887
Accrued construction costs	149,570	184,587
Other trade payables	9,598	4,672
	213,820	259,236

The normal credit terms extended by sub-contractors and suppliers range between 30 to 60 days (2021: 30 to 60 days). The retention sums are repayable upon the expiry of the defects liability period.

28. OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sundry payables	54,680	47,548	3,761	4,756
Deposits	53,545	45,406	174	272
Accruals	114,901	158,855	7,658	9,325
	223,126	251,809	11,593	14,353

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

28. OTHER PAYABLES (CONTINUED)

Included in the sundry payables of the Group and of the Company is amount owing to associate companies of the immediate holding company of RM628,419 and RM1,834 (2021: RM544,998 and RM878) respectively.

Included in the deposits of the Company is security and utilities deposit owing to subsidiary companies of RM171,708 (2021: RM270,238). These deposits are expected to be refunded upon the termination of the tenancies.

29. REVENUE

29.1 Disaggregated revenue information

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Types of revenue				
Sales of properties				
- Properties under construction	357,641	464,753	–	–
- Completed properties/land	94,012	82,731	–	–
Dividend income				
- Subsidiary companies	–	–	120,404	294,766
- Investments in quoted shares	–	–	358	273
Revenue from contracts with customers	451,653	547,484	–	–
Revenue from other sources of income	–	–	120,762	295,039
Timing of recognition of revenue from contracts with customers				
Performance obligations				
- Satisfied over time	357,641	464,753		
- Satisfied at a point in time	94,012	82,731		
	451,653	547,484		

All of the Group's and the Company's revenue are generated from Malaysia.

29.2 Contract balances

	Group	
	2022 RM'000	2021 RM'000
Trade receivables	189,906	227,304
Contract assets	24,501	124,022

The decrease of trade receivables was due to receipts collected during the financial year.

Contract assets decreased as billings had been issued to customers in respect of work already performed.

There were no contract liabilities at the reporting date and in the previous year presented and no revenue was recognised from performance obligations satisfied in previous years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

29. REVENUE (CONTINUED)`

29.3 Performance obligations

Sale of properties

For sale of development properties under construction, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For the sale of completed properties or land, the performance obligation is satisfied upon delivery of the properties or when control of the land has been passed to the buyer.

The payment terms for progress billings made to purchasers are disclosed in Note 12 to the Financial Statements.

The nature of the properties that the Group has promised to transfer to purchasers are residential houses and commercial units/buildings.

The Group's properties are subject to a defects liability period of generally twenty-four (24) months from the delivery of vacant possession. This requires the Group to rectify any defects which may appear and which are due to design, materials, goods, workmanship or equipment that are not in accordance with the sale and purchase agreement.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

	Group	
	2022 RM'000	2021 RM'000
Sale of development properties under construction	197,917	88,897

The remaining performance obligations are expected to be recognised within 1-3 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

30. COST OF SALES

	Group	
	2022 RM'000	2021 RM'000
Cost of development properties under construction sold	164,947	243,757
Cost of completed properties/land sold	73,344	55,160
	238,291	298,917

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

31. OTHER INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental income	140,133	125,528	627	926
Hotel operation income	71,485	22,347	–	-
Gain on remeasurement of short-term investments	12,442	3,141	4,559	1,705
Sundry income	17,545	9,371	878	589
Distribution income from equity investments	5,459	3,425	–	–
Dividend income from equity investments	358	273	–	–
Management fee	–	–	41,976	41,072
	247,422	164,085	48,040	44,292

32. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of financial liabilities	93	94	–	–
Discounting of financial assets	–	300	–	–
Lease interest	46	70	18	18
Interest on term loan	9	8	–	–
Others	–	3	–	–
	148	475	18	18

33. PROFIT BEFORE TAX

Profit before tax has been determined after charging amongst others, the following item:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental expenses - short-term leases	9,819	11,330	5,640	7,044

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

34. TAX EXPENSES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax provision	67,916	62,802	1,538	1,440
Deferred tax	2,436	30,566	–	–
	70,352	93,368	1,538	1,440
(Over)/underprovision in prior years				
- Current tax	(6,718)	(2,363)	(161)	(182)
- Deferred tax	819	(2,657)	–	–
	(5,899)	(5,020)	(161)	(182)
	64,453	88,348	1,377	1,258

Malaysian income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated assessable profit for the current financial year.

The reconciliation of the tax expenses on profit before tax with the statutory income tax rate is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	287,213	316,692	118,171	292,130
Tax at statutory rate	68,931	76,006	28,361	70,111
Tax effects of				
- non-deductible expenses	13,684	24,440	3,466	3,610
- non-taxable income	(9,713)	(4,416)	(30,289)	(72,281)
Movement in unrecognised deferred tax assets	(2,047)	2,346	–	–
Difference between income tax rate and RPGT rate applicable to fair value gain on investment properties	(555)	(5,887)	–	–
Change in RPGT rate on investment properties	52	879	–	–
Overprovision in prior years	(5,899)	(5,020)	(161)	(182)
Tax expenses	64,453	88,348	1,377	1,258

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022 RM'000	2021 RM'000
Property, plant and equipment	(84,926)	(108,223)
Inventories written down	11,988	8,089
Unabsorbed tax losses	27,362	28,686
Unutilised capital allowances	63,200	92,432
Unutilised investment tax allowances	138,464	143,634
	156,088	164,618

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

34. TAX EXPENSES (CONTINUED)

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiary companies can utilise these benefits. The Group's unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances can be carried forward to offset against future taxable profits of the respective subsidiary companies.

The expiry terms of the unabsorbed tax losses are as follows:

	Group	
	2022 RM'000	2021 RM'000
Year of assessment 2028	319	2,529
Year of assessment 2029	134	1,540
Year of assessment 2030	10,226	13,935
Year of assessment 2031	5,678	10,682
Year of assessment 2032	11,005	–
	27,362	28,686

35. EARNINGS PER SHARE

a) Basic

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.

	Group	
	2022	2021
Net profit attributable to owners of the Company (RM'000)	219,937	222,447
Weighted average number of ordinary shares ('000)	2,362,853	2,214,290
Net earnings per ordinary share (RM)	0.09	0.10

b) Diluted

Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

36. DIVIDENDS

	Group and Company	
	2022 RM'000	2021 RM'000
In respect of the financial year ended 31 December 2021:		
First and final single tier dividend of 10 sen per share:		
- Dividend reinvested into 80,983,900 new ordinary shares pursuant to the DRS	132,004	–
- Payment in cash	100,643	–
In respect of the financial year ended 31 December 2020:		
First and final single tier dividend and special single tier dividend of 14 sen and 1 sen respectively per share:		
- Dividend reinvested into 202,694,200 new ordinary shares pursuant to the DRS	–	302,014
- Payment in cash	–	16,552
	232,647	318,566

The Directors now recommend a first and final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM240,744,940 based on 2,407,449,400 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

37. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Employees benefits expenses	61,168	41,691	30,456	25,043

Included in the employee benefits expenses are EPF contributions amounting to RM5,466,814 (2021: RM4,108,798) for the Group and RM2,962,530 (2021: RM2,428,878) for the Company.

38. RELATED PARTY DISCLOSURES

a) Significant related party transactions

Significant related party transactions during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with immediate holding company				
Rental charged to	196	129	–	–
Administrative fee charged by	1,320	1,320	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

38. RELATED PARTY DISCLOSURES (CONTINUED)

a) Significant related party transactions (Continued)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with subsidiary companies				
Management fee charged to	–	–	41,976	41,072
Rental charged to	–	–	627	926
Rental charged by	–	–	1,856	1,471
Transactions with related companies				
Management fee charged by	1,648	1,589	1,648	1,589
Rental charged to	18,130	18,492	–	–
Rental charged by	6,594	8,369	3,784	5,573
Distribution income received from	5,459	3,425	–	–
Transactions with associate companies of the immediate holding company				
Management fee charged by	3,393	4,550	–	–
Rental charged to	277	314	–	–
Administrative fee charged by	546	540	–	–
Landscaping fee charged by	335	356	10	10
Security services charged by	1,289	1,502	3	14

The Directors are of the opinion that the above transactions were entered into in the normal course of business and established under negotiated terms.

b) Key management personnel compensation

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

	Group and Company	
	2022 RM'000	2021 RM'000
Directors of the Company		
Fees and remunerations	7,373	4,184
Estimated monetary value of benefits-in-kind	147	208
Total short-term employees benefits	7,520	4,392
Post-employment benefits (EPF)	838	478
	8,358	4,870

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

38. RELATED PARTY DISCLOSURES (CONTINUED)

b) Key management personnel compensation (Continued)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other key management personnel				
Salaries, allowances and bonuses	2,352	1,959	1,319	1,117
Estimated monetary value of benefits-in-kind	91	69	31	5
Total short-term employees benefits	2,443	2,028	1,350	1,122
Post-employment benefits (EPF)	198	73	78	55
	2,641	2,101	1,428	1,177
Total compensation	10,999	6,971	9,786	6,047

39. MATERIAL LITIGATIONS

On 31 December 2018, two of the Company's wholly-owned subsidiary companies, namely Windsor Triumph Sdn Bhd ("Windsor") and Sunny Uptown Sdn. Bhd. ("Sunny") were served by the Inland Revenue Board of Malaysia ("IRB") with Notices of Additional Assessment for the Year of Assessment 2013, for additional income tax totalling RM25,558,750.50 and penalties totalling RM14,057,312.78 ("Cases").

The additional assessment raised against Windsor by IRB arose from an adjustment by IRB of the market value of property that Windsor had withdrawn as an inventory to hold as investment property.

The additional assessment raised against Sunny by IRB arose from an adjustment by IRB of the selling price at market value of properties that Sunny had assigned to another wholly-owned subsidiary of the Group on an "as is" basis.

Both subsidiary companies relied on valuations by a professional, independent and experienced registered valuer. These valuations were adjusted by IRB by substituting them with valuations subsequently conducted by Jabatan Penilaian dan Perkhidmatan Harta.

Upon consulting the Group's tax solicitors, the Group is of the view that there are good grounds to challenge the basis and validity of the disputed Notices of Additional Assessment raised by the IRB and the penalties imposed. Windsor and Sunny have filed their appeals with the Special Commissioners of Income Tax ("SCIT"). The SCIT has fixed the mention date on 12 April 2023 for Windsor and hearing dates on 13 June 2023 to 14 June 2023 for Sunny.

The Directors are of the opinion that no provisions in respect of the tax liabilities and penalty in dispute are required to be made in the financial statements as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

40. MATURITY ANALYSIS OF LEASE PAYMENTS

As lessor

The Group leases out its properties and temporarily leases out its inventories under non-cancellable operating lease arrangements. These leases run typically for a period ranging from 1 to 4 years, with the option to renew. Subsequent renewals are negotiated with the lease on average renewal period of 4 years. None of the leases include contingent rentals.

The future undiscounted lease payments receivable after the reporting date are as follows:

	2022 RM'000	2021 RM'000
Within 1 year	114,726	102,079
In the second year	69,659	58,839
In the third year	26,821	25,752
In the fourth year	1,939	2,221
	213,145	188,891

41. CAPITAL COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
Approved and contracted for:		
— Purchase of property, plant and equipment	2,668	7,378
— Construction of investment properties	4,240	6,230

42. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, which comprises the following:

i. Property development — development of residential and commercial properties
ii. Construction — construction of residential and commercial properties
iii. Others — hospitality, medical healthcare, training services, holding of investment properties to generate rental income, capital appreciation or both

The Group has aggregated certain operating segments to form a reportable segment due to their similar nature and operational characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

42. SEGMENTAL INFORMATION (CONTINUED)

Group	Property development 2022 RM'000	Property development 2021 RM'000	Construction 2022 RM'000	Construction 2021 RM'000	Others 2022 RM'000	Others 2021 RM'000	Elimination 2022 RM'000	Elimination 2021 RM'000	Consolidated 2022 RM'000	Consolidated 2021 RM'000
External revenue	451,653	547,484	–	–	–	–	–	–	451,653	547,484
Inter segment revenue	1,712	5,728	213,396	365,278	–	–	(215,108)	(371,006)	–	–
Total revenue	453,365	553,212	213,396	365,278	–	–	(215,108)	(371,006)	451,653	547,484
Depreciation	(1,452)	(1,479)	(1,575)	(2,653)	(13,428)	(14,034)	250	250	(16,205)	(17,916)
Rental income	111,699	107,489	113	17	35,497	25,164	(7,176)	(7,142)	140,133	125,528
Fair value adjustments	(11,600)	(15,600)	–	–	7,056	56,728	300	51,245	(4,244)	92,373
Dividend income	–	–	–	–	120,762	295,039	(120,404)	(294,766)	358	273
Distribution income	4,494	3,099	268	302	12,872	12,904	–	–	17,634	16,305
Interest income	14,521	15,101	1,890	1,462	1,293	1,921	–	–	17,704	18,484
Interest expense	(80)	(82)	(17)	(45)	(51)	(348)	–	–	(148)	(475)
Other material non-cash items	1,727	(9,699)	(51)	(9)	(5,430)	(150,429)	5,194	94,400	1,440	(65,737)
Segment results	237,494	236,889	44,776	61,738	4,943	18,065			287,213	316,692
Tax expenses									(64,453)	(88,348)
Net profit for the financial year									222,760	228,344
Segment assets	4,105,121	3,995,118	208,429	203,865	1,971,260	2,036,142	–	–	6,284,810	6,235,125
Segment liabilities	295,412	295,881	107,689	149,710	83,009	114,700	–	–	486,110	560,291
Additions to non-current assets	58,109	51,823	234	834	6,533	154,718	–	–	64,876	207,375

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

42. SEGMENTAL INFORMATION (CONTINUED)

	Consolidated	
	2022 RM'000	**2021 RM'000**
Other material non-cash items consists of the following:		
Reversal of impairment losses/(impairment losses) on financial assets	2,793	(6,144)
Reversal of impairment losses/(impairment losses) on non-financial assets	4,013	(55,530)
Bad debts written off	(88)	(2)
Property, plant and equipment written off	(1,320)	(13)
Inventories written down	(3,899)	(4,004)
Inventories written off	(59)	(44)
Reconciliation of segment assets to total assets		
Segment assets	6,284,810	6,235,125
Equity investments	85,842	92,942
Deferred tax assets	34,962	35,145
Current tax assets	47,973	46,206
	6,453,587	6,409,418
Reconciliation of segment liabilities to total liabilities		
Segment liabilities	486,110	560,291
Current tax liabilities	4,525	1,522
Deferred tax liabilities	45,883	42,811
Total liabilities as per statement of financial position	536,518	604,624
Additions to non-current assets consist of the following:		
Property, plant and equipment	24,226	4,525
Investment properties	18,083	161,007
Inventories - land held for property development	22,567	41,843
	64,876	207,375

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are wholly carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

There is no significant concentration of revenue from any major customers as the Group sells its development properties to various purchasers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, interest rate risk, market risk and liquidity risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:

a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. The Group and the Company extend credit only to recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

i. Receivables and contract assets

In respect of trade receivables arising from the sale of the Group's development properties, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development properties until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

In respect of the Group's investment properties and tenanted unsold inventories, the Group customarily obtains three months' rental deposit from tenants as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating and coverage by collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if the Directors deem them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

a) Credit risk (Continued)

i. Receivables and contract assets (Continued)

Collateral is considered an integral part of trade receivables and considered in the calculation of impairment. At the reporting date, all of the Group's trade receivables are covered by collateral other than the trade receivables that are credit impaired. As such, no expected credit losses are required as at reporting date for trade receivables that are covered by collateral. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as trade receivables consists of a large number of customers in various backgrounds.

	Expected credit loss rate %	Total gross carrying amount RM'000	Expected credit loss RM'000
Group			
2022			
Trade receivables			
Not past due	–	168,882	–
Less than 44 days past due	–	1,714	–
Between 44 and 110 days past due	–	432	–
More than 110 days past due	–	18,878	–
Credit impaired	100	7,682	7,682
		197,588	7,682
Contract assets	–	24,501	–
2021			
Trade receivables			
Not past due	–	189,444	–
Less than 44 days past due	–	1,005	–
Between 44 and 110 days past due	–	10,467	–
More than 110 days past due	–	26,388	–
Credit impaired	100	8,782	8,782
		236,086	8,782
Contract assets	–	124,022	–

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and had defaulted on payments.

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

a) Credit risk (Continued)

ii. Intercompanies balances

The maximum exposure to credit risk for intercompanies balances is represented by their carrying amounts in the statements of financial position.

The Group and the Company has management fee receivable and rental receivable and also provide unsecured advances to immediate holding, subsidiary and related companies and monitors the results of these companies regularly. As at the reporting date, there was no indication that the management fee receivable and rental receivable and the advances to these companies are not recoverable.

iii. Financial institutions and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

iv. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM53,251,000 (2021: RM79,713,000), represented by the bank guarantees and outstanding banking facilities utilised by the subsidiary companies as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

v. Investments and other financial assets

At the end of the reporting year, the Group and the Company have investments in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Significant investments are allowed only in liquid securities and only with counterparties that have good credit ratings.

The Group's and the Company's maximum exposure to credit risk for the components of the statements of financial position at the reporting date are their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Fixed deposits with licensed banks	232,070	390,347	30,987	21,357
Lease liabilities	716	999	406	246
Borrowings	256	299	–	–

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

c) Market risk

The Group's and the Company's principal exposure to market risk arises from changes in value caused by movements in market prices of their quoted equity investments. The risk of loss is minimised via thorough analysis before investing and continuous monitoring of the performance of the investments.

Common to all businesses, the overall performance of the Group's and the Company's investments are also driven externally by global and domestic economies that are largely unpredictable and uncontrollable.

d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventories, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

d) Liquidity risk (Continued)

Owing to the nature of the businesses, the Group and the Company seek to maintain sufficient credit lines available to meet the liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Less than 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Group			
2022			
Trade and other payables	436,946	–	436,946
Amount owing to immediate holding company	308	–	308
Amount owing to related companies	436	–	436
Amount owing to non-controlling shareholders of subsidiary companies	45,500	2,133	47,633
Lease liabilities	310	464	774
Borrowings	53	229	282
	483,553	2,826	486,379
2021			
Trade and other payables	511,045	–	511,045
Amount owing to immediate holding company	195	–	195
Amount owing to related companies	247	–	247
Amount owing to non-controlling shareholders of subsidiary companies	47,248	284	47,532
Lease liabilities	622	446	1,068
Borrowings	53	281	334
	559,410	1,011	560,421

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

d) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

	Less than 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Company			
2022			
Other payables	11,593	–	11,593
Amount owing to immediate holding company	18	–	18
Amount owing to subsidiary companies	244	–	244
Amount owing to related companies	282	–	282
Lease liabilities	159	274	433
Financial guarantees*	53,251	–	53,251
	65,547	274	65,821
2021			
Other payables	14,353	–	14,353
Amount owing to immediate holding company	13	–	13
Amount owing to subsidiary companies	29,126	–	29,126
Amount owing to related companies	133	–	133
Lease liabilities	149	109	258
Financial guarantees*	79,713	–	79,713
	123,487	109	123,596

* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised

44. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

44. CAPITAL MANAGEMENT (CONTINUED)

The Group's strategy is to maintain the debt-to-equity ratio between 10% to 25%. The debt-to-equity ratio at the reporting date is as follows:

	2022 RM'000	2021 RM'000
Cash and cash equivalents	2,163,205	1,794,137
Less: total borrowings	(972)	(1,298)
Net cash available	2,162,233	1,792,839
Equity attributable to the owners of the Company	5,741,425	5,628,990
Debt-to-equity ratio (%)	–	–

There were no changes in the Group's approach to capital management during the financial year.

45. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group has established policies and procedures in respect of the fair value measurement.

Financial assets that are measured at fair value on a recurring basis

Certain financial assets of the Group and the Company are measured at fair value at the end of the reporting year. Details of fair value measurement of those financial assets are as follows:

	Fair value		Fair value hierarchy	Valuation method and key inputs
	2022 RM'000	2021 RM'000		
Group				
Equity investments				
Quoted shares in Malaysia	85,742	92,842	Level 1	Quoted bid price in active market
Unquoted shares in Malaysia	100	100	Level 3	Carrying value deemed fair value
	85,842	92,942		
Company				
Equity investments				
Quoted shares in Malaysia	12,917	20,017	Level 1	Quoted bid price in active market

There is no transfer between the fair value hierarchies during the financial year.

The carrying amounts of other financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or immaterial discounting impact.

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2022

	Location/Address	Description	Year of Valuation/ Acquisition*	Land area (sq m)/ Built up area (sq m)*/ No of bays	Age of Building	Tenure	Net Book Value (RM'000)
1	Lot 1035, 3571, 3572, 340, 1032, 949, 950, 4052, 4053, 47036, 47037, Mukim Batu, Daerah Kuala Lumpur Kuala Lumpur	Land held for development	*2011, *2012 & *2014	27.3 acres		Freehold	401,415
2	Komune Living & Wellness, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Kuala Lumpur	Hotel & retail complex	2021	*56,400	1 year	Freehold	296,948
3	Nexus, Bangsar South City, Jalan Kerinchi, Kuala Lumpur	Retail and convention centre	2022	*71,373	9 years	Leasehold 99 years – expiring 27 December 2110	196,400
4	The Vertical, Bangsar South City, Jalan Kerinchi, Kuala Lumpur	Hotel & retail podium	*2014 & 2022	*50,408	6 years	Leasehold 99 years – expiring 16 August 2106	194,580
5	The Sphere, Bangsar South City, Jalan Kerinchi, Kuala Lumpur	Retail complex & commercial land	2022	28,578	5 years	Leasehold 99 years – expiring 16 August 2106	155,000
6	Commercial Area at United Point, Jalan Lang Emas, Kuala Lumpur	Retail complex	2021 & 2022	*60,943	3 years	Freehold	151,900
7	Komune Living, Jalan Kerinchi Kiri 3, Kuala Lumpur	Hotel	2018 & *2019	2,233	3 years	Freehold	130,000
8	Camellia Serviced Suites, Jalan Kerinchi, Kuala Lumpur	Serviced suites & hotel	*2013 & 2022	*23,215	9 years	Leasehold 99 years – expiring 27 December 2110	110,634
9	The Horizon Phase I & II Carpark, Bangsar South City, Jalan Kerinchi, Kuala Lumpur	Car park	2022	4,370 bays	13 years	Leasehold 99 years – expiring 16 August 2106	96,100
10	Geran 77273 Lot 480588, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Kuala Lumpur	Vacant commercial land	2021	10,749		Freehold	75,200

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Authorised Share Capital	:	RM100,000,000
Issued Share Capital	:	2,407,449,400
Treasury Shares	:	1,133,800
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS*

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	217	2.50	1,946	0.00
100 to 1,000	1,848	21.30	1,216,687	0.05
1,001 to 10,000	4,566	52.62	20,563,686	0.85
10,001 to 100,000	1,761	20.29	50,240,306	2.09
100,001 to less than 5% of issued shares	284	3.27	410,336,527	17.05
5% and above of issued shares	2	0.02	1,925,090,248	79.96
	8,678	100.00	2,407,449,400	100.00

* Excluding treasury shares

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	UOA Holdings Sdn Bhd	1,703,664,400	70.73
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	221,425,848	9.19
3	Amanahraya Trustees Berhad Amanah Saham Bumiputera	53,000,000	2.20
4	RHB Capital Nominees (Tempatan) Sdn Bhd UOA Holdings Sdn Bhd	32,994,000	1.37
5	Permodalan Nasional Berhad	24,885,500	1.03
6	HSBC Nominees (Asing) Sdn Bhd TNTC for Edgbaston Asian Equity Trust	22,580,000	0.94
7	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	19,524,000	0.81
8	Amanahraya Trustees Berhad Amanah Saham Malaysia	15,692,050	0.65
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ASIANISLAMIC)	12,160,600	0.50
10	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	12,150,600	0.50
11	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	11,776,254	0.49

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (CONTINUED)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONTINUED)

	Name of Shareholders	No. of Shares	%
12	HSBC Nominees (Asing) Sdn Bhd TNTC for the Edgbaston Asian Equity (Jersey) Trust	9,654,800	0.40
13	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	7,928,700	0.33
14	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	7,779,800	0.32
15	Citigroup Nominees (Asing) Sdn Bhd CBLDN for Pohjola Bank PLC (Client AC-EUR)	7,243,300	0.30
16	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund MFY4 for Mercer Investment Fund 1 (Mercer QIF FUNDPLC)	6,984,400	0.29
17	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Family Takaful Berhad (Family)	6,766,200	0.28
18	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	6,400,000	0.27
19	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	6,059,400	0.25
20	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	6,021,458	0.25
21	Maybank Nominees (Tempatan) Sdn Bhd AHAM Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	5,260,500	0.22
22	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Affin Hwang Aiiman Growth Fund (4207)	5,042,600	0.21
23	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	4,800,000	0.20
24	United Overseas Australia Ltd	4,425,400	0.18
25	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	4,413,300	0.18
26	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Affin Hwang Select Dividend Fund	4,015,100	0.17
27	Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad for AiimanTNB RBTF (EQ) (433139)	4,009,800	0.17
28	Cartaban Nominees (Tempatan) Sdn Bhd TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund 2	3,964,100	0.16
29	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	3,502,700	0.15
30	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund ZYEF for Vanguard Global Ex-U.S. Real Estate Indexfund	3,352,000	0.14

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name	**Shares**	**%**	**Shares**	**%**
UOA Holdings Sdn Bhd ("UOAH")	1,736,812,600	72.14	20[(1)]	*
United Overseas Australia Ltd ("UOAL")	4,425,400	0.18	1,736,812,620[(2)]	72.14
Griyajaya Sdn Bhd	—	—	1,741,238,020[(3)]	72.33
Transmetro Sdn Bhd	20	*	1,741,238,020[(4)]	72.33
Kong Chong Soon @ Chi Suim	—	—	1,741,504,340[(5)]	72.34
Kong Pak Lim	—	—	1,741,238,020[(6)]	72.33
Employees Provident Fund Board	248,475,206	10.32	—	—

* negligible

Notes:

1. Deemed interested by virtue of Section 8 of the Companies Act 2016 ("the Act") (shareholdings held through LTG Development Sdn Bhd).
2. Deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares in UOA Holdings Sdn Bhd.
3. Deemed interested by virtue of Section 8 of the Act (shareholdings held through United Overseas Australia Ltd and as an associate of Kong Chong Soon @ Chi Suim and Kong Pak Lim) and deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares of UOA Holdings Sdn Bhd.
4. Deemed interested by virtue of Section 8 of the Act (through its shareholdings in Griyajaya Sdn Bhd and Transmetro Corporation Sdn Bhd, its wholly owned subsidiary in United Overseas Australia Ltd) and as an associate of Kong Chong Soon @ Chi Suim.
5. Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).
6. Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd)

STATEMENT OF DIRECTORS' INTEREST
AS AT 31 MARCH 2023

Name	Direct		Indirect	
	Shares	%	Shares	%
Kong Chong Soon @ Chi Suim	–	–	1,741,504,340[1]	72.34
Kong Pak Lim	–	–	1,741,238,020[2]	72.33
Ar. Low Shu Nyok	–	–	–	–
Teo Chee Seng	–	–	–	–
Ang Kheng Im	186,820	0.01	–	–
Kong Sze Choon *(Alternate to Kong Chong Soon @ Chi Suim)*	121,600	0.01	44,700[3]	*
Stephanie Kong Pei Zen *(Alternate to Kong Pak Lim)*	–	–	–	–

* negligible

Notes:

1. Deemed interested by virtue of Section 8 of the Companies Act 2016 (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).

2. Deemed interested by virtue of Section 8 of the Companies Act 2016 (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd).

3. Deemed interested by virtue of Section 8 of the Companies Act 2016 (shareholdings held through Global Transact Sdn Bhd).

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of UOA Development Bhd ("AGM") will be held at Summit 1, Connexion Conference & Event Centre (CCEC), Level M1, The Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Monday, 22 May 2023 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1 To lay the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note 1)

2 To approve a First and Final Single Tier Dividend of 10 sen per share for the financial year ended 31 December 2022. Resolution 1

3 To approve the payment of Directors' fees and meeting allowances payable up to an amount of RM211,000.00 for the financial year ending 31 December 2023. Resolution 2

4 To re-elect Mr. Kong Pak Lim who shall retire pursuant to Article 100 of the Constitution of the Company. Resolution 3

5 To re-elect Mr. Eugene Lee Chin Jin who shall retire pursuant to Article 107 of the Constitution of the Company. Resolution 4

6 To re-elect Tuan Haji Ramley Bin Alan who shall retire pursuant to Article 107 of the Constitution of the Company Resolution 5

7 To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 6

AS SPECIAL BUSINESS

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

8 **Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016** Resolution 7

"**THAT** subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (CONTINUED)

9 **Proposed renewal of authority from shareholders to allot and issue new ordinary shares in UOA Development Bhd ("UOA" or "the Company") ("Shares") for the purpose of the Company's Dividend Reinvestment Scheme ("DRS") that provides the shareholders of UOA ("Shareholders") the option to elect to reinvest their cash dividend in new Shares.** Resolution 8

"**THAT** pursuant to the DRS as approved by the Shareholders at the Extraordinary General Meeting held on 29 May 2012 and renewed at the Annual General Meeting held on 25 May 2022, subject to the approval of the relevant authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-market-day volume weighted average market price ("VWAP") of the Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

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

10 **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and for Provision of Financial Assistance with UOA Holdings Group** Resolution 9

"**THAT**, pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the UOA Holdings Group as set out in Part A of Appendix I of the Circular to Shareholders of the Company dated 21 April 2023 ("Circular") with the related parties mentioned therein which are necessary for UOA Development and its subsidiaries' ("UOA Development Group") day-to-day operations subject further to the following:

a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (CONTINUED)

11 **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and for Provision of Financial Assistance with Transmetro Group** Resolution 10

"**THAT**, pursuant to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the Transmetro Group as set out in Part A of Appendix I of the Circular to Shareholders of the Company dated 21 April 2023 ("Circular") with the related parties mentioned therein which are necessary for UOA Development Group's day-to-day operations subject further to the following:

a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

12 **Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature** Resolution 11

"**THAT**, pursuant to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Part B of Appendix I of the Circular to Shareholders of the Company dated 21 April 2023 ("Circular") with the related parties mentioned therein which are necessary for UOA Development Group's day-to-day operations subject further to the following:

a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (CONTINUED)

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

13 **Proposed Renewal of Share Buy-Back Authority** Resolution 12

"**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Listing Requirements and all other relevant applicable laws, regulations and guidelines and the approvals of all relevant authorities, the approval granted by the shareholders of the Company at the Annual General Meeting ("AGM") of the Company held on 25 May 2022, authorising the Company to purchase and/or hold such amount of ordinary shares ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities, details as set out in the Circular to Shareholders of the Company dated 21 April 2023 ("Circular"), be and is hereby renewed, provided that:

a. the aggregate number of Shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the issued share capital of the Company at the time of purchase; and
b. the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits balance.

THAT the Directors of the Company be and are hereby authorised to deal with the Shares so purchased in their absolute discretion in any of the following manners:

a. cancel all the Shares so purchased; and/or
b. retain the Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
c. retain part thereof as treasury shares and cancel the remainder;

AND THAT such authority shall commence immediately upon the passing of this resolution, until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements and arrangements with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own Shares."

14 To transact any other business for which due notice has been given.

By Order of the Board
YAP KAI WENG (MAICSA 74580) (SSM Pc No: 201908003526)
WONG YOKE LENG (MAICSA 7032314) (SSM Pc No: 201908004035)
Company Secretaries

Kuala Lumpur, Malaysia
21 April 2023

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (CONTINUED)

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 15 May 2023 shall be regarded as members and be entitled to attend and vote at this AGM. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.

3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.

4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. The instrument appointing a proxy must be deposited at the Share Registrar at 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 or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES

1. The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 and do not require approval of shareholders. This item is meant for discussion only under the Agenda and hence, will not be put forward for voting.

2. The Board through the Nomination and Remuneration Committee ("NRC") of the Company had undertaken an annual assessment on the Executive Director, Mr. Kong Pak Lim, who is seeking re-election pursuant to Clause 100 of the Company's Constitution. Similar assessments were undertaken for Mr. Eugene Lee Chin Jin and Tuan Haji Ramley Bin Alan, both Independent Non-Executive Directors of the Company, seeking re-election pursuant to Clause 107 of the Company's Constitution.

   All the three Directors have provided their declaration of fit and propriety as Directors of the Company. The Independent Directors have also provided their annual confirmation of their independence. Both the Board and the NRC are satisfied with their performance assessment such as their meeting attendances, active participations and contributions at meetings, competency, capability and understanding of their roles and responsibilities.

   Hence, the Board recommended that the approval of the shareholders be sought for the re-election of the said Directors at this AGM. Further information on the said Directors can be obtained in the Directors' Profiles set out in the Annual Report for the year ended 31 December 2022.

3. Resolution 7 - Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016

   The proposed Resolution 7 will give the Directors of the Company the flexibility to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (CONTINUED)

The Company continues to consider opportunities to enhance the earnings potential of the Company and if such opportunities involve the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares even though the number involved may be less than 10% of the issued share capital. In order to avoid any delay and costs involved in convening a general meeting to approve the issuance of new shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purposes.

The authority for the allotment of new shares will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or acquisition. This authority will expire at the next AGM, unless revoked or varied at a general meeting. As at the date of this notice, there were no shares issued pursuant to the mandate obtained in the last AGM.

4. Resolution 8 - Authority to Issue Shares pursuant to the DRS

   The proposed Resolution 8 will give the Directors of the Company the authority to allot and issue new shares in the Company for the DRS in respect of the dividend declared at this AGM and subsequently until the next AGM.

5. Resolution 9, Resolution 10 and Resolution 11 – General Mandate for Recurrent Related Party Transactions

   The proposed Resolution 9, 10, and 11, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue and trading nature. The details of these proposals are set out in the Circular to Shareholders dated 21 April 2023, which is despatched together with the Annual Report for the financial year ended 31 December 2022.

6. Resolution 12 - Proposed Renewal of Share Buy-Back Authority

   The proposed Resolution 12, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of purchase. Details of this proposal is set out in the Circular to Shareholders dated 21 April 2023, which is despatched together with the Annual Report for the financial year ended 31 December 2022.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of individuals who are standing for election as Directors

No individual is seeking election as Director (excluding Directors standing for re-election) at the Nineteenth Annual General Meeting of the Company.

General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad

The details of the proposed authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 2 of the Notice of the AGM.

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PROXY FORM

UOA DEVELOPMENT BHD
Registration No. 200401015520 (654023-V)
(Incorporated in Malaysia)

CDS Account No:	No. of Shares held:

I/We ______________________________ NRIC No / Company No ____________________

of ____

______________________________ Tel No ____________________

being a Shareholder/Shareholders of UOA DEVELOPMENT BHD, hereby appoint the following person(s) as my proxy:

No.	Name as per NRIC	NRIC No.	% Shareholding to be represented
1.			
2.			

or failing him/her the Chairman of the Meeting as my/our proxy to attend on my/our behalf the Nineteenth Annual General Meeting of UOA DEVELOPMENT BHD to be held at Summit 1, Connexion Conference & Event Centre (CCEC), Level M1, The Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Monday, 22 May 2023 at 10.00 a.m., and at any adjournment in the manner indicated below:

Resolutions		For	Against	Abstain
Ordinary Resolution 1	To approve the First and Final Single Tier Dividend for the financial year ended 31 December 2022.			
Ordinary Resolution 2	To approve the payment of Directors' fees and meeting allowances for the financial year ending 31 December 2023.			
Ordinary Resolution 3	To re-elect Mr. Kong Pak Lim as a Director of the Company.			
Ordinary Resolution 4	To re-elect Mr. Eugene Lee Chin Jin as a Director of the Company.			
Ordinary Resolution 5	To re-elect Tuan Haji Ramley Bin Alan as a Director of the Company.			
Ordinary Resolution 6	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company.			
Ordinary Resolution 7	To authorize the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016.			
Ordinary Resolution 8	To authorize the Directors to allot and issue shares pursuant to the DRS of the Company.			
Ordinary Resolution 9	To approve the renewal of the Shareholders' Mandate for existing recurrent related party transactions and provision of financial assistance with UOA Holdings Group.			
Ordinary Resolution 10	To approve the renewal of Shareholders' Mandate for existing recurrent related party transactions and for provision of financial assistance with Transmetro Group.			
Ordinary Resolution 11	To approve the new Shareholders' Mandate for new recurrent related party transactions.			
Ordinary Resolution 12	To approve the renewal of the Share Buy-Back Authority.			

(Please indicate with an "x" in the space provided how you wish your vote to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

____
Signature of Shareholder(s)/Common Seal

Date:

Fold this flap for sealing

NOTE:

1. Only depositors whose names appear in the Record of Depositors as at 15 May 2023 shall be regarded as members and be entitled to attend and vote at this Annual General Meeting. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.

3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.

4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. The instrument appointing a proxy must be deposited at the Share Registrar at 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 or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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Affix
Stamp Here

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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UOA DEVELOPMENT BHD
200401015520 (654023-V)

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