MALTON
BERHAD
[Registration No: 199401035205 (320888-T)]

ANNUAL REPORT 2023

MALTON

VISION

- To be the leading lifestyle and innovative property developer in the region.

MISSION

- To lead through innovative designs, concepts and products.
- To create enduring value to customers through quality and creative craftmanship, good master planning and service experience.
- To be responsive to market trends and lifestyle aspirations for the future.
- To deliver sustainable returns to shareholders.

MALTON BERHAD
[Registration No: 199401035205 (320888-T)]

Annual Report 2023

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Lim Siew Choon
Non-Independent Non-Executive Chairman

Guido Paul Philip Joseph Ravelli
Deputy Chairman/
Non-Independent Non-Executive Director

Datuk Hong Lay Chuan
Executive Director

Arunasalam A/L Muthusamy
Independent Non-Executive Director

Puan Sri Tan Kewi Yong
Executive Director

Chua Thian Teck
Executive Director

Dato' Siew Mun Wai
Independent Non-Executive Director

Baharum Bin Harun
Independent Non-Executive Director

AUDIT COMMITTEE

Arunasalam A/L Muthusamy
Chairman

Guido Paul Philip Joseph Ravelli
Member

Dato' Siew Mun Wai
Member

NOMINATING COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman

Dato' Siew Mun Wai
Member

Arunasalam A/L Muthusamy
Member

REMUNERATION COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman

Arunasalam A/L Muthusamy
Member

Chua Thian Teck
Member

COMPANY SECRETARY

Hor Shiow Jei
(MAICSA 7023954)
(SSM PC No. 202008003615)

REGISTERED OFFICE

19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur
E-mail: corpservices@malton.com.my
Tel 603-2088 2888
Fax 603-2088 2999

SHARE REGISTRAR

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
E-mail: ir@shareworks.com.my
Tel 603-6201 1120
Fax 603-6201 3121

AUDITORS

Deloitte PLT (AF 0080)
Chartered Accountants
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel 603-7610 8888
Fax 603-7726 8986

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
HSBC Amanah Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

COMPANY WEBSITE

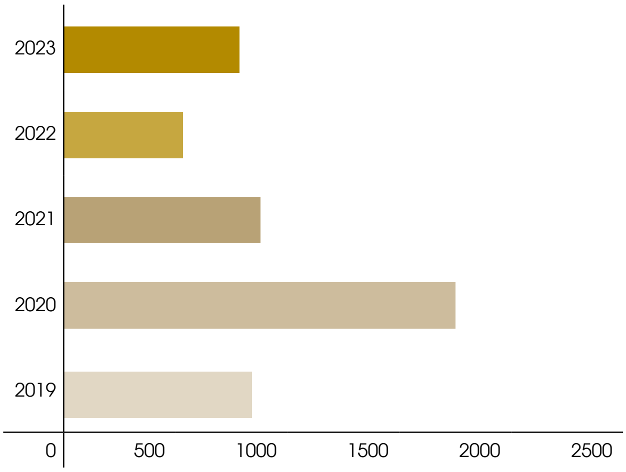
www.malton.com.my

CORPORATE STRUCTURE 27 October 2023

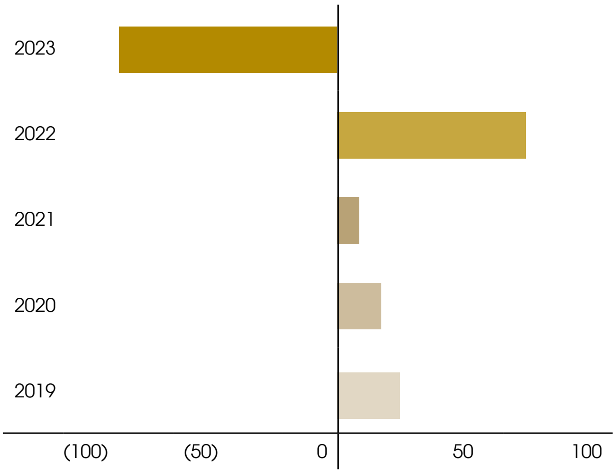
MALTON BERHAD GROUP

GROUP FINANCIAL HIGHLIGHTS

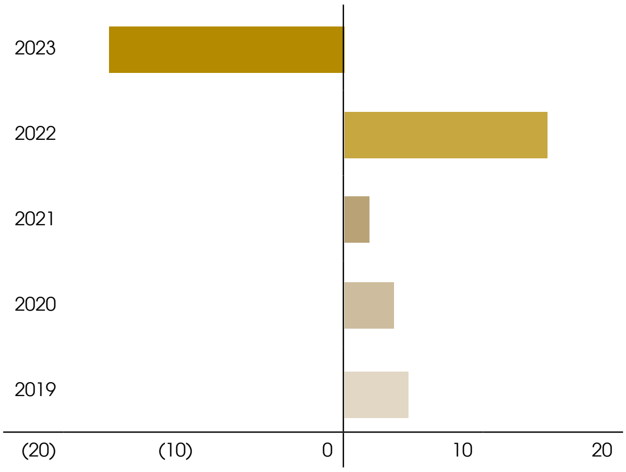
Revenue (RM mil)



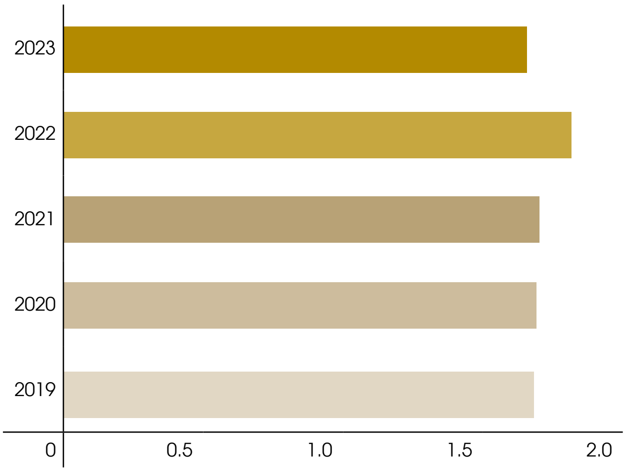
(Loss)/Profit After Taxation (RM mil)



Basic (Loss)/Earnings Per Share (Sen)



Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)



Year Ended 30 June	2023	2022	2021	2020	2019 (Restated)
Revenue (RM'000)	**831,917**	645,241	999,173	1,809,022	992,124
(Loss)/Profit Before Taxation (RM'000)	**(77,171)**	129,497	22,634	51,584	62,424
(Loss)/Profit After Taxation (RM'000)	**(98,827)**	75,778	1,169	17,660	24,204
Total Comprehensive (Loss)/Income Attributable to Owners of the Company (RM'000)	**(83,286)**	76,234	2,620	18,088	24,607
Share Capital (RM'000)	**528,552**	528,552	528,552	528,552	528,552
Equity Attributable to Equity Holders of the Company (RM'000)	**920,269**	1,003,555	927,321	924,701	914,536
Total Assets (RM'000)	**2,564,535**	2,556,145	2,640,511	2,380,918	3,028,772
Basic (Loss)/Earnings Per Share (Sen)	**(15.77)**	14.43	0.50	3.42	4.67
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	**1.74**	1.90	1.76	1.75	1.73

BOARD OF DIRECTORS

TAN SRI LIM SIEW CHOON

Malaysian Male/ Non-Independent Non-Executive Chairman

Tan Sri Lim Siew Choon, age 63, received his tertiary education in the United States of America and graduated with a Degree in Business Administration and Finance from University of Central Oklahoma. He has more than 40 years of management experience in property development, construction, retail design, retail development as well as corporate management.

He was appointed the Executive Chairman of Malton Berhad on 15 February 2001. He was redesignated Non-Executive Chairman of Malton Berhad on 3 January 2017. He attended five of the six board meetings held during the financial year ended 30 June 2023. He is the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust and Executive Chairman of WCT Holdings Berhad. Both Pavilion Real Estate Investment Trust and WCT Holdings Berhad are listed on the Main Market of Bursa Malaysia Securities Berhad. His spouse, Puan Sri Tan Kewi Yong is an Executive Director and a major shareholder of Malton Berhad. He does not have any conflict of interest with Malton Berhad other than the disclosures made under Related Party Transactions and Balances in the Financial Statements on pages 181 to 183 of this Annual Report.

He is a major shareholder of Malton Berhad. His interests in the shares of Malton Berhad are set out in the Statement of Shareholders pages 211 to 213 of this Annual Report. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

GUIDO PAUL PHILIP JOSEPH RAVELLI

British Male/Deputy Chairman/Non-Independent Non-Executive Director

Mr Paul Ravelli, age 72, studied civil engineering at King's College, University of London and graduated with a Bachelor of Science (Hons) degree in Civil Engineering. He furthered his studies at Ecole Centrale des Arts et Manufacturers, Paris and was later conferred Master of Science in Engineering. He began his career with a major building contractor in Paris and later elected to pursue an international career in the field of construction. He spent 30 years with one of the largest international construction groups, and has more than 40 years of experience in the development, implementation and management of buildings, public works and Build/Operation/Transfer projects in France, Hong Kong SAR, Malaysia, Portugal and South-East Asia. In year 2000, the President of France conferred a national honour on him by making him, a Chevalier de l'Ordre National du Merite, in recognition of his contribution to the profession and to Franco-Asian business relations. Since 2003, he has also been involved in the associated gas and power sector, in various countries.

He was appointed an Independent Non-Executive Director of Malton Berhad on 1 March 2002. He was subsequently appointed the Deputy Chairman of Malton Berhad on 6 November 2002. He was redesignated Non-Independent Non-Executive Director on 31 May 2023. He is a member of the Audit Committee and chairs the Nominating Committee and Remuneration Committee. He is a member of the Institute of Internal Auditors Malaysia. He also sits on the Board of Directors of Ibraco Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all six board meetings held during the financial year ended 30 June 2023. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any securities in Malton Berhad. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS
(cont'd)

PUAN SRI TAN KEWI YONG
Malaysian Female/Executive Director

Puan Sri Tan Kewi Yong, age 67, pursued her tertiary education in the United Kingdom majoring in Business and Marketing Studies. She was instrumental in setting up various successful business ventures since her initial involvement in trading and distribution businesses. Having acquired knowledge in diverse range of business and industry sectors, she possesses experience and expertise ranging from retail, marketing, finance and strategic management. She continues to extend her scope of experience, having been involved actively in the property development and real estate investment sectors.

She was appointed an Executive Director of Malton Berhad on 19 February 2002. She attended five of the six board meetings held during the financial year ended 30 June 2023. She is a Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust, also listed on the Main Market of Bursa Malaysia Securities Berhad.

Her spouse, Tan Sri Lim Siew Choon is the Non-Independent Non-Executive Chairman and a major shareholder of Malton Berhad. She does not have any conflict of interest with Malton Berhad other than the disclosures made under Related Party Transactions and Balances in the Financial Statements on pages 181 to 183 of this Annual Report. She does not hold any shares in Malton Berhad other than the disclosures made in the Statement of Shareholders on pages 211 to 213 of this Annual Report. She has not been convicted for any offences within the past 5 years other than traffic offences, if any. She has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

CHUA THIAN TECK
Malaysian Male/Executive Director

Mr Chua Thian Teck, age 64, is a Fellow Member of the Association of Chartered Certified Accountants. He has more than 32 years of experience in accounting and financial services and in the course of his career, has acquired valuable knowledge particularly in corporate planning and finance.

He was appointed an Executive Director of Malton Berhad on 25 September 2002. He is a member of the Remuneration Committee.

He attended all six board meetings held during the financial year ended 30 June 2023. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS
(cont'd)

DATUK HONG LAY CHUAN
Malaysian Male/Executive Director

Datuk Hong Lay Chuan, age 65, holds a Bachelor of Science degree in Housing, Building & Planning. His 39 years of working experience covers several business sectors including Banking & Finance, Trading, Retail & Property Management, Property Development and Construction.

He had 15 years of experience in the retail banking industry before joining the group as General Manager in charge of banking and project financing. He was seconded to a Trading, Retail & Property Development company as an Executive Director for several years before rejoining Malton Group in 2003 as an Executive Director of Bukit Rimau Development Sdn Bhd, a wholly-owned subsidiary of Malton Berhad.

He was appointed an Executive Director of Malton Berhad on 19 February 2009. He attended all six board meetings held during the financial year ended 30 June 2023. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

Dato' Edward Siew Mun Wai
Malaysian Male/Independent Non-Executive Director

Dato' Edward Siew Mun Wai, age 66, was appointed to the Board on 1 August 2018 as an Independent Non-Executive Director and a member of the Audit Committee. On 31 May 2023, he was appointed a member of the Nominating Committee.

He is a Fellow Member of the Institute of Chartered Accountants in England & Wales (ICAEW), Business Finance Professional (ICAEW), a Chartered Accountant of the Malaysian Institute of Accountants and was awarded ICAEW's Certificate in Sustainability.

After completing his ICAEW with over 8 years public practice in London, he returned to Malaysia and worked briefly for a local bank until recruited to join HSBC in its Hong Kong headquarters. This was followed by over 26 years of international expatriation in C-suite roles at the L'Oreal Group and the Ciba-Geigy (now Novartis) Group, managing their subsidiaries in Melbourne, Seoul, Paris, Bangkok, Singapore, Jakarta, Taipei and Hong Kong. He was on the Boards of these subsidiaries representing the public listed parent company's interests.

Following his repatriation to Malaysia on the Talent Corp program, he was the Acting Global CEO/Global CFO of Crabtree & Evelyn London until its divestment. From 2011-2014, he was an Independent Director and Audit Committee Chairman of an ASX-listed junior mining company. He was Vice-Chairman of the Taipei English School and Board member of the Taipei European Schools, Associate Faculty Member of the Othman Yeop Abdullah Graduate School of Business at Universiti Utara Malaysia, current member of the Sunway University Business School Industry Advisory Board and a pro-bono guest speaker at various local Universities and the Malaysian Institute of Corporate Governance.

Presently, he also sits on the board of directors of Karex Berhad and Prestar Resources Berhad as an Independent Non-Executive Director. He is the Chairman of Karex Berhad's Audit Committee and Remuneration Committee and a member of the Nomination Committee, Risk Management Committee and Employee Share Option Scheme (ESOS) Committee, a sub-committee under the Remuneration Committee, Chairman of Prestar Resources Berhad's Audit Committee and a member of its Nomination and Remuneration Committees. In addition, he is an Executive Director of a private company operating a premium grocery brand.

He has attended all the Board Meetings held during the financial year ended 30 June 2023. He does not have any family relationship with any Director and/ or Major Shareholder of Malton Berhad and has no conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted of any offences within the past 5 years other than traffic offences, if any. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies, which were material and made public during the financial year ended 30 June 2023.

BOARD OF DIRECTORS
(cont'd)

Arunasalam A/L Muthusamy
Malaysian Male/ Independent Non-Executive Director

Mr Arunasalam A/L Muthusamy, age 66, is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Accountant of the Malaysian Institute of Accountants and a member of Chartered Tax Institute of Malaysia and Financial Planning Association of Malaysia.

Mr Arunasalam has more than 37 years of financial experience including accountancy, internal and external auditing, taxation and banking. He joined Deloitte Kassim Chan Kuala Lumpur in 1986 as trainee accountant. In 1992, he left the accounting firm to join AMMB Holdings Berhad as head of Group Finance, where he served for 21 years before leaving the bank in 2013. In mid-2014, Mr Arunasalam joined an accounting firm, Ahamad Naina Mydin & Associates, as Principal, where he was responsible for overseeing the audit, accounting, tax and secretarial services.

On 31 May 2023, he was appointed an Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration of Malton Berhad.

He has not attended any of the Board Meetings held during the financial year ended 30 June 2023 which were all held before his appointment on 31 May 2023. He does not have any family relationship with any Director and/or Major Shareholder of Malton Berhad and has no conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years, other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

Baharum Bin Harun
Malaysian Male/ Independent Non-Executive Director

Encik Baharum Bin Harun, age 63, holds a Malaysia Certificate of Education. He worked for the Malaysian Government for 21 years. In 1979, he joined the office of former Prime Minister of Malaysia, Tunku Abdul Rahman Putra Al-Haj, where he worked until 1984. Thereafter, he served at the Prime Minister's Department as an Administrative Officer until year 2000. From 2000 to 2019, he was the Personal Assistant to Tan Sri Datuk Ab Aziz Bin Ismail, assisting in corporate affairs. He has been been involved in various advisory projects since year 2000.

He was appointed an Independent Non-Executive Director of Malton Berhad on 3 July 2023. In view of his appointment after the financial year ended 30 June 2023, he was not involved in any of the board meetings held during the financial year. He does not have any family relationship with any Director and/ or Major Shareholder of Malton Berhad and has no conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years, other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

KELVIN CHOO YUNG YAU

Malaysian Male/Chief Executive Officer, Property Development

Mr Kelvin Choo, age 58, a civil engineer by profession, graduated with Bachelor of Civil Engineering at University of Newcastle, Australia. He is a registered engineer with Board of Engineers and Institute of Engineers Malaysia. He has 33 years of experience in the property and construction industries. He started his career in engineering consultancy services at J.K (SEA) Sdn Bhd, followed by HS Liao Sdn Bhd. He started his property development experience at Sunway City Berhad where he rose to general management position as Unit Profit Centre Manager (UPCM) in charge of a few townships' development within Klang Valley. Subsequently, he joined Tropicana Corporation Berhad where he served as Project Managing Director for townships development.

He also served in Real Estate & Housing Developer Association, Selangor Branch (REHDA-Selangor) holding several portfolios, ranging from Committee, Zone Chairman for Petaling Jaya, infrastructure & utilities and planning committee. He is also involved with REHDA Malaysia and served as guest speaker for students enrolled for Master of Real Estates Development (MRED) master's degree programme at University TAR.

He joined Malton Berhad as Chief Executive Officer of Property Development Division on 15 December 2020. He leads the overall operation and management of the Property Development division including assisting the Board in setting strategic goals objectives, budgets, policies and procedures, growth and profitability.

He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

LIM WING KHONG

Malaysian Male/Chief Operating Officer, Construction

Mr Lim Wing Khong, age 56, graduated from Tunku Abdul Rahman College in Material Science and holds a Bachelor of Science in Construction Management from Heriot Watt University. He has more than 31 years of experience in the construction industry with extensive knowledge and expertise in construction planning and implementation, developing and mentoring staff and has led the operation of a construction business which successfully delivered township and high rise residential projects.

He was appointed Chief Operating Officer of Domain Resources Sdn Bhd, a wholly-owned subsidiary of Malton Berhad and the construction arm of Malton Group on 1 December 2021 and presently manages the operations of the construction projects. He is a brother of Tan Sri Lim Siew Choon, Non-Independent Non-Executive Chairman and major shareholder of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has not been convicted for any offences within the past 5 years other than traffic offences, if any. He has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I hereby present the Annual Report and the Financial Statements of Malton Berhad (Malton) and its subsidiaries (Group) for the financial year ended 30 June 2023 (FY2023).

ECONOMIC RECOVERY POST-PANDEMIC ERA

FY2023 marked a pivotal shift as the world transitioned from the pandemic to the endemic phase of COVID-19. The global economy continues to traverse through an environment filled with challenges since the pandemic. Deepened geopolitical tensions and persistent tightening of monetary policies to address inflation, have increased the risk of a worldwide slowdown. Malaysia is not immune from these global developments, given the degree of openness in our economy and financial system.

As the nation continued to recover from the effects of COVID-19 pandemic, Malaysia's economy has strengthened with a gross domestic product (GDP) growth of 8.7% in 2022 from 3.3% in the previous year. The economic rebound was mainly contributed by a strong pick-up in domestic demand, underpinned by improving labour market conditions as well as continued Government policy support.

In tandem, the residential property market has improved due to the easing of pandemic restrictions and the resumption of economic activities. The National Property Information Centre reported a decrease in residential overhang figures and an increase in transaction volume for 2022. Although the Home Ownership Campaign ended in December 2021, the property sector received a boost from Government numerous recovery initiatives including the Housing Credit Guarantee Scheme, the Malaysian Home Ownership Initiative (i-Miliki), 100% stamp duty exemption for first-time homebuyers for properties priced below RM500,000, and the waiver of the Real Property Gains Tax for property disposal starting from the sixth year onwards.

Despite the uptick from the economic recovery, property demand and supply in the country started to ease at the beginning of 2023. The circumstances were aggravated by uncertainties with the war in Ukraine and the downturn in China's economic growth, impacting developing nations as well as weakening trade dynamism against a backdrop of supply chain disruptions and ongoing trade tensions. In addition, soaring food and energy prices erode real incomes, triggering a global cost-of-living crisis, particularly for the most vulnerable.

Furthermore, the increase in interest rates caused a decline in global consumer demand, subsequently affecting Malaysia. During the review period, the Central Bank, Bank Negara Malaysia, raised the overnight policy rate (OPR) by 25 basis points throughout 2022. The OPR increased to 3.0% as of 3 May 2023 in response to rising inflationary pressures.

Buying trends appeared more conservative due to inflation and higher borrowing costs. According to the Malaysian Department of Statistics, Malaysia's inflation rate increased to 3.3% in 2022 (2021: 2.5%). Affordability, inflation, difficulty in securing mortgage loans, and rising interest rates remain the key concerns among homebuyers. As a result, fragile market sentiments have affected the pace of the residential market recovery.

In the meantime, the construction industry is facing multiple challenges due to the pandemic. The cost of raw materials and labour has increased significantly. Although the freeze has been lifted, the effects are still being felt, making it harder for developers to manage the excess supply, waning demand, and rising cost of construction materials and land. As a result, developers are still struggling to maintain their margins.

The Malaysian Government has partnered with the Malaysia Cement and Concrete Association to tackle the rising cost of construction materials. The initiative aims to provide affordable cement prices to developers constructing affordable housing priced below RM300,000, benefiting the B40 and M40 income groups. This commendable effort, however, does not extend to other property segments.

CHAIRMAN'S STATEMENT
(cont'd)

RESILIENCE FOR SUSTAINABLE AND INCLUSIVE GROWTH

An immediate return to pre-pandemic times is unlikely due to COVID-19's lasting global effects. The after-effects of the pandemic have resonated throughout the economy, generating a profound transformation in how businesses operate and markets behave. Nonetheless, Malton emerged from the pandemic in shape and continued to make progress on several fronts for sustainable growth as we navigated this new landscape.

During the year, the Group remained cautiously optimistic over the recovery of the residential property market. In response to the market environment, Malton continued to refine and implement business strategies towards strengthening its financial and operational performance. Strategies included cost and operational efficiencies, sales acceleration of ongoing projects, product launch timing, and digitalisation. The Group also reduced non-essential expenses and renegotiated contracts with suppliers.

As part of our long-term growth strategy, we have made a concerted effort to prioritise sustainability practices. We have integrated various environmental, social and governance initiatives into our business strategy, decision-making, and operational processes. This reflects our serious commitment towards sustainable practices, which has enabled us to secure loans from financial institutions at better interest rates for homebuyers. These achievements represent a significant step towards enhancing our bottom line and ensuring sustainable growth for the years to come.

On the corporate development, Malton through its 51.0% joint venture in Regal Path Sdn Bhd, has completed the sale of Pavilion Bukit Jalil Mall for RM2.2 billion to Pavilion REIT on 1 June 2023. Pavilion Bukit Jalil Mall comprised a 5-storey retail mall block with two basement car park levels and a piazza located within the 50-acre Bukit Jalil City, along with related assets and rights. This move aligns with Malton's strategy of regularly assessing its investment portfolios and capitalising opportunities to unlock and realise the value of its investments to enhance shareholders' value.

FY2023 has been a challenging year for the Group's financial standing. Despite setbacks, it has streamlined operations and executed projects successfully.

Further details of the Group's operational reviews and financial performance are covered in this Annual Report's Management Discussion and Analysis section.

STRENGTHENING SUSTAINABILITY AND CORPORATE GOVERNANCE

With the growing significance of sustainability in recent years, the Board of Directors (Board) has collectively placed greater focus on driving Malton's corporate governance by integrating more sustainability practices. This is a reflection of its firm belief in the importance of both financial and non-financial compliance as a value driver for the long-term well-being of the company.

In line with the Board's efforts to strengthen its corporate governance, the Group conducted a thorough Materiality Assessment Exercise (MAE) in May 2023. The main objective of the MAE was to accurately identify and prioritise the key material topics of the Group by seeking the opinions of both internal and external stakeholders.

The MAE has played a crucial role in formulating a comprehensive list of significant sustainability-related topics. This list is presented in the form of a material matrix in the Malton Sustainability Statement FY2023. The updated sustainability topics were developed, reviewed, and adopted by the Board to ensure their relevance and importance. With these efforts, Malton is well-positioned to develop the necessary management approaches to manage its material matters, mitigate risks, and leverage emerging opportunities. This will help create long-term value and positive impact for all stakeholders.

STRENGTHENING SUSTAINABILITY AND CORPORATE GOVERNANCE (cont'd)

In addition, we have made significant progress in our sustainability reporting by providing comprehensive climate-related disclosures based on the Taskforce on Climate-Related Financial Disclosures (TCFD). FY2023 marks our inaugural inclusion of TCFD-based disclosures, which include information on physical and transition risks, governance related to climate change, and more detailed disclosure on energy and emissions. Through targeted strategies, the Group will continue to assess and manage the impacts of climate change and its associated risks on business operations.

Going forward, Malton will enhance its disclosures in subsequent reports by more closely aligning with Bursa's new Sustainability Reporting Guide (3rd Edition) and the United Nations Sustainable Development Goals. We prioritise sustainability as a means to align our goals with the broader interest of society, fostering environmental stewardship, social equity, and economic resilience.

Additionally, Malton will strengthen its policies and frameworks to ensure that it remains committed to ethical conduct and delivering sustainable value. This will be achieved through consistent engagement with financial institutions and regulatory bodies, while upholding good corporate governance practices to ensure long-term growth.

Further details on the Corporate Governance Statement are disclosed on pages 81 to 89 and our Sustainability Statement on pages 28 to 80 of this Annual Report.

OUTLOOK & PROSPECTS FOR FY2024

Amid the global economic slowdown, the Malaysian economy recorded a growth of 4.2% in the first half of 2023 and is expected to expand at approximately 4.0% in 2023. The Central Bank of Malaysia projected the country's GDP growth to expand by 4.0% to 5.0% in 2024, driven by firm domestic demand, improving employment and income, external demand, and continued implementation of multi-year projects that would support consumption and investment activity.

The newly announced Madani Budget 2024, themed 'Madani Economy – Empowering the People", is projected to have a positive impact on the property market. This framework serves as a foundation for the recently announced policies, including the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Mid-Term Review of the 12^{th} Malaysia Plan.

The Budget's primary objective is to enhance the quality of life for all Malaysians by promoting homeownership, major infrastructure projects, and reviving ailing projects. The Budget has allocated various funds for the B40, including a Housing Credit Guarantee Scheme increase of up to RM10.0 billion, which will benefit approximately 40,000 borrowers. This initiative will allow more Malaysians to become homeowners and improve their standard of living.

CHAIRMAN'S STATEMENT
(cont'd)

OUTLOOK & PROSPECTS FOR FY2024 (cont'd)

The relaxation of Malaysia My Second Home (MM2H) regulations and the implementation of new initiatives under the Visa Liberalisation Plan for simpler employment processes are expected to entice foreign investors to Malaysia. Additionally, the revival of five Light Rail Transit (LRT) Line 3 stations in Klang Valley and the development of the RM10.0 billion Penang LRT will further enhance the demand for real estate in these regions.

We are pleased to hear about the development of the Pengerang Integrated Petroleum Complex (PIPC) as a hub for chemical and petrochemical industries. The special tax rate or investment incentive is expected to bring significant benefits to Johor, transforming it into a supercharged growth phase. This is great news for Malton's township project, Rapid City Centre, which is located at PIPC. Additionally, we are optimistic about the announcement of the Johor-Singapore special economic zone, the progress of the Johor Bahru-Singapore Rapid Transit System link project, the anticipated increase in cross-border traffic and the strong "Singapore Dollar" factor.

Furthermore, we applaud the focus on renewable energy and promoting a low-carbon economy under the National Energy Transition Roadmap. In line with this call, the Group will install more electric vehicle charging stations at our property developments as part of our green initiatives.

All these initiatives will create job opportunities and have a positive impact on the property market, including retail and hospitality. Given the visibility of growth, such factors will significantly boost buyers' confidence. Furthermore, it's worth noting that the property overhang in Malaysia is decreasing, while demand for property loans increased by RM403.0 billion in the first eight months of 2023 (up 1.0% year-on-year), as reported by the Central Bank. This indicates a modest improvement in property buying interest.

Overall, we believe the property sector will have a net positive outcome from Budget 2024 as the advantages of MM2H easing and new infrastructure projects will outweigh the minor drawback of a flat stamp duty rate of 4.0% on a memorandum of transfer for foreigners. However, uncertainties may be compounded by recent geopolitical tensions in the Middle East, ongoing trade tensions, and an increase in service tax for certain industries from 6.0% to 8.0%. As a player in an industry that is still finding its post-COVID footing and struggling with rising development costs, we fear that this will further increase the cost of construction.

While we appreciate the Government's efforts, key areas in the property market such as affordable housing supply, property financing, and rental market regulations were not specifically addressed. Affordability remains a major concern for individuals and industries alike. As a result, developers are still grappling with multiple challenges that have not been addressed yet.

As we enter FY2024, we maintain a cautiously optimistic outlook on Malaysia's property sector provided that the 3.0% OPR remains unchanged this year. The execution of several policies announced recently, including the implementation of projects under the 12th Malaysia Plan is expected to solidify Malaysia's efforts in becoming Asia's most dynamic economy in the near future. In this regard, Malton is geared up to refine its strategies and capitalise on opportunities arising from economic recovery. Our commitment remains unwavering in delivering sustainable growth and long-term financial returns to our shareholders.

APPRECIATION

On behalf of the Board, I wish to record our sincere appreciation to Hj Ahmad bin Hj Ismail as an Independent Non-Executive Director who retired from the Board on 31 May 2023 after serving on the Board for 21 years. His contribution and business insights are valued by the Group. I also thank Mr Paul Ravelli for his 21 years of service as an Independent Non-Executive Director. With his dedication and broad international experience, he has been reappointed as a Non-Independent Non-Executive Director on 31 May 2023.

A warm welcome to Mr Arunasalam A/L Muthusamy and Encik Baharum Bin Harun on their appointments as Independent Non-Executive Directors on 31 May 2023 and 3 July 2023 respectively. They bring with them a wealth of industry experience and new insights to the Group.

I would also like to extend my gratitude to our shareholders, customers, bankers, and business associates as well as regulatory agencies for their unwavering support over the financial year.

Likewise, I wish to thank the Management and staff for their commitment, contribution, and resilience in adapting to new ways of working to ensure business continuity throughout the trying times.

To my esteemed Board members, I express my heartfelt appreciation for your leadership and business acumen to navigate the Group through the economic hurdles.

Together, we will continue to seize opportunities and overcome challenges as we journey together toward a prosperous future and value creation.

On behalf of the Board,
Malton Berhad

Tan Sri Lim Siew Choon
Non-Executive Chairman
27 October 2023

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis of Malton Berhad (Malton or the Group) and its subsidiaries provide an extensive overview of the operational landscape and financial performance for the financial year ended 30 June 2023 (FY2023).

FY2023 has been a year fraught with challenges, impacting the Group's financial standing. Nevertheless, the Group's business operations and sustainable practices for long-term growth have gradually and steadily improved.

OPERATING ENVIRONMENT OVERVIEW

In tandem with the domestic economic growth, Malaysia's residential market improved with a major increase and modest expansion since last year. According to the National Property Information Centre, more than 389,000 transactions worth RM179.07 billion were recorded, showing an increase of 29.5% in volume and 23.6% in value compared to 2021.

Residential sub-sector led the overall property market activity and staged a strong rebound of 62.5% contribution in volume. There were 243,190 transactions worth RM94.28 billion recorded in the review period, increased by 22.3% in volume and 22.6% in value year-on-year (y-o-y). The improvement was supported by the uptrend recorded in Pulau Pinang (31.1%), Johor (24.3%), Perak (18.9%), WP Kuala Lumpur (18.4%), and Selangor (15.9%). The gradual recovery in the residential market was supported by favourable housing policy and market incentives.

For the commercial property segment, it recorded 32,809 transactions worth RM32.61 billion in 2022, increased by 46.3% in volume and 16.7% in value compared to last year. Shops formed more than half of these transactions mostly in Selangor (19.0%) and Johor (17.1%).

While the number of new property launches has registered an increase of 54,000 new units launched in 2022 (2021: 43,860 units), the number of new launches still trailed behind pre-pandemic years as developers remained cautious given the unpredictable external environment. Selangor and Kuala Lumpur were the top regions for new property launches in Malaysia, accounting for 20.7% and 19.1% of the total launches respectively. However, the sales performance was moderate, with Selangor achieving a sale of 26.9% and Kuala Lumpur of 47.2%. Majority of the new launches were condominium or apartment units, comprising 45.0% of the total.

For the first time in two years, Malaysia's residential property overhang units fell below 30,000, marking a 24.7% y-o-y decrease. Across all states, Johor had the highest number of overhang residential properties, followed by Selangor, Pulau Pinang, and Kuala Lumpur. However, the pandemic's impact on the commercial market continued to be felt as private office buildings' occupancy rate decreased slightly from 72.3% to 72.1% in 2022.

Despite inflationary pressures, the property market remained stable in the first half of 2023 (1H2023) recording 1.1% increase in value and 2.1% decrease in volume compared to the same period last year. Residential transactions decreased by 1.0% and new launches dropped by 50.2%. Meanwhile, the residential overhang situation improved during the market recovery period with unsold units falling 5.3%.

Following the intensification of property launches, the construction sector posted a rebound of 8.8% in 2022 after two years of decline due to the pandemic. All sub-sectors saw double-digit growth during the recovery year. However, construction completions were down by 5.8% due to material and labour shortages. Department of Statistics Malaysia reported that the sector sustained its positive momentum in the 1H2023 with the value of work expanding by 9.4% to RM32.2 billion and 8.1% to RM32.4 billion in 1Q2023 and 2Q2023 respectively.

While companies were ramping up operations and business activity post-COVID-19, concern about climate change risk has been one of the businesses' most pressing needs. This led to growing awareness of the Environment, Social and Governance agenda, prompting developers to become more environmentally conscious and focused on sustainability while promoting healthy living.

OPERATIONAL STRATEGY IN FY2023

- **Agility and Resilience**

Over the past two years, Malton has kept its operations lean and focused. During FY2023, the Group's primary goal was to manage rising operational, construction, and financing costs. The management team prioritised the sale of existing projects and strategised for new launches while ensuring the timely delivery of all properties under construction and maintaining high-quality finishes.

The Group's sound fundamentals, cautious management, and quick response to market shifts have enabled it to consistently execute strategic business initiatives and make progress towards customer-centricity. Projects that were postponed due to COVID-19 disruptions have been successfully launched and were well received by homebuyers.

In response to market demands and external challenges such as rising construction costs and inflationary pressures, we have paced our launch schedule to capture the immediate market opportunity. Consequently, the Property Development division recorded modest revenue growth compared to the previous year. Despite the industry-wide shortage of manpower, our Group progressed well in construction with higher revenue growth in current financial year.

- **Fostering Sustainable Homeownership**

Customer-focused marketing, innovative sales packages, and partnership initiatives aided the Group's sales growth. Given rising inflationary pressures, Malton continued to actively focus on addressing the challenges faced by customers, such as securing financing or even upfront payments and costs. These include further refining existing product packages, and collaborating with banks to address initial fees, deposits, as well as monthly repayments.

As a part of the Affin Home Step Fast/i campaign, we offer homebuyers and property investors a chance to own their dream homes with lower monthly instalments. Additionally, they can enjoy greater cash flow for five years after the property has been handed over. This campaign aims to reduce upfront payment obligations, which in turn provides peace of mind to homebuyers.

Malton has also joined the Maybank Islamic HouzKEY scheme to provide an alternative financing solution for easy homeownership without the burden of high upfront costs. Specifically designed for first and second homebuyers, this financing option provides 100% financing, zero payments during the construction stage, lower monthly instalments, and reduced interest rates. Homebuyers now have greater flexibility and cash flow efficiency to make their dream of owning a home a reality.

In addition, Malton has collaborated with Alliance Bank to provide a green mortgage financing plan for homebuyers of River Park @ Bangsar South, a green-certified project. This innovative Green Mortgage Financing Package offers lower interest rates and quicker turnaround times for end-financing, making it an attractive option for homebuyers who are becoming more conscious of their environmental impact.

River Park, a newly launched high-rise residential project, has received a provisional GreenRE Bronze certification. This certification comes after the completion of Menara BAC project, which earned the GreenRE Gold certification. The Group has invested approximately RM10.0 million to upgrade the surrounding infrastructure of the development, including building a direct access from NPE-Federal Highway Link to connect to River Park exclusively.

Malton-Alliance Bank strategic partnership reflects the Group's commitment to increasingly infuse green building design concepts and elements in its existing and future project developments. In line with the Government's 12th Malaysia Plan, the Group endeavours to reduce the impact of urbanisation on the environment and achieve a minimum benchmark for future developments, notably Mutiara Lake Puchong and The Parkview at Bukit Jalil City.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

OPERATIONAL STRATEGY IN FY2023 (cont'd)

- **Fostering Sustainable Homeownership (cont'd)**

5th July 2023 – MOU signing to mark strategic partnership on sustainable development and green financing.

Throughout the year, we have made a continuous effort to incorporate technologically innovative concepts and incorporate environmental design principles into every phase of our project development. We implemented a range of initiatives such as installing electric vehicle chargers, solar panels, energy-efficient lifts and lighting, rainwater harvesting solutions, and using sustainable building materials to make our projects more sustainable. Our sustainable practices would help us enhance residential experiences and add value to their living spaces with potential cost savings, especially in terms of electricity.

Beyond property developments, we also prioritised the daily actions of our employees. We encouraged everyone to be mindful of their water and energy usage at work premises, further promoting a green mindset throughout our organisation. Details of our sustainability activities are available in the Sustainability Statement section on pages 28 to 80 of this Annual Report.

- **Digitalisation & Technology to Drive Growth and Efficiency**

The Group continued to intensify digitalisation and technology across its operations with an aim to streamline its expenses, improve efficiency and productivity as well as customer engagement and experience. We have invested in various digital platforms and technologies to reduce manual work and costs. This paradigm shift ensured that we engaged with our audience at the forefront of technological innovation, creating a dynamic and interactive journey that resonates deeply with our customers' preferences and expectations.

With the rise towards remote work, we leveraged virtual reality to showcase our properties and data analytics to understand market trends. Digital marketing campaigns took centre stage and were extensively utilised to reach potential buyers across targeted demographics. Our brand presence and product offerings were optimised effectively through various digital channels, from social media engagement and targeted online campaigns to immersive virtual experiences.

On-ground marketing activities were ramped up to differentiate and strategically position Malton. We participated in various property roadshows nationwide and organised exciting events to attract potential buyers and reward our homeowners. At the same time, pricing points were carefully established to align with market sensibilities targeting the middle-income, mass-market segment, especially first-time homebuyers and upgraders.

OPERATIONAL STRATEGY IN FY2023 (cont'd)

- **Digitalisation & Technology to Drive Growth and Efficiency (cont'd)**

Lucky draw event exclusively to reward Malton homeowners in conjunction with Chinese New Year celebration.

We continuously improved our homebuyers' journey through the one-stop smart community application, MyMalton app. Designed with a Residence Management System, the app enables homeowners to easily book facilities, manage visitors and tenants, and view bills anytime and anywhere. In addition, MyMalton app is seamlessly integrated with Pavilion privileges, enabling homeowners and app members to enjoy exclusive promotions and exciting events from the renowned Pavilion shopping malls. This app has added an extra lifestyle dimension to our homebuyers, which has ultimately boosted our customer experience and loyalty while strengthening the Malton brand.

In order to establish a more reliable, secure, and flexible email system, an email migration to the Cloud was conducted. Additionally, staff laptops were upgraded to enhance their productivity and performance.

Construction operations are known for being resource-intensive and producing a significant environmental footprint. In light of this, Malton took several measures to reduce costs and recycle waste. These measures included value engineering, using an Industrialised Building System, implementing strategic procurement strategies, and optimising our in-house construction arm. The Group also prioritised occupational health and safety (OHS) performance, recognising that any OHS incident could cause delays on site and impact work productivity.

GROUP FINANCIAL REVIEW FOR FY2023

The Group's revenue for the current year increased by 28.9% to RM831.9 million (FY2022: RM645.2 million). The Property Development division contributed RM398.3 million (FY2022: RM390.3 million), while the Construction division showed a marked increase in revenue of RM427.0 million (FY2022: RM248.5 million). While revenue growth for the Property Development division was only marginal, the improved revenue from the Construction division was mainly attributed to higher work progress recognised, notably the Pavilion Damansara Heights project.

Despite an increase in revenue, the Group incurred a loss of RM77.2 million before tax in the current financial year, which was in contrast to the profit before tax of RM129.5 million in FY2022. The Group encountered a setback in its proposed joint venture development of the Taman Tun project with Yayasan Wilayah Persekutuan after the Federal Court overturned the development order granted by Dewan Bandaraya Kuala Lumpur in 2017. Consequently, the Group had to write off property development expenditures of RM21.0 million, along with another write-down of the proprietor's entitlement amounting to RM29.4 million. We are currently engaging with authorities and various stakeholders to find a mutually amicable solution in the best interests of all parties.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

GROUP FINANCIAL REVIEW FOR FY2023 (cont'd)

The Group incurred a loss of RM69.4 million on fair valuation of the redeemable preference shares (RPS) in Regal Path Sdn Bhd (Regal Path). However, this was offset by the dividend income of RM58.7 million received from the redemption of the RPS in Regal Path, following the disposal of Pavilion Bukit Jalil Mall. Additionally, the Group incurred a provision of RM4.0 million for impairment loss on trade receivables and another RM2.8 million provision for the release of Bumiputera quotas for its projects.

Profit before tax of the Construction division decreased to RM10.9 million (FY2022: RM55.4 million) during the reported period. The primary reason behind this decrease in profit was the cost savings achieved from the completion of projects in the preceding financial year. Additionally, there was a reversal of an allowance for impairment loss of RM16.7 million from accounts receivable that was recognised in the previous year.

Although the Group recorded a loss of RM33.8 million in share of results of associated company and joint ventures, we remain optimistic about future opportunities. We understand that higher finance costs were a contributing factor to this loss, but we are confident their new property projects will yield positive results once launched.

Against the challenging backdrop, the Group successfully navigated and maintained its financial resilience. Total assets remained at approximately RM2.6 billion with reserves at RM391.7 million (FY2022: RM475.0 million). Shareholders' equity for the current year was RM920.3 million (FY2022: RM1,003.6 million), resulting in a decrease of net asset per share from RM1.90 to RM1.74.

DIVIDENDS

Dividend payments depend upon several factors considered by the Board of Directors (Board) including earning expectations, capital commitment, general financial conditions and distributable reserves.

The Board does not recommend any dividend payment for the current financial year under review to conserve cash for the Group.

GOING FORWARD FY2024

As we navigate into FY2024, the Group acknowledges the various challenges including global economic uncertainties, political instability, and the spectre of further Overnight Policy Rate hikes by the Bank Negara Malaysia. Despite these hiccups, the property industry is expected to remain steady and maintain its growth trajectory in the second half of 2023 till 2024, largely supported by the growing demand for mid-range residential properties, as well as the newly announced Madani Budget 2024.

Against this backdrop, we remain cautiously optimistic and look forward to capitalising on opportunities that arise from the revitalised economy in the Malaysian property market, backed by the Government's recovery plans and incentives. We will constantly evolve and adapt our business model to manage challenges through the Group's strengths, resources, and capabilities. This will help us effectively respond to the market outlook and address any performance gaps that may arise.

Malton will continue to enhance its operational efficiency with prudent finance management for FY2024. The Group has implemented a number of strategic initiatives aimed at strengthening its market position as well as optimising its resources to reduce costs. To ensure that we maintain a healthy and profitable project pipeline, we will carefully evaluate the optimal use of our landbanks, taking into consideration factors such as location, market demand and development cost. Additionally, through value engineering, we aim to further improve our profit margin.

GOING FORWARD FY2024 (cont'd)

Apart from built quality and product differentiation, we prioritise design innovation by incorporating sustainable practices to meet the evolving demands of urban dwellers. At the same time, we will strengthen our brand positioning and expand our market base by optimising digital marketing strategies and harnessing the power of technology across our property value chain and customer touchpoints.

Our strategy for new property launches involves staying attuned to market trends. We meticulously plan each launch to ensure the properties remain desirable and highly sought-after. In addition to attractive pricing, we focus on prime locations and unique value propositions that offer various lifestyle options for urban dwellers. These product differentiations are what set us apart from our competitors.

Barring unforeseen circumstances, the Group plans to launch new projects centred around the Klang Valley as part of our strategy to unlock and realise the value of our strategic landbanks, notably The Parkview @ Bukit Jalil City and Tower B of River Park @ Bangsar South.

Simultaneously, we will focus on the timely completion and sale of ongoing developments to improve progress billing for FY2024. Ongoing projects include Duta Park Residences, River Park, Mutiara Hilltop, and Rapid City Centre – Phase 3A. Realigning its go-to-market strategies, the Group will continue to incentivise homebuyers with attractive packages and financial schemes through collaborations with banks.

On the Construction front, we will continue to scrutinise our cost structure to enhance efficiency, explore rental equipment options, and ensure strategic stocking of materials. These strategic initiatives are aimed at fortifying our position in the market, reducing costs as well as balancing capital and operational expenditures to create enduring value for our stakeholders.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

GOING FORWARD FY2024 (cont'd)

As we continue on our journey of growth, we are actively searching for attractive land parcels to expand our landbank. This will ensure a strong pipeline for future development. Malton is cautiously optimistic about maintaining a healthy performance for FY2024, with its upcoming launches next year supported by RM612.0 million of unbilled sales at the end of FY2023. We remain committed to strengthening our brand and contributing to the property development landscape in the region.

PROPERTY DEVELOPMENT

The Group's property portfolios include luxury homes, integrated developments, offices, and commercial properties strategically located across Greater Klang Valley and Johor. We will continue to leverage our core strengths to deliver high-value creation products for our buyers.

Ongoing property developments and upcoming launches undertaken by the Property Development division during the current financial year are set out below.

BUKIT JALIL CITY

Bukit Jalil City – A catalyst for the suburb's rejuvenation, Bukit Jalil is now transformed into the epicentre of style and living, drawing in a fresh population signifying a solid growth for the neighbourhood.

Designed for sustainable urban living, the iconic 50-acre Bukit Jalil City township continues to be a robust source of revenue for the Group. Being the most sought-after address in Bukit Jalil, this freehold integrated development offers wholesome convenience and nature with direct access to world-class retail at Pavilion Bukit Jalil mall and the 80-acre Bukit Jalil Recreational Park right at its doorstep.

PROPERTY DEVELOPMENT (cont'd)

Our flagship development has proven to be a robust revenue stream for the Group. It offers compelling unique value propositions in a vibrant metropolis, attracting a significant number of repeat homebuyers and investors, resulting in impressive sales figures. Our ability to deliver high-quality properties with exceptional value has earned the trust and loyalty of our homebuyers.

To cater to the growing number of bleisure travellers who seek business trips with a leisure experience, Bukit Jalil City welcomes its first international hotel, the Hyatt Place Kuala Lumpur, opening its doors to guests on 7 October 2023. The new four-star hotel is set to enrich the thriving business and lifestyle hub further with its world-class hospitality and select service. Strategically located in the heart of the affluent suburb, Hyatt Place enjoys direct access to Pavilion Bukit Jalil, the premier regional shopping mall and lifestyle destination.

Building upon the success of the Bukit Jalil City sale, we are excited to announce the upcoming launch of 'The Parkview', our final high-rise residential development. This luxurious residence is estimated to have a GDV of RM600.0 million and we are confident that the anticipated development will be a valuable addition to our portfolio.

Launched in 2015 with a GDV of approximately RM4.0 billion, completed commercial phases include Pavilion Bukit Jalil Mall, a 3-storey retail office (Block G), Signature Shop Offices (112 units), The Park Signature Shop (44 units), and the Hyatt Place Kuala Lumpur. Meanwhile, completed luxury high-rise residential components include The Park 2 serviced apartments (709 units) and The Park Sky Residence (1,098 units).

DUTA PARK RESIDENCES

Strategically located within proximity to Kuala Lumpur City Center, Duta Park Residences is a high-rise residential development comprising 1,376 units of serviced apartment with an estimated GDV of RM1.1 billion. Built on a 4.2-acre land adjacent to Bukit Tunku, Duta Park Residences is easily accessible via Jalan Kuching highway, making it a centre of connectivity and convenience to the best city living has to offer.

The contemporary façade overlooking the spectacular city skyline and beautiful lush greens of Bukit Tunku consists of 3 tower blocks; Tower A (536 units), Tower B (572 units), and Tower C (268 units) respectively. Every unit is thoughtfully designed with built-ups from 858 sq ft to 1,618 sq ft, offering 4 flexible layouts from 2+1 bedrooms to dual key units. The service apartments come with a comprehensive 3-tier security system to ensure residents' peace of mind.

Being one of Malton's notable projects, Duta Park Residences received favourable responses from buyers and enjoyed a healthy overall take-up rate of 86.0% with a total sales value of RM900.0 million. Launched at different stages since 2018, the project is slated for completion by Q1 2024.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

PROPERTY DEVELOPMENT (cont'd)

MUTIARA HILLTOP

Sitting on an 8.3-acre land, Mutiara Hilltop is the final residential development within the dynamic township of 82.5-acre Mutiara Indah, Puchong. With an estimated GDV of RM304.0 million, Mutiara Hilltop offers a low-density luxury hilltop living at an affordable price point. It offers residents a spectacular hilltop view of Puchong while being surrounded by the abundant lush greenery from the Bukit Ayer Hitam Forest Reserve.

Exclusively limited to 496 units with spacious designs and sizes ranging from 1,040 sq ft to 1,355 sq ft, Mutiara Hilltop is suited for growing families or first-time homebuyers who seek serenity from the hustle and bustle of city life.

Launched in 2021, Mutiara Hilltop saw an overwhelming take-up rate of 94.0% with a total sales value of RM283.8 million. The development is slated for completion by Q2 2025.

RIVER PARK

Nestled within a dynamic Bangsar South hub along Federal Highway, River Park is a prime development for urban living. Sitting on a 5.1-acre land, River Park is a high-rise residential development comprising 1,332 units of serviced apartment with an estimated GDV of RM1.0 billion. Facing the city skyline view, owners can enjoy an unobstructed panoramic view of Kuala Lumpur city skyline. Strategically located with ready amenities and infrastructure, River Park promises to redefine a new standard of living within the Bangsar South neighbourhood.

River Park consists of 3 tower blocks; Tower A (440 units), B (452 units), and C (440 units). Designed with practical layouts and built-ups ranging from 812 sq ft to 1,180 sq ft, the 2 to 3-bedroom apartments are ideal for young executives, couples or growing families who prefer to live and work near the city.

Launched in 2022, Towers A and C achieved a healthy take-up rate of 44.1%, resulting in total sales of RM294.7 million. Meanwhile, Tower B with an estimated GDV of RM360.0 million is set to launch in Q1 2024.

PROPERTY DEVELOPMENT (cont'd)

RAPID CITY CENTRE (PHASE 3A)

Rapid City Centre (Phase 3A) is a well-planned 17.9-acre Light Industrial Park to support the growth of the Pengerang Integrated Petroleum Complex (PIPC) / RAPID project.

With an estimated GDV of RM106.0 million, Phase 3A comprises 64 industrial lots featuring a wide range of choices from cluster, semi-D to detached types.

Launched in 2022, we expect interest to pick up following the announcement of the special tax rate and investment incentive at PIPC by the Government. This is further complemented by the catalyst of the Johor-Singapore special economic zones and the Johor Bahru-Singapore Rapid Transit System, which are expected to drive growth in the region.

UPCOMING PROJECTS

The Parkview

Following the resounding success of Bukit Jalil City's sales, the upcoming The Parkview is set to be the final high-rise residential development within the 50-acre flagship integrated township. This freehold development spans 0.9 acres and carries an estimated GDV of RM600.0 million, offering homebuyers and investors a unique lifestyle experience and an attractive investment opportunity.

The low-density freehold development comprises 453 units ranging from 1,202 to 1,878 sq ft, is set to be launched by Q1 2024. These units have spacious and practical layouts, providing a luxurious living experience with world-class amenities and nature at your doorstep, notably the Pavilion Bukit Jalil Mall and the 80-acre Bukit Jalil Recreational Park. This sought-after address in Bukit Jalil is perfect for those seeking a comfortable and convenient lifestyle.

MUTIARA LAKE PUCHONG

Mutiara Lake Puchong condominium is a hidden gem in the ever-growing and popular suburb of Puchong. Fronting a beautiful lakeside view, the low-density condominium comprises 526 units. Each unit features 3-4 bedrooms with built-ups of 1,020 sq ft and 1,350 sq ft.

With a family-friendly layout and a range of amenities suitable for all ages, Mutiara Lake Puchong is the perfect home for families looking for a harmonious multi-generational living environment and a healthy lifestyle.

With its proximity to IOI Puchong mall, direct access to Damansara-Puchong Highway and LRT station, Mutiara Lake Puchong offers both comfort and convenience alongside serene nature.

Slated to be launched by Q3 2024, this project carries an estimated GDV of RM352.0 million.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

UPCOMING PROJECTS (cont'd)

RIO

RIO is an affordable housing development (RUMAWIP), located in the Bangsar South area. It is an ideal choice for discerning millennials looking for a starter home. The development covers a 1.6-acre land and features 336 apartment units, each with an 802 sq ft built-up area.

The apartments are designed to provide maximum comfort and convenience for young executives. With an estimated GDV of RM101.0 million, this desirable residential address offers quality living at an affordable price and is conveniently located near major landmarks and shopping destinations.

UKAY SPRING AMPANG

Ukay Spring is a highly exclusive enclave of gated and guarded mixed-development on 55-acre land, carrying an estimated GDV of RM2.0 billion. Surrounded by beautiful lush greenery for tranquil living, Ukay Spring development offers a variety of residential options from linked villas, semi-detached to high-rise condominiums and a dedicated commercial centre.

The first phase of the development will consist of 115 units of linked villas and 28 units of semi-detached homes. With an estimated GDV of approximately RM307.0 million, this phase is expected to be launched by Q4 2024.

CONSTRUCTION AND PROJECT MANAGEMENT DIVISION

Domain Resources Sdn Bhd (Domain), a wholly owned subsidiary, specialises in construction and offers a range of professional expertise and project management capabilities, from planning and design to construction of a project. The company is certified under the ISO 9001:2015 standard and has a proven track record of successfully completing large-scale projects on time, at greater cost efficiency and good quality.

Leveraging its strong and wide technical expertise, Domain continues to secure new contracts and enhance its order book. Below are some of the ongoing construction projects the company is undertaking during the current financial year.

CONSTRUCTION AND PROJECT MANAGEMENT DIVISION (cont'd)

PAVILION DAMANSARA HEIGHTS
(Total Contract Value: RM455.0 million)

Located in the heart of Damansara Heights, this prestigious project involves the redevelopment of the existing Damansara Town Centre site. The development includes nine new corporate towers, five blocks of luxury serviced residences, a hotel and an office tower on top of a five-level retail space. The development also provides direct access to the Pusat Bandar Damansara MRT and eight levels of basement car park to cater to the bustling town centre.

Domain has been appointed as the Management Contractor for the sub-structure and superstructure works in Phase 1 and Phase 2. Following the completion of the works last year, Domain has started the super-structure works for three blocks of serviced residences (R1, R2, R3) in March 2022. As of today, the progress stands at 56.0%, 66.0%, and 74.5% for each block respectively. The super-structure works for the three residential blocks are scheduled to be completed between Q2 of 2024 to Q4 of 2024.

PAVILION CEYLON HILL
(Total Contract Value: RM308.5 million)

Pavilion Ceylon Hill is situated in Kuala Lumpur, between Jalan Changkat Raja Chulan and Jalan Ceylon, and covers an area of 1.7 acres. The development comprises of 629 high-end serviced apartments, including a strata bungalow and retail shops.

Domain has been appointed as the contractor for the main building works. This integrated development has been completed successfully in June 2023.

THE MAPLE RESIDENCES
(Total Contract Value: RM387.2 million)

The Maple Residences is a freehold high-rise residential project located in Taman OUG, Kuala Lumpur. The project occupies a 4.9-acre land within an integrated development known as W City OUG and comprises 940 freehold serviced apartment units.

Domain has been appointed as the contractor for the main building works. Currently, the construction work has progressed to 54.0% completion and the project is expected to be completed by Q4 2024.

SUSTAINABILITY STATEMENT

ABOUT THE STATEMENT

Malton Berhad (Malton or the Group) is pleased to present our Sustainability Statement 2023 (SS2023), which discloses all of our relevant environmental, social and governance (ESG) initiatives and performances for the financial year ended 30 June 2023 (FY2023). Over the years, the Group has taken a progressive approach in integrating sustainability into our businesses towards a stronger and more resilient group. We are committed to:

1. growing our businesses responsibly and with good governance
2. balancing environmental with economic considerations
3. creating a positive impact for our stakeholders
4. contributing to our communities

We embrace our duty to adopt and uphold the environmental agenda in meaningful ways that offer a comfortable lifestyle to our customers. To this end, we pledge to maintain a high standard of governance while integrating ESG factors into our business operations to create sustainable value for all our stakeholders.

REPORTING FRAMEWORK

While Malton aspires to achieve compliance with the Global Reporting Initiative (GRI) and United Nations Sustainable Development Goals (UN SDGs), our sustainability framework and standards are developed in accordance with the following guidance and frameworks:

- Global Reporting Initiative standard 2021
- Bursa Securities Sustainability Listing Requirements
- Bursa Securities' Sustainability Reporting Guide (3rd edition)
- Malaysian Code on Corporate Governance (Revised April 2021)

STATEMENT OF USE

The Sustainability Committee (SC), takes responsibility for the following statement. The information presented throughout SS2023 has been prepared in accordance with GRI Standards.

REPORTING SCOPE AND BOUNDARY

The scope of our disclosure covers the Group's core business operations and activities of our corporate headquarters, including our key projects. A comprehensive description of these projects can be found in the Management Discussion and Analysis section of our Annual Report. Our boundaries are based on the prioritisation of the Group's material matters.

Our core business operations and activities are as follows:

- Property Development
- Construction
- Property Investment

REPORT QUALITY AND DATA ASSURANCE

All content included in this report is guided by GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness. All information is based on the GRI content principles of stakeholder inclusiveness, sustainability context, materiality, and completeness. Its main objective is to provide detailed disclosures that allow readers to better understand Malton's sustainability performance.

All data presented in this report have been internally sourced and verified by the respective business units or Senior Management to ensure their accuracy and quality.

All financial data presented in this SS2023 document has been verified by the Group's external auditor to enhance the credibility of the report.

MEMBERSHIP IN ASSOCIATIONS

As part of its business operations, Malton has maintained membership in the following professional and industry associations in FY2023:

Construction Industry Development Board (CIDB)
Master Builders Association Malaysia (MBAM)
Real Estate and Housing Developers' Association (REHDA)
International Real Estate Federation (FIABCI)
Certified Emergency Response Training Academy (CERT Academy)

REPORTING PERIOD

SS2023 contains disclosures for the Group's financial period of FY2023, beginning from 1 July 2022 up to 30 June 2023. SS2023 presents 3-year statistical data for most disclosures, where applicable, to establish meaningful trend lines that allow readers to better monitor and understand the comparative performance achieved.

REFERENCES

All references of "Malton", "the Company", "the Organisation", "the Group", "us", or "we" shall refer to Malton Berhad.

LIMITATIONS

We acknowledge that certain gaps in data may exist. We strive to continue improving our data collection process and bridge these gaps to establish a well-defined reporting structure for ESG matters and enhance future reports.

FORWARD-LOOKING STATEMENT

All forward-looking statements within SS2023, including plans, targets, operations, and forecast figures, are based on reasonable assumptions made under current business trajectories. Since Malton's business model is subject to unforeseen risks beyond its control, readers should practise discretion and not excessive reliance when reading through these statements as actual results may differ.

REPORT AVAILABILITY AND FEEDBACK CHANNEL

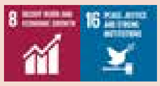
This SS2023 document can be viewed online on the Malton corporate website at www.malton.com.my.

We welcome all questions, feedback and ideas that can help improve our sustainability disclosures and performance. Any suggestions and comments can be sent to:

Corporate Communications Department
Contact : 03-2088 2888
Email : corpcomm@malton.com.my

SUPPORTING UN SUSTAINABILITY DEVELOPMENT GOALS

Malton has aligned itself with selected UN SDGs to provide a larger sustainability context to the Group's ESG agenda and support the realisation of a better future for all.

Environmental	• Compliance with Environmental Laws • Committed to Green Buildings • IBS Technology • Energy Efficiency and Renewable Energy • Water Efficiency • Waste Management	
Social	• Labour Practices • Human Capital • Affordable Housing • Occupational Safety and Health • Community Engagement	
Governance	• Legal and Regulatory Compliance • Code of Conducts and Business Ethics • Anti-Bribery and Anti-Corruption Policy • Mandatory Tender Process for Awarding Contracts • Data Privacy	
Economic	• Economic Performance • Infrastructure Investment • Product Safety and Quality • Support Local Procurement and Local Supply Chain	

OVERVIEW OF FY2023 SUSTAINABILITY

Environmental

Adopt **IBS technology** for going and future developments

Provisional **GreenRE certified project** River Park, a newly launch high-rise residences

Launched **e-billing** system via MyMalton app

Solar panel for residential building

EV charging stations for residential

Green features in project developments

Adopting **Sustainable building materials**

Food Waste Management 2023 collaboration with Pavilion Bukit Jalil to produce organic fertiliser for project landscaping

Social

Community contributions that support education, underprivileged & responses to natural disasters

92% average in Customer Satisfaction Survey

99.5% of local talents at workforce

919.5 hours of employee training

Health & Safety training for all construction workers

Disabled friendly facilities at work premises

ZERO
- Lost time incident
- Fatalities occurred in the workplace

Governance & Economic

Total economic value generated of **RM869mil**

Secure **green financing** for sustainable development

100% of procurement budget expended on local suppliers

100% of Senior management received anti-corruption training

ZERO
- instances of bribery and corruption
- fines or sanctions on labour law non-compliance
- instances of cybersecurity breaches

SUSTAINABILITY STATEMENT (cont'd)

NOTES FROM SUSTAINABILITY COMMITTEE

As the world continues to progress in its journey toward full post-pandemic economic recovery, Malaysia has recorded encouraging economic growth on many fronts. The property sector, in particular, has seen significant progress this year, giving rise to optimistic projections for further growth.

However, the property sector remains volatile due to factors such as inflation, supply chain disruptions, fluctuating raw material prices, and labour shortages. Against this challenging backdrop, FY2023 has proven to be a crucial period for the implementation of continuous sustainability practices.

Now more than ever, the importance of environmental, social and governance issues are receiving priority from stakeholders, companies, and the general public on an international scale.

At Malton, we understand that ESG performance is a crucial factor in driving both operational sustainability and added value creation, with far-reaching impacts across the value chain of a business. We remain aware that there is still much room for improvement when it comes to enhancing our internal sustainability practices. Therefore, we remain steadfast in our commitment to seeking new ways to adopt sustainability initiatives that will enable us to embed more comprehensive ESG approaches at all levels.

In line with this goal, we aim to strengthen our sustainability strategy by aligning our performance to selected UN SDGs to act as a guiding framework for our key ESG topics and initiatives. Leveraging on our achievements to date, we will continue to set comprehensive key performance indicators and targets, which are regularly reviewed and updated.

We are building on the foundation of our current sustainability approach and achievements to make progress towards long-term sustainability in all areas. With the support and contributions of our stakeholders, customers, and employees, our aim is to reach new heights in creating a bright and prosperous future for everyone.

MANAGEMENT OF MATERIAL TOPICS

ASSESSING AND PRIORITISING MATERIAL TOPICS

Malton conducted a comprehensive Materiality Assessment Exercise (MAE) as a means to accurately identify key material topics that are significant to the Group. These topics are those that may impact Malton and its ongoing business operations either directly or indirectly.

The MAE was developed in reference to the relevant reporting frameworks, including Bursa, GRI, FTSE4Good, Task Force on Climate-Related Financial Disclosures, and Sustainability Accounting Standards Board, and focused on three main criteria with topics impacting:

- Malton's economic value generation
- Group's main stakeholder
- ESG performance (including the creation of financial and non-financial values)

MANAGEMENT OF MATERIAL TOPICS (cont'd)

ASSESSING AND PRIORITISING MATERIAL TOPICS (cont'd)

The overall materiality process is demonstrated in the following:

1. Identification	2. Assessment	3. Prioritised	4. Validation
The Group identified and finalised a list of sustainability topics relevant to the Group in reference to Bursa Malaysia, GRI standards, other relevant sustainability reporting frameworks, common industry themes, previous year's topics, and industry peer review. Key stakeholder groups to be assessed were also identified to ensure proper stakeholder prioritisation is present, with their interests and perspectives considered to accurately assess the materiality of the chosen sustainability topics. The current survey saw strong participation from the Board of Directors (Board), Management, and customers/suppliers that provided further validation of the survey results.	Online survey forms were distributed to relevant respondents to assess the importance of material sustainability matters for this reporting period. Survey respondents consisted of internal and external stakeholders. In certain cases, some respondents may have also answered the survey on behalf of the relevant external stakeholder groups.	The material sustainability topics were prioritised based on materiality assessment survey results. This process included considering the material matters' significance to Malton and importance to its stakeholders. We then generated a materiality matrix from the results of the survey.	The materiality matrix was reviewed and distributed to the SC and Senior Management for confirmation and subsequent approval. The matrix was then approved by the SC.

By incorporating both internal and external stakeholders, Malton has enabled a large range of views and perspectives to be incorporated into the prioritisation of key material topics. This will allow the Group to craft business strategies that can bring the best benefits for all our stakeholders.

SUSTAINABILITY STATEMENT (cont'd)

MANAGEMENT OF MATERIAL TOPICS (cont'd)

STAKEHOLDER ENGAGEMENT

To strengthen our sustainability agenda and approach, we will continue building strong relationships with our stakeholders to better understand how we can address their concerns and needs while carrying out our corporate mission. We believe in actively working with our stakeholders to improve our ability to address priorities and allow us to create long-term positive impacts on the economy, environment, and society.

Malton has identified several key stakeholders that have a crucial impact on our business operations. As such, the Group acknowledges the importance of keeping close communication with these stakeholders through various means. This will allow us to actively incorporate their views and perspectives into our overall business strategies.

The views of these stakeholders were also included during the MAE conducted for FY2023. In total, 101 respondents from 13 groups participated in the exercise.

The key stakeholders Malton has actively engaged with are listed below:

Area of Interest	Mode of Engagement	Frequency of Engagement	Malton's Response
Employees (comprising all individuals who work for the Group, including the Board and Management)			
• Business strategy and direction • Succession planning • Career development opportunities • Job satisfaction and retention • Training and development • Employee benefits and welfare • Workplace safety and health • Fair and equal treatment	• Annual performance appraisal • Internal communication channels (e-mails, group chats, etc.) • Virtual meetings • Safety and Health briefings • Voluntary programmes • Festive celebrations	• Annual • Ongoing • Ongoing • Quarterly • Ongoing • Ongoing	• Fair wages based on market rate • Fair and safe workplace • Transparent appraisal process based on performance • Career development programmes • Circulation of the Group's strategies and performance • Prioritisation of employee welfare
Customers			
• Innovative design • Product quality • Customer service and experience • ESG practices and commitment • Safety and security of products • Loyalty and rewards programmes • Fair pricing • Products that meet customer needs • Conducive environment to conduct business	• Online and offline communication • Customer satisfaction survey • Outreach events and roadshows • CSR programmes	• Ongoing • As required • Ongoing • Ongoing	• Maintaining high product quality in adherence to standards • Digitalisation to enhance customer experience and safety • Improved construction processes

MANAGEMENT OF MATERIAL TOPICS (cont'd)

STAKEHOLDER ENGAGEMENT (cont'd)

Area of Interest	Mode of Engagement	Frequency of Engagement	Malton's Response
Government and Regulatory Authorities			
• Regulatory compliance • Supporting government policies and initiatives • Social contributions • Timely and responsive communication • Information sharing	• Report submission • Meetings • Site visits and inspections • Industry events and seminars	• As required • As required • As required • As required	• Compliance with relevant laws and regulations • Malaysian Home Ownership Initiative (i-Miliki) • Adoption of eco-friendly development features • Contribution to local communities through CSR
Financiers and Banks			
• Project launches and sales • Financial performance • Payment schedules • Financial risk management • Timely and responsive communication	• Meetings and formal correspondence • Project report • Corporate disclosures • Media announcements • Site visits • Public information on our corporate website	• As required • Ongoing • As required • As required • As required • Ongoing	• Periodic meetings and updates on projects
Shareholders and Investors			
• Regulatory compliance • Financial performance	• Publication of annual reports and financial statements • Public information on our corporate website • Analyst briefings • Regular shareholder communication • Annual general meetings	• Annually • As required • As required • As required • Annually	• Transparent and regular updates on projects and Malton's economic status
Consultants, Vendors, and Contractors			
• Clear contract specifications • Honouring contractual obligations • Transparent procurement practices • Payment schedules • Safety, Health, and Environment practices • Technological reliability and performance • Fair price • Timely and responsive communication • Support for enhancing resource capacity	• Tender and bidding • Vendor assessment system • Meetings and site visits • Workshops and trainings • Annual performance evaluation	• Ongoing • Ongoing • Ongoing • Ongoing • Annually	• Open tender process for procurement • Timely payment • Systematic appointment and evaluation process

SUSTAINABILITY STATEMENT (cont'd)

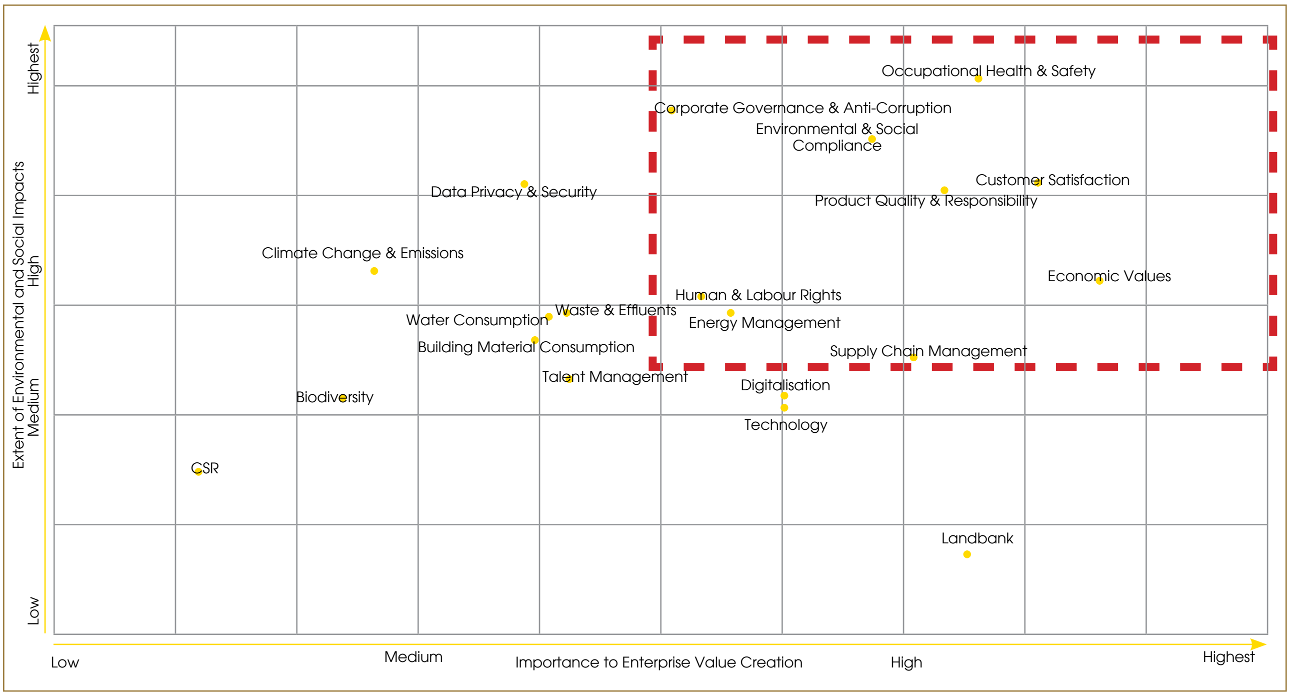
MANAGEMENT OF MATERIAL TOPICS (cont'd)

STAKEHOLDER ENGAGEMENT (cont'd)

Area of Interest	Mode of Engagement	Frequency of Engagement	Malton's Response
Media			
• Trustworthy and timely communication • Transparent business reporting	• Press releases • Conferences and media briefings • Product launches and corporate events • Networking sessions	• As required • As required • As required • Ongoing	• Regular updates and product launches
Local Communities			
• Infrastructure enhancement • Security and facilities management • Job and business opportunities • Community development	• Formal and informal meetings and dialogues • Social media and corporate website • CSR programmes	• As required • Ongoing • Ongoing	• Adherence to quality standards and compliance with regulations • Improvement of infrastructure around the development
Non-Governmental Organisations (NGO)			
• Environmental and social impacts • Supporting NGO objectives and programmes	• Formal and informal meetings and dialogues • Strategic partnerships • Joint events and programmes	• As required • As required • Ongoing	• Collaboration with NGOs to establish meaningful CSR programmes and other community enrichment initiatives

MATERIALITY MATRIX

Through Malton's comprehensive MAE, the Group has been able to incorporate crucial feedback from our key stakeholders and develop a matrix. This matrix allows Malton to identify key material topics that will guide the organisation's business strategies and policies moving forward.



SUSTAINABILITY GOVERNANCE

Governance of sustainability at Malton is achieved through its robust governance structure that enables the SC and Management to implement ESG-related risks. Under the leadership of the SC and with the support of Management, sustainability principles are integrated into the Group's policies, procedures, and practices across various aspects of our operations, including business conduct, product design and development, construction and project management, talent management, community engagement, and societal impact.

In addition to its oversight function, the governance structure is designed to facilitate timely communication and provision of precise information to the highest decision-making bodies within the Group. This enables them to stay well-informed on a wide range of business and operational matters, allowing for informed decision-making at the strategic level.

GOVERNANCE STRUCTURE

Below provides an outline of the Group's existing governance structure pertaining to the evaluation and management of sustainability matters within the organisation.

Board of Directors

- Oversee the sustainability initiatives

Sustainability Committee

- Endorse proposed sustainable strategies and initiatives
- Approval of the Group's sustainability initiatives
- Monitor overall implementation of sustainability initiatives
- Report to the Board

Sustainability Working Team

- Set the strategic business direction and goals of the Group
- Set the sustainability direction of the Group
- Embed the culture of sustainability in the Group
- Monitor the implementation of the sustainability initiatives

Management

- Identifies potential sustainability related risks and determines the priority of each material matter
- Undertakes sustainability projects that have been approved by the SC
- Records and manages sustainability data

Finance	Property Development / Construction	Sales & Marketing
Quality Assurance / Customer Service	Company Secretary / Legal / Corporate Communication	Human Resources & Administration

SUSTAINABILITY STATEMENT (cont'd)

SUSTAINABILITY GOVERNANCE (cont'd)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Corporate governance plays a vital role in steering the entire organisation towards becoming an ESG-driven Company. By embracing and practising sound corporate governance principles, we ensure the maintenance of integrity, corporate responsibility, and accountability across all our operations.

To uphold the principles of good corporate governance, we have established robust Group policies that promote ethical business practices and uphold standards of organisational integrity. These policies, including the Anti-Bribery and Anti-Corruption Policy (ABAC Policy), Whistleblowing Policy, and Data Privacy Policy, provide comprehensive guidance to employees at all levels within our organisation.

The Group has implemented a set of governance frameworks and policies to manage sustainability at Malton as below:

Furthermore, these policies extend beyond our employees and encompass relevant external stakeholders such as vendors and contractors. By mandating compliance with these policies, we are strengthening corporate governance throughout the entire value chain of our Group. To facilitate accessibility, our policies can be found on our corporate website at www.malton.com.my/corporate-governance.

MALTON EMPLOYEE HANDBOOK

All employees including new staff are provided with an employee handbook to share awareness of Malton's corporate governance standards and its policies. The handbook is available for download at the Company's intranet drive.

CODE OF CONDUCT AND BUSINESS ETHICS

Malton has formulated a Code of Conduct and Business Ethics (Code) that applies to employees, the Board and Management. The primary objective of the Code is to foster a unified organisational culture across the Group, centred on principles of integrity, ethical conduct, accountability, transparency, and professionalism. The Code places significant emphasis on providing clarity regarding conflicts of interest and establishing guidelines for corporate behaviour, in terms of the manner in which representatives of Malton should conduct their professional engagements between themselves and stakeholders, especially vendors, contractors, business partners, and others.

SUSTAINABILITY GOVERNANCE (cont'd)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION (cont'd)

CODE OF CONDUCT AND BUSINESS ETHICS (cont'd)

Specifically, the Code addresses various matters such as insider trading, guidelines for the provision of gifts, entertainment, and solicitation, social media policy, and more. The Code will be reviewed from time to time by the Board to ensure it remains current and relevant in addressing any ethical issues that may arise within the organisation.

In FY2023,

ZERO instances of non-compliance or unethical conduct reported, demonstrating the commitment of Malton's employees to upholding the high standards set forth in the Code.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

At Malton, we maintain a zero-tolerance approach towards corruption and bribery in all aspects of its business operations. This uncompromising stance is reflected in the implementation of the Group's Anti-Bribery and Anti-Corruption Policy. Developed in accordance with Section 17A of the MACC Act 2009 (Amendment 2018), the ABAC Policy can be accessed via the following link: https://malton.irplc.com/investor-relations/pdf/Malton-Anti-Bribery-and-Anti-Corruption-Policy.pdf.

The ABAC Policy establishes essential measures and guidelines to effectively manage and address potential risks or situations related to bribery and corruption within Malton. It comprehensively covers various forms of corrupt activities, encompassing commissions and incentives, facilitation payments, gifts and entertainment, political contributions and donations, and any behaviours that could be deemed as constituting bribery and corruption.

Commitment

Malton remains committed to enhancing internal controls and procedures across the Group, effectively reducing and mitigating the risks associated with corruption.

Board Oversight	Review	Improvement
Under the oversight of the Board, all directors and employees are required to provide written confirmation of their acknowledgement, understanding, and commitment to abide by the policy's provisions.	The Group regularly conducts reviews to ensure compliance with legislative and regulatory amendments, as well as changes in the industry and business environment.	Based on these reviews, necessary improvements to the ABAC Policy and associated control measures are identified and implemented.

Anti-Corruption Training and Communication

The Group conducts regular internal training sessions on anti-corruption matters for both new and existing employees. To ensure widespread awareness, anti-corruption messaging is disseminated throughout the Group via various communication channels on a regular basis.

In FY2023, all Directors and Senior Management staff underwent anti-corruption training. They have reviewed and fully comprehended Malton's firm stance on anti-bribery and corruption. Moving forward, Malton is committed to conducting regular awareness programmes and training sessions on anti-bribery and anti-corruption for all personnel to maintain a culture of transparency and ethical conduct.

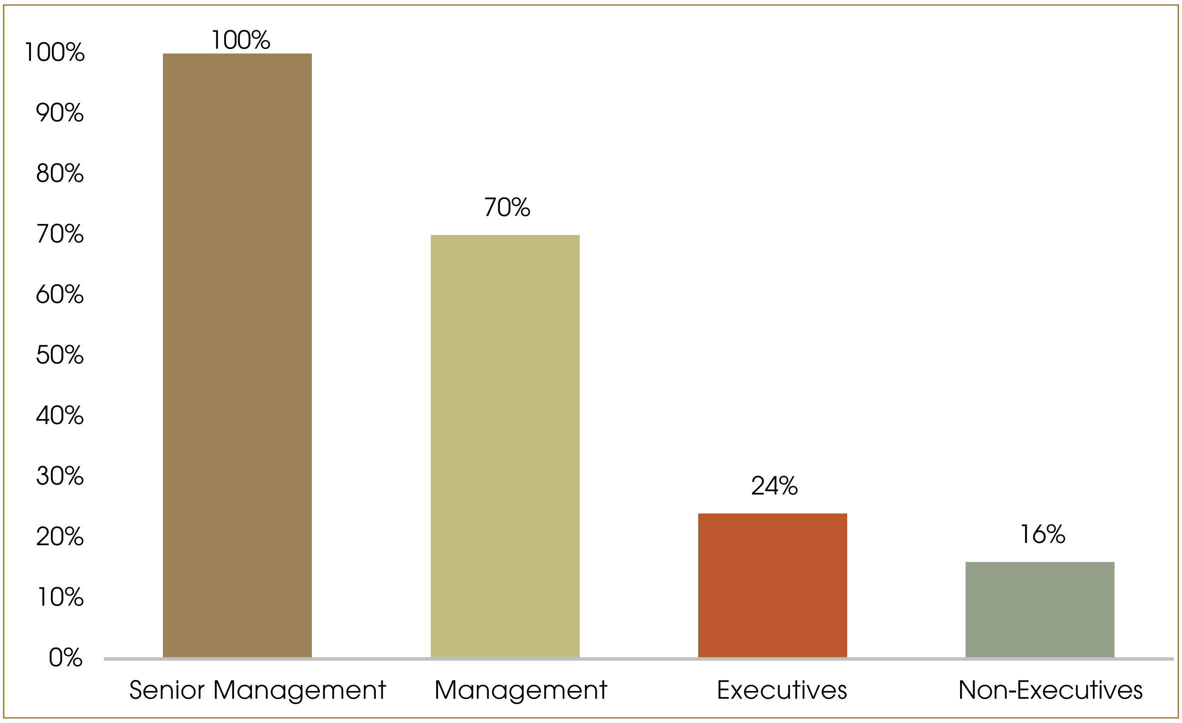
The training programmes will be tailored to address the specific level of bribery and corruption risk associated with each employee's position. Additionally, these programmes will serve as refresher courses, ensuring continuous awareness and providing updates on relevant anti-bribery and anti-corruption legislation and policies.

SUSTAINABILITY GOVERNANCE (cont'd)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION (cont'd)

Anti-Corruption Training and Communication (cont'd)

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



Anti-Corruption Assessment

The Group is taking a proactive approach to combat corrupt practices by conducting an internal risk assessment. The goal is to identify and evaluate potential areas of risk and implement robust safeguards to prevent and detect any corrupt activities. All operations within the Group will be assessed for corruption-related risks, and specific measures will be implemented to address any identified risks. It's worth noting that there have been no reported cases of corruption within the Group.

SUSTAINABILITY GOVERNANCE (cont'd)

CORPORATE GOVERNANCE AND ANTI-CORRUPTION (cont'd)

WHISTLEBLOWING POLICY

Our Whistleblowing Policy provides a formal avenue for individuals to raise genuine concerns and report in good faith any instances of misconduct, malpractice, or improper conduct, including violations of the ABAC Policy. To ensure the objectivity and reliability of the reporting mechanism, the Audit Committee plays a pivotal role in this process.

Depending on the seriousness of the alleged misconduct, the Audit Committee may provide its recommendation to the Board for appropriate corrective action. Instances involving crimes against individuals or property, such as assault, rape, burglary, and similar offences, will be promptly reported to law enforcement authorities.

Individuals wishing to make a report can utilise the Whistleblowing form available within the Whistleblowing Policy and send an email to whistleblowing@malton.com.my. The Group places great importance on maintaining the confidentiality of whistleblowers and protecting them from victimisation, harassment, or disciplinary action. Therefore, to the extent possible, the identity of the whistleblower will be kept confidential as long as the disclosure is made in good faith.

In FY2023,

ZERO cases reported under the whistleblowing channel.

RISK MANAGEMENT

Malton recognises the inherent risks associated with ESG factors and acknowledges the profound influence that issues such as climate change, labour rights, occupational safety and health, and other pertinent matters can exert on business operations, potentially disrupting the Group's capacity to create value.

RISK MANAGEMENT

The SC together with Management has implemented a robust framework for the management of risks and internal controls at Malton, which are detailed in the reports of the Statement on Risk Management and Internal Controls provided in this annual report.

Malton actively endeavours to identify, monitor, and address significant risks that may impact the Group's ability to generate value, encompassing ESG risks such as health and safety, and environmental conditions.

The Group also ensures the timely updating of our risk registered through the oversight of the Board.

Malton has established a Risk Management Policy, which aligns with the ISO31000:2018 Risk Management Standards.

SUSTAINABILITY GOVERNANCE (cont'd)

ENVIRONMENTAL AND SOCIAL COMPLIANCE

Malton diligently upholds its established policies, protocols, guidelines, and industry standard. As part of its continuous improvement, the Group strengthened its workplace safety and processes with the Department of Occupational Safety and Health in FY2023.

Additionally, the Group has not encountered any regulatory actions pertaining to corporate ethics and integrity, corporate governance, or anti-corruption issues.

Some of the regulations that we enforce across our business operations are listed below:

- Bursa Malaysia Main Market Listing Requirements
- Malaysia Code on Corporate Governance 2021
- Malaysian Anti-Corruption Commission Act 2009
- Malaysia's Employment Act 1995
- Occupational Safety and Health (OSHA) Act 1994
- Factory and Machinery Act 1967
- Construction Industry Development Act 520:1994
- Environmental Quality Act 1974 (Act 127)
- Street, Drainage and Building Act 1974
- Uniform Building By-Laws 1984
- Fire Services Act 1988

Malton remains committed to upholding compliance standards by adhering to ISO regulations across various aspects of its operations. The Group has implemented Standard Operating Procedures based on ISO 9001 for Quality Management and ISO 45001 for Safety and Health Management. To ensure ongoing adherence, Malton conducts annual internal and third-party quality audits for ISO 9001 and ISO 45001. Additionally, the Group conducts regular safety and quality checks on a weekly and monthly basis.

ISO 9001

ISO 45001

SUPPLY CHAIN MANAGEMENT

Supply chain integrity plays a critical role in ensuring the success and reliability of property development projects. It encompasses transparency, trust, and ethical conduct within the entire supply chain, from sourcing raw materials to delivering finished products.

While Malton has yet to introduce formal supplier due diligence procedures concerning environmental and social criteria, the Group is committed to ensuring that its suppliers do not engage in any contentious activities. This commitment aligns with our Code, emphasising responsible business operations, environmental protection, and positive community engagement. Malton consistently upholds these principles to foster strong relationships with the communities in which we operate and to uphold our responsibility towards the environment.

In accordance with the Code, we have implemented transparent procurement practices at Malton. The selection process for consultants, vendors, and contractors involves thorough evaluation through an open tender system. To ensure the delivery of high-quality products, we have established a stringent tender procedure in the selection of vendors and contractors.

Exceptions are only permitted for specific situations where the job requires specialists, critical trades, or works that were granted approval by the Executive Directors for direct negotiation. In this regard, Malton adheres to the best practices outlined in its management system procedures.

Any individual found to be in violation of our ABAC Policy or involved in any form of bribery or corruption will face strict disciplinary measures, including employment suspension or termination, as well as legal action. We maintain a zero-tolerance approach to such misconduct and prioritise the enforcement of our policies and legal obligations.

SUSTAINABILITY GOVERNANCE (cont'd)

DATA PRIVACY AND SECURITY

The Group places utmost importance on safeguarding the confidentiality of personal information belonging to our stakeholders, in strict compliance with the provisions outlined in the Personal Data Protection Act 2010. To protect customer privacy effectively, we have implemented a comprehensive range of cybersecurity measures and have invested in optimum data protection systems. Robust firewall and several cybersecurity measures are in place to ensure optimal protection of our stakeholders' information.

We continue to uphold our track record of zero incidents or substantiated complaints concerning breaches of customer privacy and losses of customer data since FY2021.

Cybersecurity related Policies and Procedures

Microsoft Windows, Network, and Application Systems Passwords Policy

Manage Microsoft windows, network, and application systems passwords.

Provide guidelines for system and information access.

Email and Internet Acceptable Use Policy

Define the acceptable use of the Internet and email for the Group.

Implemented Multi-Factor Authentication solution.

File Server Policy

Maintain a strict permissions policy.

Control the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity, and availability.

ECONOMIC DISCLOSURES

Malton has successfully generated direct and indirect economic values, both for the organisation and for its stakeholders. Sustained economic or financial performance is essential for driving the Group's ESG agenda while enhancing shareholder value.

The Group also facilitates the continued creation and distribution of economic value to a wide range of stakeholders such as shareholders, investors, employees, social enterprises, NGOs, and others. Malton's continued economic growth fuels a socio-economic multiplier effect comprising job creation, entrepreneurial opportunities, and support for the local supply chain development.

ECONOMIC VALUES GENERATED

The property and construction industries experienced significant disruptions due to the two-year long COVID-19 pandemic, leading to labour shortages and supply chain challenges.

Despite these challenges, Malton demonstrated resilience by achieving healthy sales performance in new launches with low inventory during FY2023.

Through proactive cost-cutting measures and strategic actions implemented throughout the height of the pandemic, Malton successfully navigated the adverse impacts of the downturn. These efforts ensured business continuity while maintaining sustainable operational resilience for Malton.

SUSTAINABILITY STATEMENT (cont'd)

ECONOMIC DISCLOSURES (cont'd)

ECONOMIC VALUES GENERATED (cont'd)

The following provides an overview of Malton's financial performance over the past three years:

Financial Year	FY2021 (RM'000)	FY2022 (RM'000)	FY2023 (RM'000)
Economic Value Generated	1,047,277	758,274	869,135
Economic Value Distributed			
- Total monetary value/operating cost	(961,632)	(558,577)	(877,017)
- Total payout to employees in salaries and benefits	(33,905)	(37,636)	(33,258)
- Taxes paid to the government	(22,324)	(28,310)	(45,689)
- Interest paid to Financiers	(29,106)	(32,564)	(36,031)
- Dividend Returns to Shareholders	-	-	-
Economic Value Retained	310	101,187	(122,860)

In addition to Malton's conventional revenue streams, Government funding plays a crucial role in supporting property development projects. By offering access to capital, Governments contribute to the feasibility and successful completion of these projects.

Ukas Grant

RM 15.9 mil

- Under Bukit Jalil City Project

For detailed information on the Group's financial performance and the direct economic values generated, please refer to the Management Discussion and Analysis section of this annual report.

INDIRECT ECONOMIC VALUES CREATION

At Malton, our Management approach towards generating socio-economic catalytic effects for stakeholders is firmly rooted in our commitment to sustainable practices and long-term prosperity.

Through a holistic lens, we prioritise three key areas:

Job creation

Entrepreneurial opportunities

Support for local supply chain development

These focal points align with our sustainability goals, enabling us to drive positive socio-economic impacts while preserving environmental integrity.

We embrace sustainability principles and strive to create socio-economic multiplier/catalytic effects that benefit our stakeholders. By emphasising job creation, entrepreneurial opportunities, and support for local supply chain development, we endeavour to foster inclusive growth, empower communities, and ensure the long-term prosperity of our organisation and the stakeholders we serve.

ECONOMIC DISCLOSURES (cont'd)

INDIRECT ECONOMIC VALUES CREATION (cont'd)

VALUE CREATION THROUGH PROPERTY DEVELOPMENT

A range of infrastructure developments has been implemented to directly and indirectly, benefit stakeholders, leading to job creation and economic activity. These include:

Affordable Developments

The construction of affordable projects in Klang Valley provides accessible and affordable housing options for stakeholders, addressing the housing needs of the community.

Completed Projects	Pangsapuri Kenangan Mutiara Square Affordable Shops
Upcoming Projects	RIO Mutiara Puchong Affordable Single-storey Shops Ukay Spring RSKU Townhouse

Infrastructure Enhancement

Infrastructure enhancements have been made to improve the overall quality of life for stakeholders.

This includes the development of access roads, bridges, schools, social centres, health centres, and the provision of electricity, flowing water supply, technology, and commercial facilities.

These enhancements aim to enhance connectivity, provide essential services, and create an enabling environment for economic activities.

Bukit Jalil City

Pedestrian bridges

Linking the surrounding community to Pavilion Bukit Jalil Mall.

Connecting residents safely to the 80-acre Bukit Jalil Recreational Park.

Improving pedestrian safety for the community.

U-turn

Easy merging to Bukit Jalil Highway.

Flyover

New access linking Bukit Jalil City to Puchong via Bukit Jalil Highway.

ECONOMIC DISCLOSURES (cont'd)

INDIRECT ECONOMIC VALUES CREATION (cont'd)

VALUE CREATION THROUGH PROPERTY DEVELOPMENT (cont'd)

Duta Park Residences

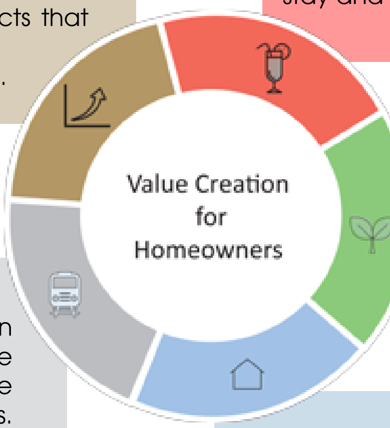
A bridge from Jalan Ipoh is well underway to help ease the traffic and increase connectivity of the surrounding area.

River Park

A direct access from Federal Highway/NPE Link and a new egress link to Old Klang Road to improve accessibility and connectivity is well underway.

VALUE CREATION FOR HOMEOWNERS

At the heart of value creation, Malton is committed to delivering value to homeowners through its innovative master planning and concept, underpinned by strategic locations and well-crafted environment for sustainable living. We aspire to enrich lives by building integrated developments whereby communities can live, work, and play in a safe and connected environment. In line with our tagline "Shaping Lifestyle Aspirations", we have empowered homeowners to enjoy the desired lifestyle and capital appreciation beyond owning a home.



Beyond building quality homes, we curate a quality lifestyle by providing a spectrum of tranquillity, vibrancy, amenities, accessibility, connectivity, and conveniences all weaved together as one seamless urban living experience. The Park Sky Residence, The Park 2, Amaya Saujana, and Nova Saujana are among the projects that created value by delivering consistent capital appreciation.

Anchored by our iconic Bukit Jalil City township, we take pride in transforming Bukit Jalil into a vibrant urban hub infused with Pavilion Bukit Jalil Mall, 80-acre green park, entertainment, job opportunities, and improved infrastructure. It has fast become a sought-after address desirable for own stay and investment.

By crafting sustainable developments, we are not only benefiting the current generation, but also laying the foundation for a positive impact on the environment for future generations to come.

Aligning with the government's National Housing policy, we developed quality affordable housing for middle-to-lower income Malaysians to own a home. By doing so, we deliver shared and sustainable value to a greater cross-section of the population. Pangsapuri Kenangan at Bukit Rimau under Rumah Selangorku initiative achieved a customer satisfaction score of 96%. We are committed to carrying forward this success in future urban affordable housing developments, such as RIO @ Bangsar South.

Residing near to the city with easy access to public transportation enables homeowners to save valuable time and spend more quality moments with their families. Our latest development, River Park, located in Bangsar South, is equipped with a direct walkway to the KTM station that connects homeowners to the vibrant Klang Valley.

ECONOMIC DISCLOSURES (cont'd)

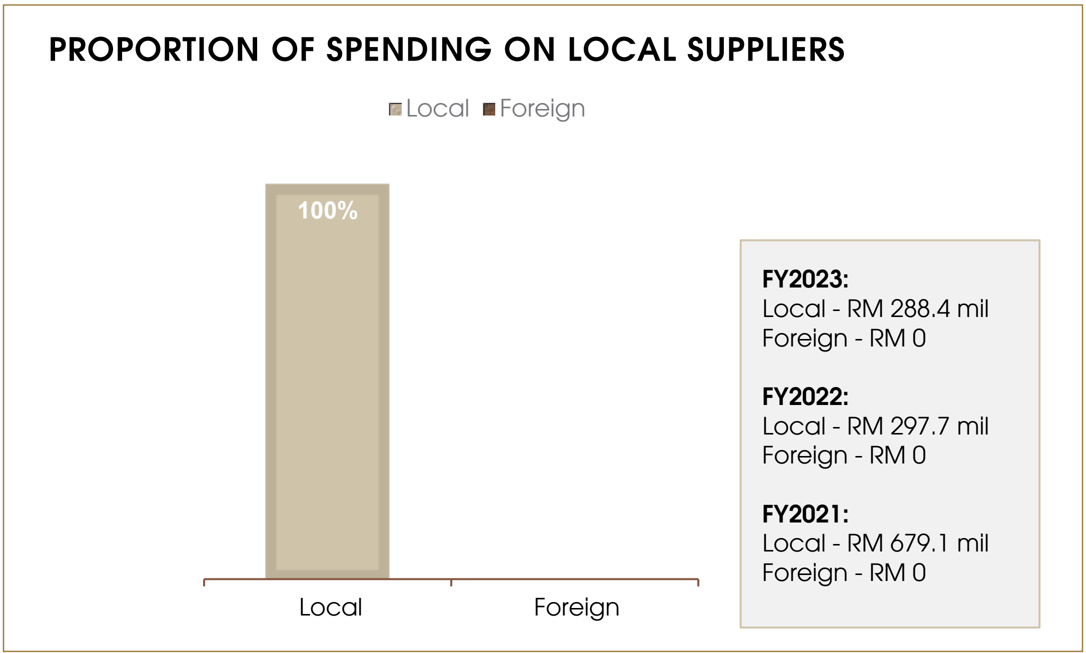
SUPPORTING LOCAL PROCUREMENT

In our commitment to fostering the growth of the Malaysian business ecosystem, Malton actively supports local suppliers and contractors who align with our vendor procurement policies. This approach allows us to circulate the value we create within the Malaysian economy while simultaneously reducing our carbon footprint by minimising imports of foreign goods.

All our supply chain activities strictly adhere to relevant local laws, rules, and regulations, ensuring compliance with the legal framework of our operations in the country.

Given that Malton's business operations primarily involve construction activities, the Group awards contracts to local contractors for various services, including construction, landscaping, and other related services.

Malton has shown its dedication to local procurement by sourcing all of its contracts locally for the past three years. The spending amount in FY2021 was significantly higher, largely due to the construction of Bukit Jalil City Mall which opened its doors to shoppers in December 2018.



PRODUCT QUALITY AND RESPONSIBILITY

At Malton, the core belief revolves around delivering exceptional products that are inherently tied to the Malton brand. The primary emphasis in assessing product quality is the craftsmanship of the units delivered to customers upon vacant possession. The Group firmly believes that implementing a well-controlled process throughout the planning and execution of product development ensures high product quality.

To achieve this, Malton has established a Quality Management System (QMS), which has been successfully accredited by SIRIM to ISO 9001:2015 since 2017. All critical business operations and performance are thoroughly documented, monitored, and regularly reviewed to drive continuous improvement. Simultaneously, the Group adheres to all relevant laws, regulations, and requirements, ensuring compliance at all times. This commitment allows us to establish a strong foundation for quality assurance and continuous improvement.

Quality Management System

ISO 9001:2015

By establishing well-defined business operations and processes, Malton's focus has been refined to train its personnel in consistent practices and regulate project execution. This approach ensures that the Group consistently meets customer expectations and inspires them with product innovation. The positive and compelling effects of this approach will continue to lead and motivate our competitors to push the boundaries of our industry, ultimately unlocking greater value for all homeowners.

SUSTAINABILITY STATEMENT (cont'd)

ECONOMIC DISCLOSURES (cont'd)

PRODUCT QUALITY AND RESPONSIBILITY (cont'd)

OVERSIGHT BY MANAGEMENT REVIEW COMMITTEE

Malton's Executive Committee and Senior Management, including the Heads of Departments, collectively known as the Management Review Committee (MRC), are actively engaged in providing guidance and insights to enhance our commitment to quality. This is accomplished through the annual QMS management review meeting.

The management review meeting serves as a robust platform for presenting the progress, status, and achievements of the quality objectives and processes established by key departments. During these meetings, a comprehensive discussion and resolution of various issues, risks, and challenges related to product and service quality take place. The MRC plays a pivotal role in shaping the vision and elevating quality standards, thereby driving continuous improvement throughout the Group.

QUALITY ASSURANCE AND CUSTOMER SATISFACTION

In alignment with our "Built-in-Quality" culture, we conduct annual reviews of the Quality Policy to ensure its continued relevance to our business strategies and needs. Quality assurance and customer satisfaction are the core principles that drive us to provide unmatched value while fostering lasting relationships with our valued homeowners.

To further enhance its construction efficiency and design parameters, Malton has developed a set of Finishing and Design Guidelines. These guidelines are supported by a comprehensive check-and-balance system throughout the product development stage to assure effective implementation and quality performance.

Regular meetings between management and team to review established standards while ensuring consistent adherence to best practices.

Performing routine site inspections and on-site training to monitor the quality of craftsmanship throughout the construction progress.

The Group is committed to developing and training its staff as internal auditors for ISO 9001 and internal assessors for QLASSIC. This reinforces management's support for ongoing improvement initiatives.

ECONOMIC DISCLOSURES (cont'd)

PRODUCT QUALITY AND RESPONSIBILITY (cont'd)

QLASSIC Score Highlights

To effectively manage product quality and better customer care, Malton has designated departments responsible for quality and customer satisfaction, namely the Quality Assurance department and the Customer Care department.

Responsibilities of Quality Assurance Department:

- Assuring the implementation of QMS in accordance with ISO 9001 requirements.
- Performing monthly Project Quality Assessments for projects under construction to ensure adherence to quality standards.
- Leading and overseeing the Pre-Delivery Inspection process for all Malton projects, ensuring that the final products meet industry standards.
- Facilitating and implementing the Performance Review of consultants, contractors, and vendors.

Customer Satisfaction

The satisfaction of our customers holds the utmost significance in ensuring the sustainable operation of our business. Serving as a central focus across all divisions, customer satisfaction directly influences our capacity to secure new and recurring business opportunities, while strengthening our ongoing relationships in pursuit of economic prosperity. Hence, we are committed to meeting and exceeding our customers' needs and expectations.

ECONOMIC DISCLOSURES (cont'd)

PRODUCT QUALITY AND RESPONSIBILITY (cont'd)

Customer Satisfaction (cont'd)

To evaluate our performance in this regard, we conduct customer satisfaction surveys during our development handovers, which provide valuable insights into the levels of satisfaction experienced by our customers.

Projects	Type	Customer Satisfaction Score
The Park 2	High-rise residential	97%
Villa 22	Semi-detached houses	91%
Pangsapuri Kenangan	Affordable housing	96%
Rapid City Centre Phase 1	Shop offices	90%
The Park Sky Residence	High-rise residential	87%

MARKETING AND LABELLING

The Sales and Marketing department creates sales brochures that provide essential information for promoting the project, including artist impressions, conceptual details, facilities plan, unit types and layouts, specifications, location map, and developer's contact information.

On top of standard marketing information, they will also highlight the unique selling points of the project, such as the covered walkway to public transportation. As ethical product marketing and labelling are crucial to Malton, there are no incidents of non-compliance regarding product and service information, labelling, and marketing in FY2023.

DIGITALISATION

MyMalton App

Launched in December 2021, MyMalton app stands as a pivotal milestone in our ongoing digitalisation journey within the Group. At its core, this initiative aims to foster a stronger connection with the community while delivering unparalleled convenience to user's smart device. By embracing MyMalton app, homeowners gain immediate access to an array of property management services and latest information as well as the latest promotions by our lifestyle partners from renowned Pavilion lifestyle malls. The user-friendly app simplifies property billings and offers Pavilion privileges for Malton homeowners and the public with real-time data.

Community App

A community app thoughtfully designed with user-friendly engagement platform right at your fingertips for Malton homeowners. This platform allows homeowners to enjoy the convenience of instant customer service through various features, including facility booking, visitor registration, tenant management, announcements, and an e-billing system for seamless transactions with real-time data. This initiative not only fosters stronger community connections but also aligns with our commitment to reducing the carbon footprint.

Events & Promotions

Integrated with Pavilion privileges, the app offers a diverse range of exclusive events and promotions to its members. Whether you are a Malton homeowner or a member of the general public, you can stay informed about upcoming events and enjoy a world of privileges from the diverse tenant mix in Pavilion shopping malls.

ECONOMIC DISCLOSURES (cont'd)

LANDBANK

Landbank is an essential aspect of property development, serving as a strategic resource for developers to construct residential, commercial, and industrial spaces. To identify suitable landbank options, the Group conducts a thorough analysis of factors such as location, zoning regulations, infrastructure availability, and market demand.

Developers can unlock the potential value of landbanks by acquiring and developing them through careful planning, development, and value creation. This ultimately transforms lands into valuable and vibrant real estate assets that cater to the needs of communities and contribute to urban growth and economic development. The efficient utilisation of landbank is instrumental in shaping the physical landscape of cities and fostering sustainable and inclusive development.

ENVIRONMENTAL SUSTAINABILITY

Aligned with the Strategic Plan 2020-2030: Environmental Sustainability in Malaysia, Malton places great emphasis on minimising any adverse environmental impact resulting from the Group's operations. Key environmental concerns, such as emissions, climate change, resource constraints, and biodiversity, are important material topics to Malton.

Despite the inevitability of climate-related risks and opportunities in Malton's business, the Group is fully committed to combating climate change through sustainable and intelligent development initiatives across our projects and townships.

Malton's dedication to addressing these challenges is evident in our approach to project and township development. This is by prioritising sustainable practices without compromising the ongoing maintenance and operation of the properties.

Our commendable initiatives:

01 Incorporation of renewable energy sources in property development

02 Implementation of comprehensive planning and green concepts in Malton townships

03 Utilisation of sustainable materials and construction methods

Since FY2022, the Group initiated the formulation of a Green Roadmap and a green features checklist specifically tailored for Malton's Property Development division. This step allows the Group to better monitor and track the integration of green features in its diverse projects. Through these measures and continuous efforts, Malton aims to contribute positively to environmental preservation and sustainability.

CLIMATE CHANGE AND EMISSIONS

Climate change poses significant challenges and considerations within the context of property development. As the impacts of climate change become more evident, property developers like Malton must adopt sustainable practices and strategies to mitigate risks and contribute to environmental resilience.

Rising sea levels, extreme weather events, and changing weather patterns can directly affect coastal properties and infrastructure, requiring developers to incorporate adaptation measures like elevated foundations and stormwater management systems.

ENVIRONMENTAL SUSTAINABILITY (cont'd)

CLIMATE CHANGE AND EMISSIONS (cont'd)

Additionally, energy efficiency measures, such as using renewable energy sources, implementing green building design principles, and employing sustainable construction materials, are crucial in reducing the carbon footprint of buildings and minimising greenhouse gas (GHG) emissions.

Recognising that reducing emissions requires collective action, Malton has taken proactive steps to quantify its emissions as part of its commitment to address climate change-related risks. This includes tracking emissions from electricity consumption for the first time.

FY2023

Total Carbon Emission:

1,554 tonnes CO_2

Note: Total carbon emissions are based on Scope 2 emission source (electricity consumption), which is derived from the United Nations Framework Convention on Climate Change (UNFCCC) Harmonised Grid Factors 2021 of 0.551 kgCO2e/kWh.

By measuring and understanding its carbon footprint, the Group can identify areas for improvement and develop targeted strategies to reduce emissions. This demonstrates Malton's commitment to sustainability and its active role in mitigating climate change impacts within its operations and the broader industry.

Moving forward, integrating climate change considerations into property development not only helps protect assets from future risks but also supports the overall sustainability and resilience of communities and contributes to global efforts in addressing climate change.

ENERGY MANAGEMENT

Malton recognises the significant impact of energy management on the economy, environment, and people. Effective energy management practices offer various benefits. They reduce operational costs, enhance competitiveness, and contribute to a stronger economy.

Environmentally, energy management plays a crucial role in reducing greenhouse gas emissions, combating climate change, and improving air quality through sustainable practices and renewable energy adoption.

Proper energy management directly improves people's lives by ensuring reliable access to affordable energy. It supports economic activities, enables access to vital services like education and healthcare, and enhances the overall quality of life.

ELECTRICITY CONSUMPTION

The Group's electricity consumption, which is mainly used to operate offices, sales galleries, and site offices, is presented below for FY2023.

Total Electricity Consumption	Total Energy Consumption	Energy Intensity (GJ/RM'000 Revenue)
1,618,192kWh	5,825GJ	0.007

Note: 1. The electricity consumption data is derived from the average commercial tariff rate of RM 0.690/kWh.
2. The energy consumption data is calculated based on the electricity consumption using the unit conversion of 1 kWh = 0.0036 GJ.

ENVIRONMENTAL SUSTAINABILITY (cont'd)

ENERGY MANAGEMENT (cont'd)

ENERGY EFFICIENCY AT CONSTRUCTION LIFECYCLE STAGES

Energy efficiency initiatives at Malton commence during the conceptualisation stage. The Group optimises building orientations with a North-South orientation to create an energy-efficient passive design, effectively reducing indoor heat and minimising reliance on air-conditioning.

In addition, Malton has also implemented various measures to enhance energy efficiency, such as optimal window sizing and daylighting to maximise natural ventilation. To encourage low-carbon mobility, the Group prioritises walkways and cycling networks whenever feasible.

As for construction activities, the Group prioritises environmentally friendly materials and products, including emulsion paint, eco-friendly building blocks, roof thermal insulation foam, and avoidance of volatile organic compounds to reduce the Group's environmental impact.

ADOPTION OF RENEWABLE ENERGY

Malton is also actively exploring and increasing the adoption of renewable energy sources to reduce total energy consumption. The Group has successfully installed solar photovoltaic panels on the rooftop of its commercial building, Menara BAC and we plan to replicate and expand this initiative to future property developments.

The energy-saving initiatives undertaken by the Group include the installation of efficient lighting designs and energy-efficient LED lights across its project developments, office buildings, and construction sites. Motion detection lighting, energy-efficient escalators, travelators, lifts with regenerative drives and sleep mode function, solar PV panels, roof insulation, as well as automatic temperature-controlled air-conditioning or VRF air-conditioning systems have also been installed across our project developments to enhance environmental performance.

Going forward, the Group will commence the first phase of new green technology innovation by installing electric vehicle (EV) charging stations at its new property developments, including Duta Park Residences, River Park, and Mutiara Hilltop, for the convenience of its residents. Our future developments will prominently feature EV charging stations to facilitate a green lifestyle and meet GRI standards in sustainable urban communities.

The energy-saving measures undertaken by the Group will result in reduced total electric consumption and carbon emissions, as well as enable efficient energy billing and promote sustainable living for its homeowners in the long run.

GREEN BUILDING

River Park, is our latest high-rise residences in Bangsar South that attained a provisional GreenRE 'Bronze' certification in the Residential Building category by Malaysian Green Real Estate Certification. This achievement stems from our deliberate integration of innovative green features into the building's design, focusing on EV charging station, water efficiency and monitoring system, high-performance glass to aid heat reduction, sustainable site planning, indoor environment, as well as materials and resources.

This reinforces Malton's continuous efforts to infuse green building concepts into its new property developments following the success of its first green building, Menara BAC, which earned a provisional 'Gold' status under the Non-Residential Building category. The green features implemented included renewable energy through solar photovoltaic panels, rainwater harvesting systems for landscape irrigation, and green concrete in the construction of the building. These green features extend beyond design and encompass the operational and maintenance practices of building users, contributing to enhanced energy savings and improved environmental performance.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENTAL SUSTAINABILITY (cont'd)

ENERGY MANAGEMENT (cont'd)

GREEN BUILDING (cont'd)

Moving forward, our Property Development division aims to obtain green certification for our upcoming high-rise residential developments, namely Mutiara Lake Puchong in Puchong and The Parkview in Bukit Jalil. This initiative is in line with the Malaysia Smart City framework set by the Ministry of Housing and Local Government, which we are committed to adhere to.

Eco-Friendly Building Materials


GreenLabel SINGAPORE

Inovar Industries Sdn Bhd


Duta Park Residences


Mutiara Hilltop

River Park – Provisional GreenRE Bronze Certification


River Park Bangsar South

HAS BEEN AWARDED

Bronze

Provisional GreenRE Certification

Residential Category

A project by

Kumpulan Gapadu Sdn Bhd

ENVIRONMENTAL SUSTAINABILITY (cont'd)

ENERGY MANAGEMENT (cont'd)

GREEN BUILDING (cont'd)

INNOVATION AND TECHNOLOGY

Industrialised Building System (IBS) is a construction method emphasising off-site manufacturing and assembly of building components. It involves prefabricating components, such as walls, columns, and slabs, in a controlled factory environment using advanced technology and machinery. IBS contributes to a more efficient and sustainable construction process by optimising resource utilisation and reducing environmental impact.

ENVIRONMENTAL SUSTAINABILITY (cont’d)

ENERGY MANAGEMENT (cont’d)

INNOVATION AND TECHNOLOGY (cont’d)

Acknowledging its benefits, Malton continues to embrace the potential of IBS technology. Through this innovative approach, the Group aims to replace traditional delivery models and construction practices, fostering improved resource utilisation and efficiency while simultaneously reducing labour costs and material wastage, as well as enhancing delivery speed.

Drawing from our successful experiences with IBS systems in current and upcoming projects, we are actively promoting their widespread adoption. Looking ahead, our plans extend beyond high-rise residential buildings, encompassing luxurious landed homes and high-rise commercial structures. This forward-thinking approach reflects our unwavering commitment to driving sustainable practices throughout the construction industry.

Ongoing high-rise developments utilising IBS technology:

WATER MANAGEMENT

Water management in the context of property development plays a crucial role in promoting sustainability and addressing the challenges of water scarcity. Developers are increasingly implementing water management strategies to minimise water wastage, enhance efficiency, and reduce the impact on local water resources.

In response to the increasing threat of water scarcity in our urbanised society, we prioritise water conservation by minimising wastage and leakages throughout our operations.

Total Water Consumption (FY2023)	Water Intensity (m3/RM’000 Revenue)
18 Megalitres	0.0215

Water Saving Initiatives

Rainwater Harvesting
Our commitment is reflected in the implementation of rainwater harvesting systems across completed, ongoing, and future property developments. These systems capture rainwater for irrigation and landscaping purposes, reducing reliance on freshwater sources.

Water-efficient Sanitary Fittings
Malton goes beyond rainwater harvesting by incorporating water-efficient sanitary fittings, such as water-efficient faucets and dual-flush systems, in select property developments. These fittings promote water conservation without compromising functionality.

Low-flow Water Taps
The Group has undertaken a significant initiative to enhance water conservation by upgrading water taps with lower flow rate across all its premises. These modified water taps are designed to minimise water consumption while still ensuring optimal functionality and user experience.

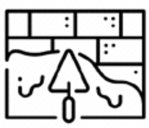
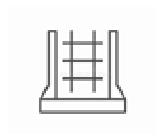
Explore Conservation Mechanism
We also actively explore and research additional water conservation mechanisms to incorporate them across our developments. Our aim is to ensure that our customers can embrace responsible water management practices and contribute to sustainable water usage.

ENVIRONMENTAL SUSTAINABILITY (cont'd)

MATERIALS CONSUMPTION

Materials optimisation is a vital aspect of property development, focusing on the efficient and sustainable use of resources throughout the construction process. By implementing strategies such as waste reduction, recycling, and selecting environmentally friendly materials, property developers can minimise the overall environmental impact of their projects.

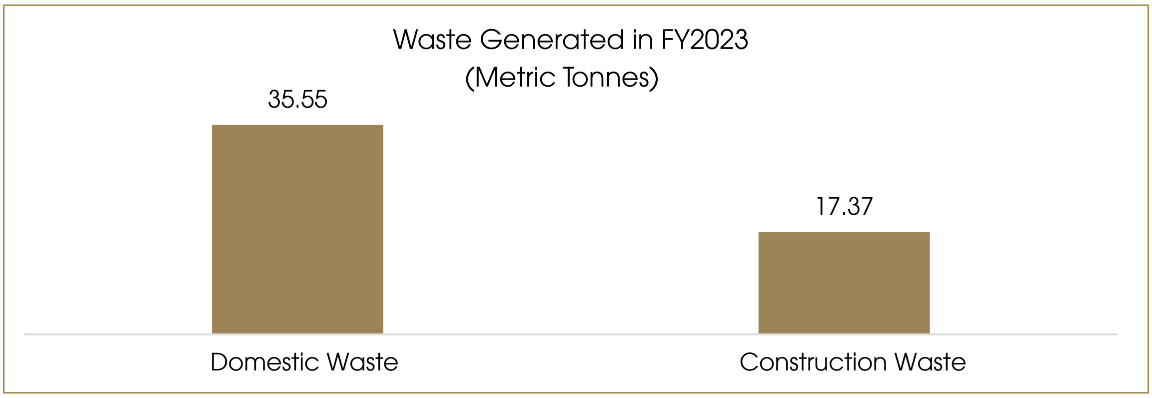
In FY2023, the Group consumed various materials for construction activities as illustrated below.

Concrete	Rebar	Formwork
		
19,946 m^3	1,181 tons	320 nos

Note: Material consumption as of May 2023.

WASTES AND EFFLUENTS

In our dedication to environmental responsibility, Malton prioritises effective waste and effluent management throughout the business operations. The Group recognises the importance of proper waste management and pollution reduction to safeguard the natural environment surrounding our construction sites. Consequently, we continuously evaluate our construction processes to maximise the utilisation of renewable and recyclable resources and materials.



Note: Total wastes generated represent the wastes directed to disposal.

To ensure compliance with environmental standards, Malton adheres to stringent procedures for waste handling and control.

- Scheduled wastes are properly sorted, collected, appropriately stored, and disposed of in accordance with regulatory requirements established by the Department of Environment (DOE) Malaysia and local authorities.
- For the safe management of hazardous materials on-site, we engage qualified contractors to verify the adequacy of storage facilities, preventing any potential secondary pollution.
- We prioritise the implementation of training and emergency plans, while providing protective gear, disaster-prevention equipment, and first-aid stations.

ENVIRONMENTAL SUSTAINABILITY (cont'd)

WASTES AND EFFLUENTS (cont'd)

As we increasingly adopt the Industrialised Building System for our construction projects, we actively contribute to reducing environmental impacts caused by traditional construction methods. The IBS system minimises raw material consumption, such as sand, cement, and water, as the construction components are precision-manufactured in a controlled factory environment. This approach significantly reduces waste generation compared to conventional construction practices.

In our property developments, we are proud to introduce an automated vacuum waste collection system at Duta Park Residences, enhancing waste management efficiency. This advanced system utilises underground pneumatic tubes to transport waste at high speeds, streamlining the process of waste separation and recycling. By implementing innovative waste management solutions, we aim to improve sustainability and environmental performance in our developments.

Through these comprehensive initiatives, we promote environmental stewardship and sustainable waste management while minimising the ecological footprint of our construction activities.

ENVIRONMENTAL MONITORING AND COMPLIANCE

In line with environmental regulations, we are committed to effectively managing energy consumption, water consumption, effluents, and material wastage across all our business operations.

To ensure compliance, our dedicated Safety, Health, and Environmental (SHE) officers within each business division closely monitor contractors. Our SHE policy and adherence to the Environmental Quality Act of 1974 provide guidance for the management of environmental aspects throughout our organisation.

Activities and processes are carried out to ensure adherence to laws, regulation, and guidelines issued by Department of Environment, these activities include:

1. Bi-weekly inspection at project sites to monitor our contractors, focusing on construction waste management, noise pollution, air pollution, and effluent management
2. Establish emergency response plan
3. Environment management plan
4. Safety, health, and environmental inspection checklist

By prioritising these measures, we strive to minimise our environmental impact and promote sustainable practices in all facets of our operations.

BIODIVERSITY

While our primary focus as a property developer may not revolve around biodiversity, we recognise the importance of contributing to the conservation and preservation of biodiversity. It is our responsibility to minimise the impact on biodiversity to the best of our abilities.

ENVIRONMENTAL SUSTAINABILITY (cont'd)

BIODIVERSITY (cont'd)

To ensure biodiversity protection, we make certain that our operations are not located in or adjacent to areas known for their high biodiversity value. Similarly, we avoid sites that are home to flora and fauna species listed on the International Union for Conservation of Nature Red List, which identifies threatened and endangered species.

Furthermore, we are committed to avoiding encroachment into areas that serve as crucial habitats for vulnerable or endangered species. By respecting these areas and refraining from development in such locations, we contribute to the conservation of these species and their habitats.

Although our direct impact on biodiversity may be limited, we firmly believe that every effort counts when it comes to preserving our natural environment. By diligently adhering to these practices and considering the potential effects on biodiversity, we strive to make a positive contribution and uphold our responsibility as a property developer.

SOCIAL SUSTAINABILITY

An organisation's strength, success, and durability heavily depend on establishing a common organisational culture that inspires and empowers workers to perform at their highest level using their developed potential.

To achieve this objective, the Group undertakes numerous initiatives aimed at enhancing the well-being and advancement of our employees, as well as benefiting our broader stakeholders, including customers, communities, and the public.

As we embark on our sustainable value creation journey, our endeavours extend beyond the construction of homes, encompassing the creation of employment opportunities and support for those in need. These collective efforts yield positive and far-reaching benefits for the communities we serve.

DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE

Malton maintains a workforce of 392 individuals across its diverse business divisions. We deeply value and embrace the diversity inherent in various races, genders, religions, ages, socio-economic groups, and cultures within our organisation. This commitment to inclusivity fosters a collaborative environment that enhances productivity through teamwork, mutual respect, and support.

Discrimination in any form is strictly prohibited, as we actively promote multiculturalism and equal opportunities for all.

ZERO reported incidents of discrimination based on gender, religious beliefs or ethnicity within our organisation.

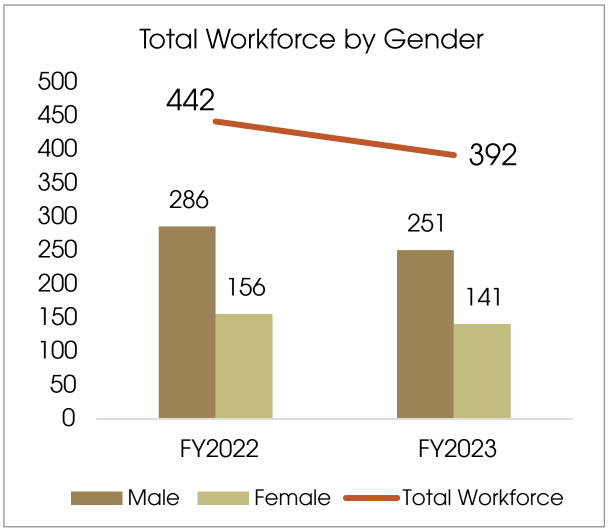
Our recruitment and selection processes are meticulously designed to ensure fairness, objectivity, and the absence of any discriminatory practices. We adhere to the principles of fair recruitment and labour management standards, in accordance with Malaysia's Employment Act 1955 and industry-leading best practices.

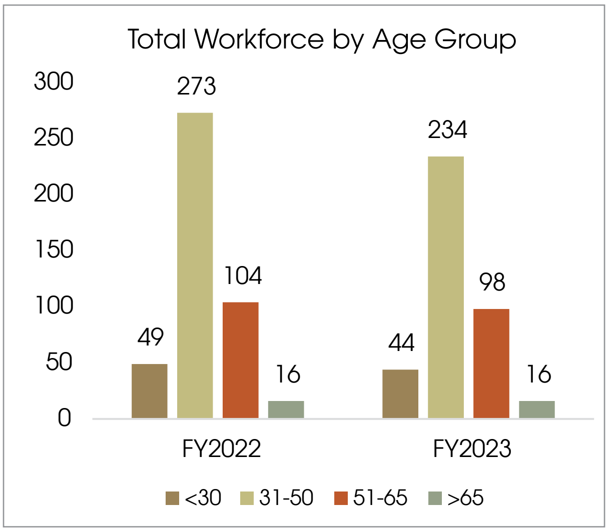
SUSTAINABILITY STATEMENT (cont'd)

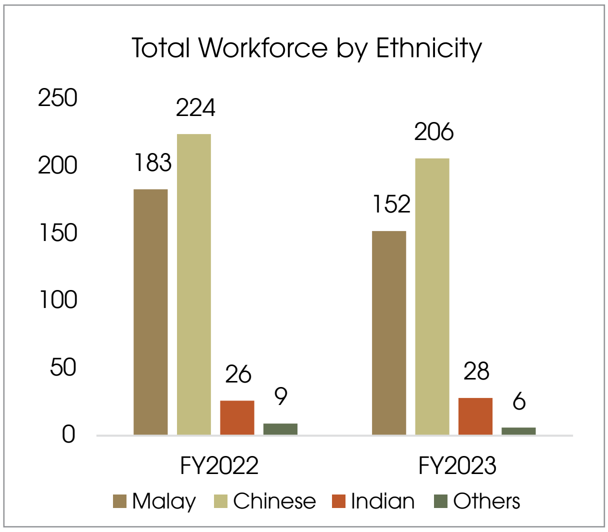
SOCIAL SUSTAINABILITY (cont'd)

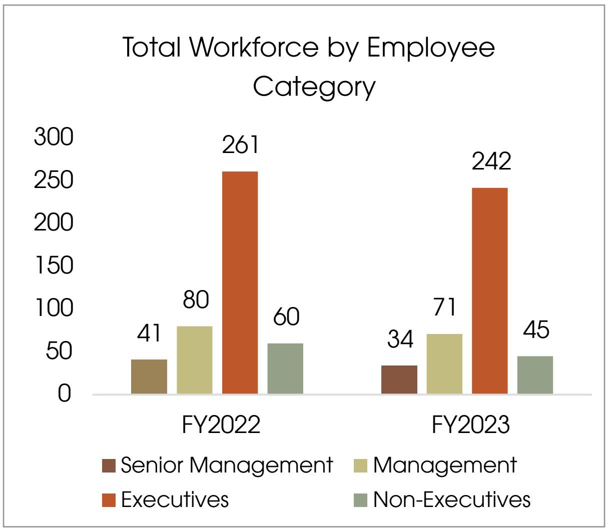
DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE (cont'd)

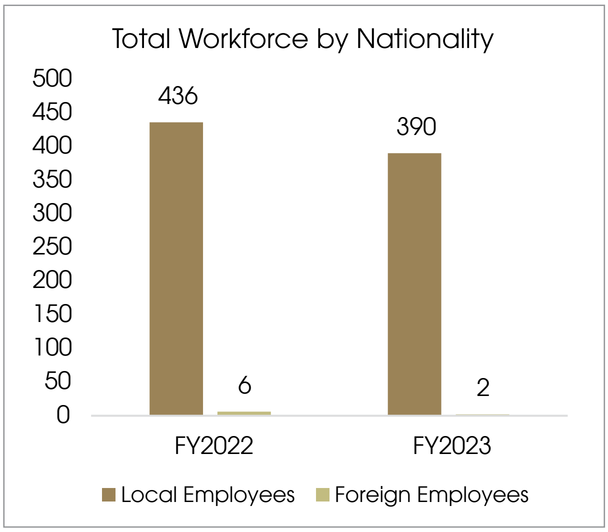
OUR WORKFORCE

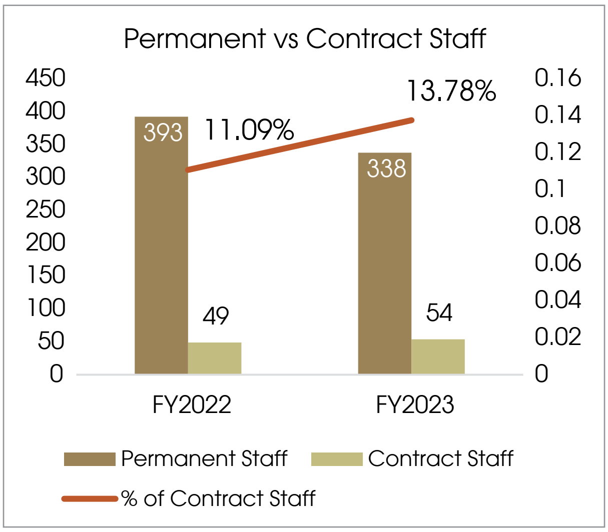










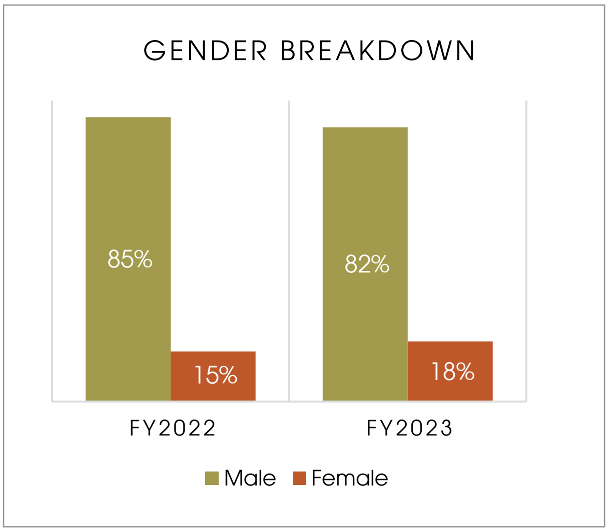


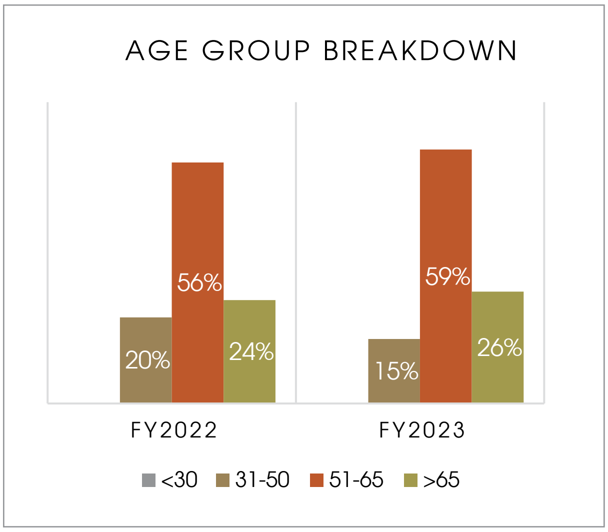
SOCIAL SUSTAINABILITY (cont'd)

DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE (cont'd)

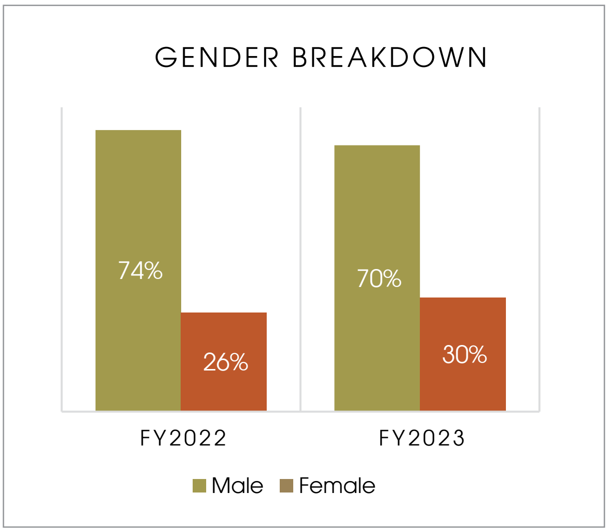
OUR WORKFORCE (cont'd)

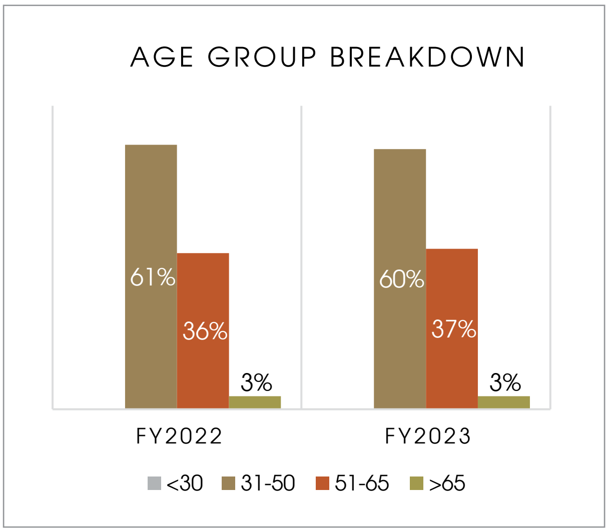
SENIOR MANAGEMENT STAFF PROFILE





MANAGEMENT STAFF PROFILE





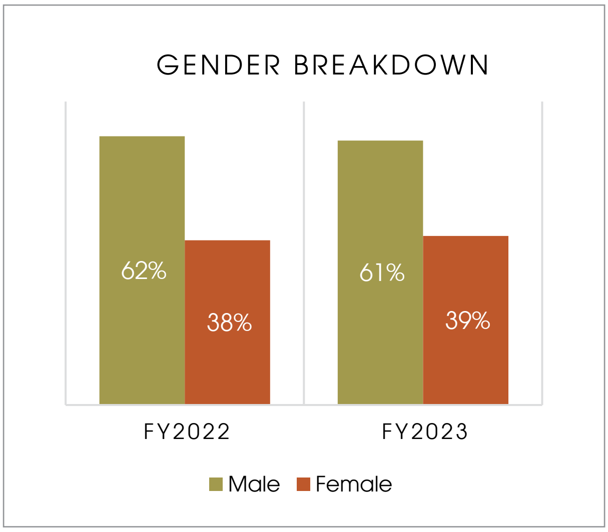
SUSTAINABILITY STATEMENT (cont'd)

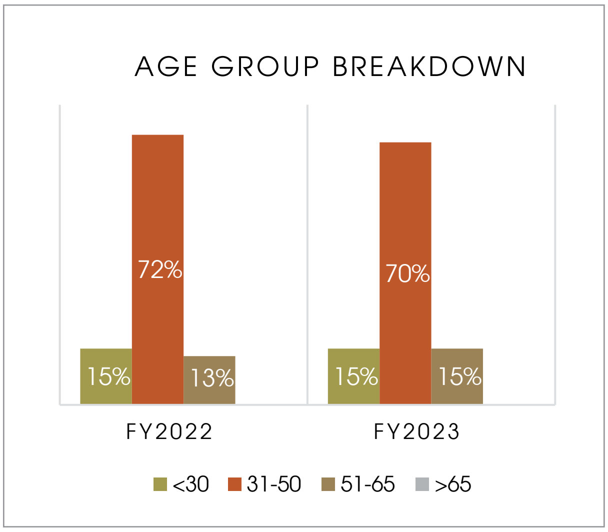
SOCIAL SUSTAINABILITY (cont'd)

DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE (cont'd)

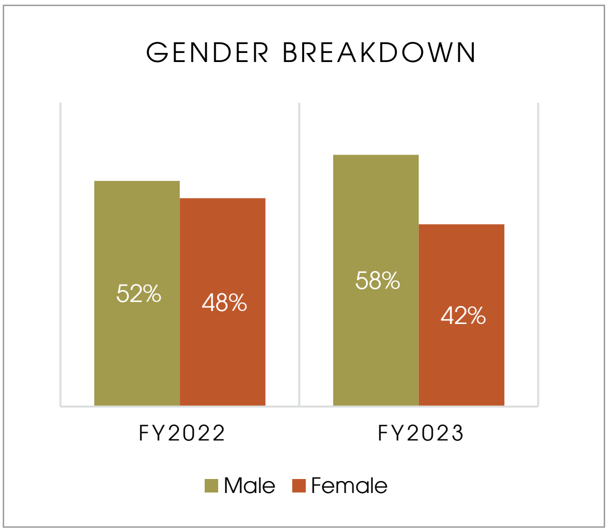
OUR WORKFORCE (cont'd)

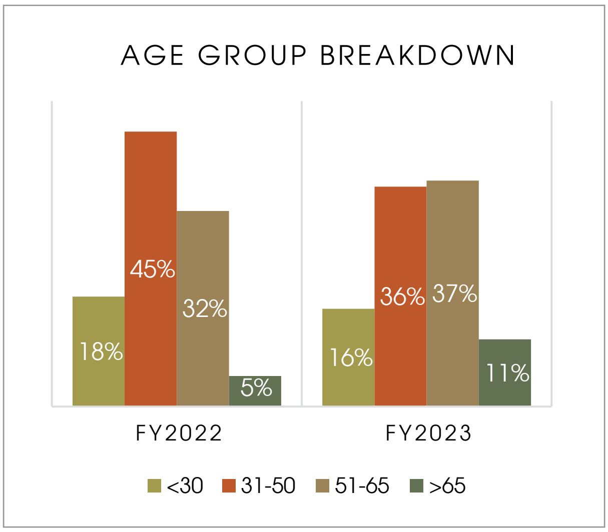
EXECUTIVE STAFF PROFILE





NON-EXECUTIVE STAFF PROFILE



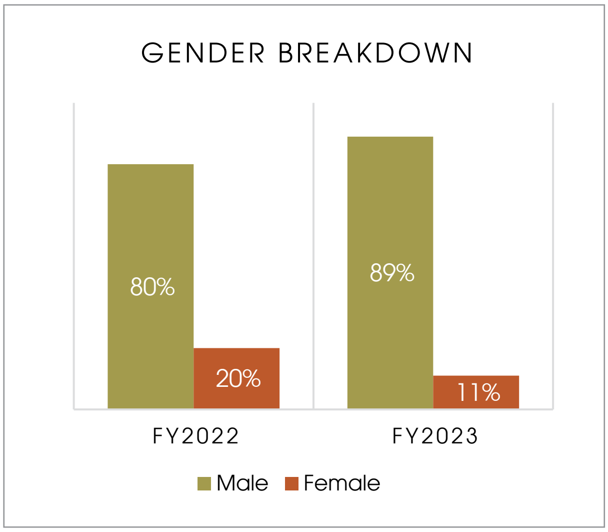


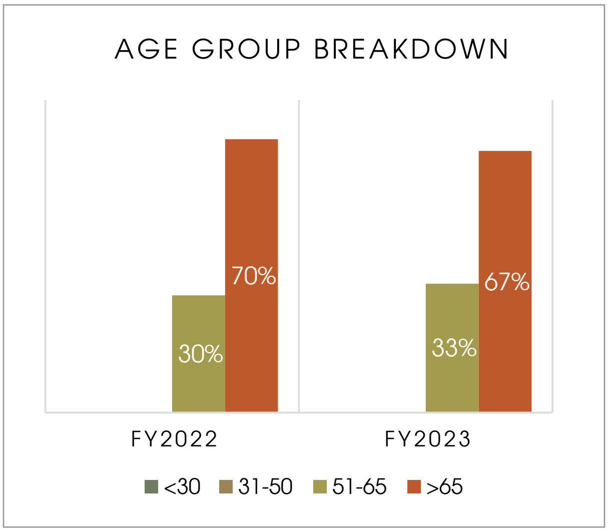
SOCIAL SUSTAINABILITY (cont'd)

DIVERSITY AND EQUAL OPPORTUNITY WORKPLACE (cont'd)

OUR WORKFORCE (cont'd)

BOARD OF DIRECTORS PROFILE





TALENT MANAGEMENT

Our human capital is our employees, consisting of competent professionals with various skill sets to perform the critical functions of our diverse business operations. Given the dynamic and ever-evolving nature of today's workforce, a well-designed talent management programme holds significant importance. At Malton, we are committed to fostering a corporate culture that thrives on robust corporate governance, competence, and sustainability.

Our talent management approach at Malton revolves around key pillars, including

- Recruitment
- Retention
- Rewards
- Training
- Professional Development

By embracing these elements, we aim to attract and retain top talent, maximising their potential within our organisation. To ensure fairness and adherence to labour-management standards, we operate in strict compliance with Malaysia's Employment Act 1955 and industry-leading best practices.

Furthermore, to enhance our talent attraction and retention efforts, Malton offers competitive benefits and incentives that align with market standards. We believe that by valuing and investing in our employees, we cultivate a motivated and engaged workforce, contributing to the long-term success and growth of our organisation.

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL SUSTAINABILITY (cont'd)

TALENT MANAGEMENT

EMPLOYEE RIGHTS

At Malton, we place significant emphasis on the well-being of our employees, recognising its vital role in driving the growth and success of our organisation. To achieve this, we actively foster a work environment that embraces diversity, equality, and empowerment. Our commitment to fair treatment extends to all employees, ensuring the protection of their human rights, guided by both fundamental principles of human rights and the relevant Employment Laws established by the Malaysian Government. Within our operations, we strictly enforce a zero-tolerance policy against bullying and discrimination.

Moreover, we are committed to meeting living wage standards, thereby ensuring that our employees receive fair compensation that aligns with the Malaysian government's minimum wage policy. In accordance with the policy set forth by the Malaysian government, our employees are guaranteed a minimum wage of RM1,500, effective from 1st May 2022.

In FY2023,

There have been **ZERO** substantiated complaints concerning human rights violations within the organisation.

HIRING AND ATTRITION

Malton continues to work on lowering attrition rates in order to retain competent and experienced employees. However, in today's dynamic employment market, job mobility has become increasingly prevalent, particularly among the younger workforces. Consequently, 65% of employee attrition at Malton is attributed to individuals at executive level.

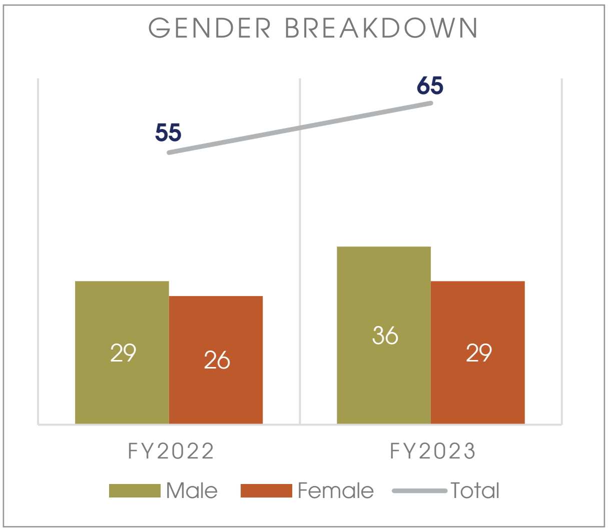
To address talent attrition, the Group focuses on developing attractive compensation packages that encompass competitive salaries, comprehensive job benefits, and ample opportunities for skill development. Additionally, we continuously cultivate a positive work environment that safeguards employees' rights while promoting a shared organisational culture and values across the workforce.

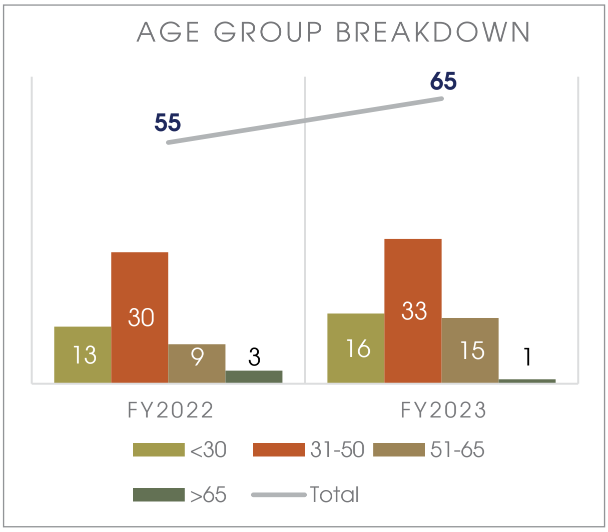
Efforts to mitigate attrition include the recruitment of new talent and the utilisation of automation and digitalisation to enhance day-to-day operational efficiency.

SOCIAL SUSTAINABILITY (cont'd)

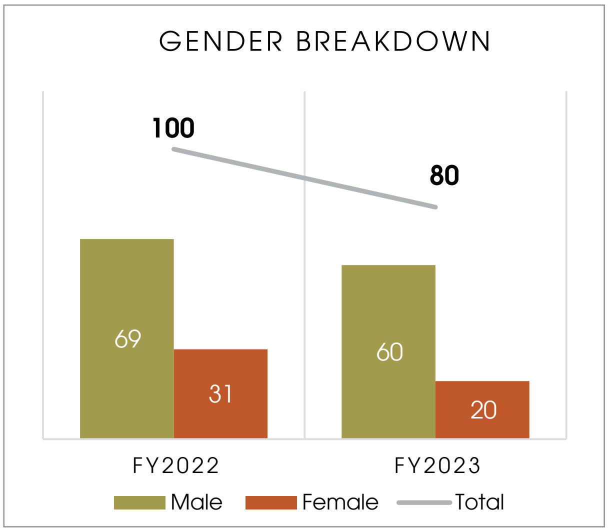
TALENT MANAGEMENT (cont'd)

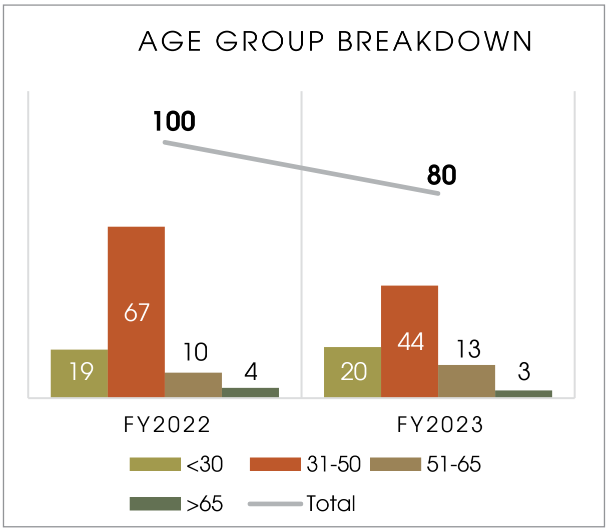
NEW HIRES

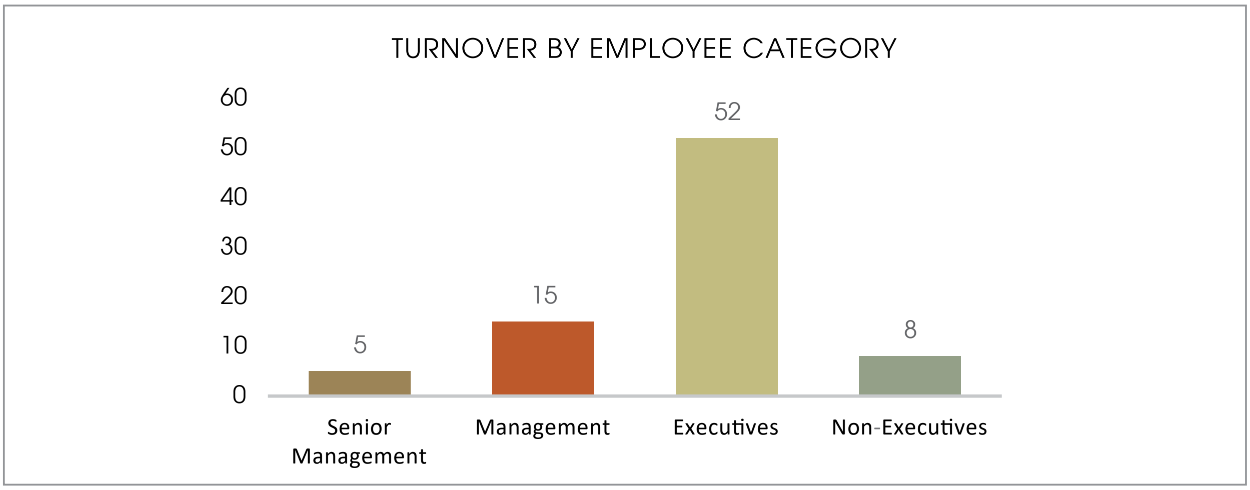




TURNOVER







SUSTAINABILITY STATEMENT (cont'd)

SOCIAL SUSTAINABILITY (cont'd)

TALENT MANAGEMENT (cont'd)

TRAINING AND DEVELOPMENT

Employee training and professional development play a pivotal role in establishing a sustainable high-performance organisation. To align with the Group's vision and mission, it is paramount to cultivate a team that operates at the pinnacle of productivity and performance. Through various methods such as coaching, training sessions, and leadership mentoring, we equip our employees with the necessary skill sets and knowledge to propel the Group's performance to new heights.

In our ongoing commitment to upskill our workforce with the latest industry practices and standards, we offer a diverse range of training programmes that are accessible to employees throughout the year. These programmes are facilitated by external industry professionals as well as internal staff, covering a wide array of topics spanning from general career development to specific business functions.

By investing in training and development initiatives, the Group is able to attract and retain top talent, enhance job satisfaction and morale, and drive improved efficiency within the workplace. Moreover, these efforts ensure that our employees are equipped with the competencies needed to adapt to evolving industry trends, thereby bolstering our ability to deliver exceptional results and maintain a competitive edge.

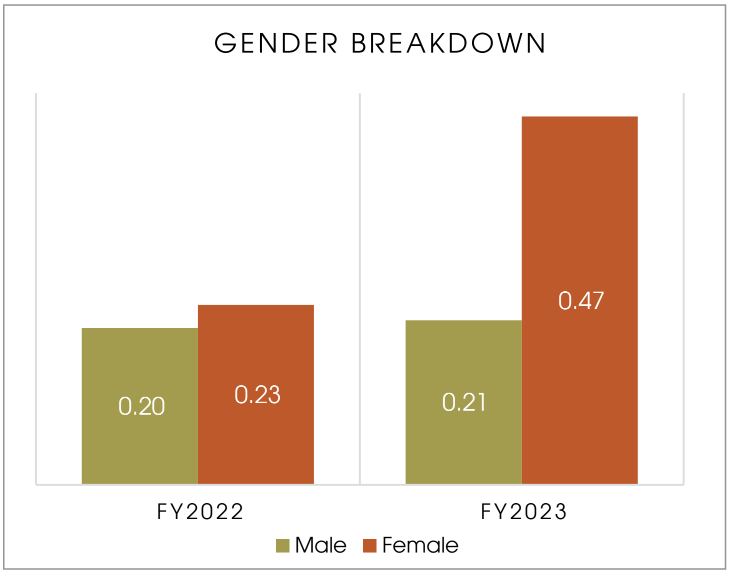
A total of 919.5 training hours were spent on employee learning and development initiatives within the organisation. These training sessions were attended by a cohort of 119 participants, demonstrating our commitment to fostering continuous growth and skill enhancement among our workforce.

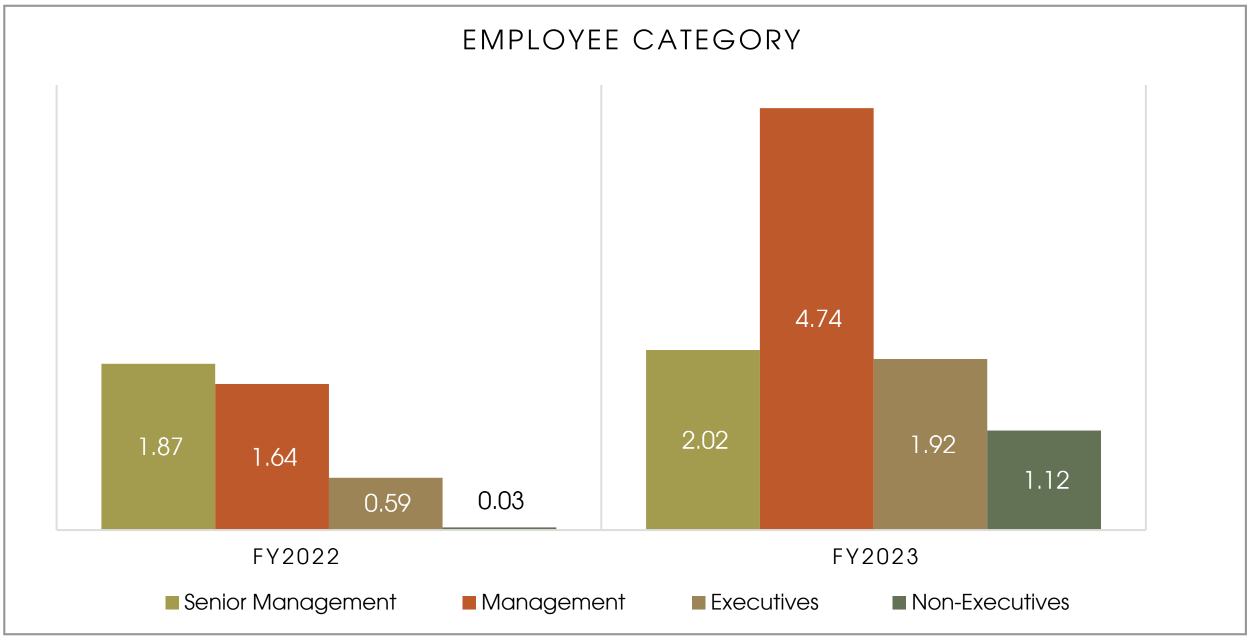
	Divisions			
	Property Development	Construction	Business Development	Support Services
Total Training Hours	274.5	531.5	NIL	113.5
Total Training Spends	RM16,109	RM19,367	NIL	RM13,632
Total Training Hours as a Company	919.5			
Total Training Spends as a Company	RM49,108			
Average Training Hours per Employee	2.35			
Average Training Spend per Employee	RM125.28			
Total Employees Attended Training	119			

SOCIAL SUSTAINABILITY (cont'd)

TALENT MANAGEMENT (cont'd)

AVERAGE TRAINING HOURS PER EMPLOYEE

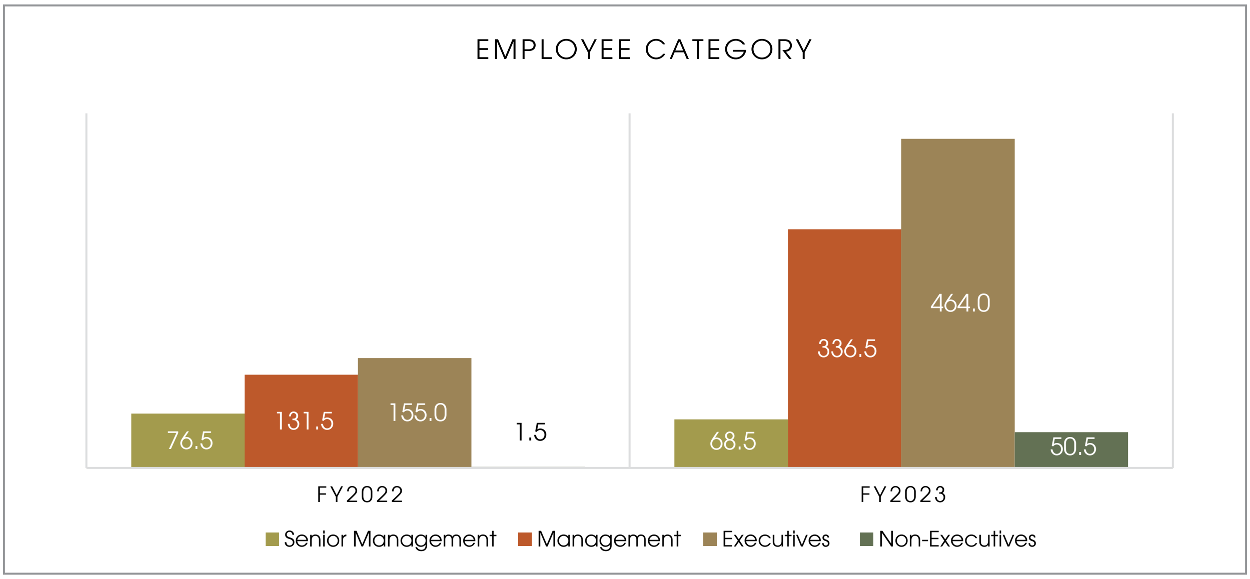




SOCIAL SUSTAINABILITY (cont'd)

TALENT MANAGEMENT (cont'd)

TOTAL TRAINING HOURS



EMPLOYEE BENEFITS

Malton is determined to uphold a merit-based approach in the allocation of benefits and remuneration, valuing individuals' qualifications and professional expertise above considerations of race, ethnicity, religion, nationality, gender, sexuality, and disability. Our practices adhere to the Employment Act 1955, ensuring that all employees receive fair treatment and equal opportunities in line with established employment laws and regulations. As an organisation, we prioritise providing statutory benefits to our valued workforce in full compliance with the prescribed legal frameworks.

Financial Year	FY2022 (RM)	FY2023 (RM)
Total payments made to employees in terms of salaries, bonuses, and benefits	43,301,307	38,933,100
Total statutory payments made for employees' retirement benefits (EPF)	4,704,280	4,410,263
Total payments in medical insurance (SOCSO)	277,458	292,673
Total payments in employment insurance system (EIS)	30,145	31,178

Parental Leave

The Group provides parental leave for male and female employees. Beginning January 2023, married male employees are given seven (7) paid paternity days per annum while female employees are given 98 days paid maternity leave for each confinement period, in line with the Employment (Amendment) Act 2022.

SOCIAL SUSTAINABILITY (cont'd)

TALENT MANAGEMENT (cont'd)

EMPLOYEE BENEFITS (cont'd)

Parental Leave (cont'd)

Parental Leave	FY2022	FY2023
Total Employees Entitled to Parental Leave	307	278
Number of Employees Who Took Paternity Leave	7	2
Number of Employees Who Took Maternity Leave	7	8
***Return to Work Rates**		
Male	100%	100%
Female	100%	62.5% (37.5% still on maternity leave)
****Retention Rates**		
Male	71.43%	N/A (staff have not completed the 12 months period)
Female	100%	12.5% (87.5% have not completed the 12 months period)

* Return to work after parental leave period
** Remain with the organisation for 12 months or more post-parental leave

OCCUPATIONAL HEALTH AND SAFETY

The management of Occupational Health and Safety (OHS) remains a critical priority for Malton, as workplace accidents and incidents have the potential to significantly impede business operations and hinder the advancement of both financial and non-financial endeavours.

As an employer, our Group is committed to fulfilling its duty of care in ensuring the health and safety of our employees and workers, thereby enhancing our credibility and reputation as a reliable organisation. Furthermore, fostering a robust OHS culture not only elevates staff morale but also minimises disruptions that may have adverse effects on the development of construction sites and overall business activities.

Any OHS incident, particularly those resulting in injuries or loss of life, is a tragedy that must be prevented at all costs. Upholding a strong safety culture is of paramount importance to Malton, and we strive to attain the goal of zero work-related injuries.

OCCUPATIONAL HEALTH AND SAFETY (OHS) COMPLIANCE

At Malton, we demonstrate unwavering commitment to preserving the well-being, safety, and health of our employees, contractors, and the wider public during construction activities as guided by OHS policies. Within our Group, specifically through our subsidiary Domain Resources Sdn Bhd (Domain), we strictly adhere to the Malaysian OSHA Act 1994, Factory and Machinery Act 1967, as well as all relevant legal obligations, guidelines, and Codes of Practice.

SOCIAL SUSTAINABILITY (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (OHS) COMPLIANCE (cont'd)

Overseeing and enforcing safety and health parameters throughout our value chain is the responsibility of the Safety Strategic Committee (SSC), composed of senior management from Domain. This committee operates within a robust governance structure, periodically reviewing OHS performance data, incident reports, investigations, and other pertinent information to ensure the effective resolution of health and safety matters. To prevent the recurrence of similar incidents or accidents, the SSC develops and monitors action plans for implementation.

All business divisions and operating companies as well as operating sites have a designated OHS champion, who is responsible for ensuring safe and secure work environments while complying with OHS KPIs and targets.

OHS PERFORMANCE

We demonstrated our continuous efforts and commitments towards ensuring a safe and healthy environment for our employees and contractors through the ISO 45001:2018 Occupational, Safety and Health Management System certification we received. As we move forward, the Group remains committed to achieving "Zero Fatality" and "Zero Lost Time Incident" goals for FY2023 as part of its OHS objectives.

100% of Domain's operational sites are certified with ISO 45001

Domain's Safety and Health Target:

ZERO Fatality

ZERO Lost Time Incident

In addition to implementing a range of proactive safety and health initiatives and conducting regular briefings throughout the year, we have established a site safety department. This department carries out frequent site visits, which serve the purpose of identifying potential hazards and implementing necessary risk mitigation measures.

To ensure compliance with OHS requirements, comprehensive monthly onsite audits have been conducted at all project sites. These audits encompass various aspects, including the safety of work areas at construction sites, structural and support erection procedures, machinery, and worker safety, as well as facilities management.

Through our ongoing efforts, we have successfully maintained an exceptional performance record for FY2023, with no incidents, fatalities, or non-compliant occurrences.

Project(s)	The Maple	Pavilion Ceylon Hill	VSQ2	Total
Total Manhours	1,396,660	815,100	66,600	2,278,360
Fatality	0	0	0	0
Lost Time Injury	0	0	0	0
Fatality Rate	0	0	0	0
LTI Rate	0	0	0	0

SOCIAL SUSTAINABILITY (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (cont'd)

OHS TRAINING

We prioritise the ongoing training and awareness of our employees and contractors in order to ensure their preparedness and attentiveness to potential workplace hazards. In addition to the routine daily safety toolbox briefings held at project sites, we have further enhanced the OHS capabilities of our employees and construction workers through specialised training facilitated by external training providers and our internal OHS subject matter experts.

Aligned with our commitment to promoting safe practices, a total of 302 staff and workers, including workers from project site sub-contractors, attended safety training in FY2023. Over the course of the year, a comprehensive range of OHS learning programmes and training sessions were conducted, encompassing both technical and non-technical aspects. These programmes and training initiatives, which were delivered through a combination of physical and online platforms, were made available to all employees within the Group.

A summary of the OHS-related programmes and training provided to our employees and project site workers including sub-contractors during FY2023 is outlined below:

Safety Training Programme	Participants	Attendance
Malaysian HSE Laws and Other Related Requirements – An Overview	Employees	10
Emergency Response Preparedness Write-Up	Employees	10
Basic Incident Investigations	Employees	20
Managing HSE in Higher Construction	Employees	15
Fall Protection Management at Worksite	HSSE Personnel	10
Rigging and Slinging	Project Team & Sub-Contractor	15
Fire Watcher	Project Team & Sub-Contractor	12
Emergency Drill	Project Team & Sub-Contractor	200
Emergency Operation Centre Audit Training	HSSE Personnel	10

Wet riser training equips construction workers with essential workplace safety practices.

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL SUSTAINABILITY (cont'd)

CORPORATE SOCIAL RESPONSIBILITY

At Malton, we strive to integrate Corporate Social Responsibility (CSR) into every aspect of our property development business.

Our commitment to social responsibility and sustainability guides our decision-making processes, ensuring that we positively impact the environment, communities, and stakeholders. We believe that our developments should not only meet the needs of our customers but also contribute to the overall well-being of society.

AFFORDABLE HOUSING

We improve the quality of life and promote social cohesion within communities by developing affordable housing projects in Malaysia.

Development	Location	GDV (RM/million)	Units	Status
 *Pangsapuri Kenangan*	*Shah Alam*	*16*	*86*	*Completed (June 2020)*
 *RIO*	*Bangsar South*	*101*	*336*	*Future*

COMMUNITY ENGAGEMENT

In line with its vision and mission, Malton aims to make a positive impact on society by sharing the value created through its business model. Going beyond conventional corporate social responsibility activities, Malton strives to establish sustainable and meaningful outcomes that bring enduring benefits to society, particularly local communities.

Throughout the year, Malton actively engages with neighbouring communities and underprivileged society in areas of education, sports, health and well-being regardless of age group and race, business associations, authorities, or disaster-stricken areas. These initiatives encompass both financial contributions and in-kind donations, as well as the provision of support and assistance, with the primary aim of delivering meaningful and lasting benefits to our society.

Furthermore, the Group strongly encourages employee volunteerism, providing opportunities for staff members to actively participate in community service or fundraising events. In FY2023, Malton contributed a total of RM413,144 to charitable causes, benefiting a diverse range of 17 organisations, comprising 5 non-governmental organisations and 12 external parties.

SOCIAL SUSTAINABILITY (cont'd)

CORPORATE SOCIAL RESPONSIBILITY (cont'd)

COMMUNITY ENGAGEMENT (cont'd)

Total Community Investment

FY2021	FY2022	**FY2023**
RM492,387	RM297,800	**RM413,144**

Empowering Low-Income Families through Education Support

Malton believes that every low-income family should have an equal opportunity to access high-quality education. To achieve this goal, we made financial contributions to Tabung Kebajikan and Pelajaran Yayasan Wilayah Persekutuan.

These contributions provide low-income students with financial assistance, scholarships, and resources to help them pursue their educational and career aspirations. By addressing the financial barriers that often hinder access to education, we empower underprivileged students to achieve their full potential.

Spirit of Giving in Charity Walk for Spastic Children

Malton was one of the corporate sponsors for the 27th Annual Charity Walk-Jog-Wheel-A-Thon at Merdeka Square. Organised by the Spastic Children Association of Selangor & Federal Territory, the event aimed to improve the quality of life for children with cerebral palsy by raising funds for their support and treatment.

Around 1800 people from all walks of life, including Malton staff, participated in a 2km or 7km walk from Merdeka Square to Kenny Hills.

Through this charity walk, 25 welfare-based NGOs comprising old folks and orphanage homes as well as care centres for the blind, successfully raised funds for their own cause.

Malton staff wholeheartedly volunteered their time and energy for this noble cause, embracing the spirit of giving.

SOCIAL SUSTAINABILITY (cont'd)

CORPORATE SOCIAL RESPONSIBILITY (cont'd)

COMMUNITY ENGAGEMENT (cont'd)

Cultivating a Passion for Science

Recognising the importance of fostering innovation and scientific exploration, Malton has extended financial aid to Sekolah Kebangsaan Sungai Rengit for initiating the International Science Competition.

Through this engaging platform, students were given an opportunity to articulate and showcase their creativity through fun experiments. We hope to inspire a passion for Science subjects among young minds as they are the future leaders and innovators of our nation.

Caring for the Underprivileged

In the spirit of caring for the needy community, Malton brings hope to Persatuan Kebajikan Chen Ai through financial aid to support their monthly expenses.

Going beyond the art of living to giving, we believe in empowering the community to improve their living conditions, eradicate poverty, and provide children with hope for the future.

This welfare home provides shelter and care for about 30 children and senior citizens who are less fortunate with disabilities.

BURSA SUSTAINABILITY INDICATORS

SUSTAINABILITY MATTERS	INDICATORS	SECTION REFERENCE
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	Corporate Governance and Anti-Corruption, Anti-Corruption Training and Communication
	Confirmed incidents of corruption and action taken	Corporate Governance and Anti-Corruption, Whistleblowing Policy
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Corporate Social Responsibility, Community Engagement
	Total number of beneficiaries of the investment in communities	
Diversity	Percentage of employees by gender and age group, for each employee category	Diversity and Equal Opportunity Workplace, Our Workforce
	Percentage of directors by gender and age group	
Energy management	Total energy consumption	Energy Management, Electricity Consumption
Health and safety	Number of work-related fatalities	Occupational Health and Safety, OHS Performance
	Lost time incident rate	
	Number of employees trained on health and safety standards	Occupational Health and Safety, OHS Training
Labour practices and standards	Total hours of training by employee category	Talent Management, Training and Development
	Percentage of employees that are contractors or temporary staff	Diversity and Equal Opportunity Workplace, Our Workforce
	Total number of employee turnover by employee category	Talent Management, Hiring and Attrition
	Number of substantiated complaints concerning human rights violations	Talent Management, Employee Rights
Supply chain management	Proportion of spending on local suppliers	Supporting Local Procurement
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security
Water	Total volume of water used	Water Management
Waste management	Total waste generated, and a breakdown of the following: (i) Total waste diverted from disposal (Recycled Waste) (ii) Total waste directed to disposal	Wastes and Effluents
Emissions management	Scope 1 emissions in tonnes of CO2e	Climate Change and Emissions
	Scope 2 emissions in tonnes of CO2e	

SUSTAINABILITY STATEMENT (cont'd)

GLOBAL REPORTING INITIATIVES (GRI) CONTENT INDEX

GRI STANDARD	DISCLOSURE		SECTION REFERENCE
GRI 2: General Disclosures 2021	2-1	Organisational details	Corporate Information
	2-2	Entities included in the organisation's sustainability reporting	Reporting Scope and Boundary
	2-3	Reporting period, frequency and contact point	Report Availability and Feedback Channel
	2-5	External assurance	Report Quality and Data Assurance
	2-6	Activities, value chain and other business relationships	Stakeholder Engagement
	2-7	Employees	Diversity and Equal Opportunity Workplace, Our Workforce
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	Sustainability Governance, Governance Structure
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	Board of Directors
	2-16	Communication of critical concerns	Corporate Governance and Anti-Corruption, Whistleblowing Policy
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	Notes from Sustainability Committee
	2-23	Policy commitments	Sustainability Governance, Corporate Governance and Anti-Corruption
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	Corporate Governance and Anti-Corruption, Whistleblowing Policy
	2-26	Mechanisms for seeking advice and raising concerns	Notes from Sustainability Committee
	2-27	Compliance with laws and regulations	Stakeholder Engagement
	2-28	Membership associations	Membership in Associations
	2-29	Approach to stakeholder engagement	Stakeholder Engagement

GLOBAL REPORTING INITIATIVES (GRI) CONTENT INDEX (cont'd)

GRI STANDARD	DISCLOSURE		SECTION REFERENCE
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Management of Material Topics, Assessing and Prioritising Material Topics, Materiality Matrix
	3-2	List of material topics	
	3-3	Management of material topics	
ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Economic Disclosures
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Values Generated
	201-3	Defined benefit plan obligations and other retirement plans	Talent Management, Employee Benefits
	201-4	Financial assistance received from government	Economic Values Generated
MARKET PRESENCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Stakeholder Engagement
INDIRECT ECONOMIC IMPACTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Indirect Economic Values Creation
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Indirect Economic Values Creation, Value Creation Through Property Development
	203-2	Significant indirect economic impacts	Indirect Economic Values Creation, Value Creation for Homeowners
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supporting Local Procurement
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supporting Local Procurement
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance and Anti-Corruption, Anti-Bribery and Anti-Corruption Policy
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance and Anti-Corruption, Anti-Bribery and Anti-Corruption Policy
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance and Anti-Corruption, Whistleblowing Policy
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Data Privacy and Security
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	

SUSTAINABILITY STATEMENT (cont'd)

GLOBAL REPORTING INITIATIVES (GRI) CONTENT INDEX (cont'd)

GRI STANDARD		DISCLOSURE	SECTION REFERENCE
MATERIALS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Materials Consumption
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials Consumption
ENERGY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Energy Management
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Management, Electricity Consumption
	302-2	Energy consumption outside of the organisation	Energy Management, Electricity Consumption
	302-3	Energy intensity	Energy Management, Electricity Consumption
WATER AND EFFLUENTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Wastes and Effluents, Water Management
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management
	303-5	Water consumption	Water Management
BIODIVERSITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Biodiversity
EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Climate Change and Emissions
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change and Emissions
	305-4	GHG emissions intensity	Climate Change and Emissions
	305-5	Reduction of GHG emissions	Climate Change and Emissions, Energy Management
WASTE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste and Effluents
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste and Effluents
	306-2	Management of significant waste-related impacts	Waste and Effluents, Environmental Monitoring and Compliance
	306-3	Waste generated	Waste and Effluents
	306-5	Waste directed to disposal	Waste and Effluents

GLOBAL REPORTING INITIATIVES (GRI) CONTENT INDEX (cont'd)

GRI STANDARD		DISCLOSURE	SECTION REFERENCE
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Management, New Hires
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Management, Employee Benefits
	401-3	Parental leave	Talent Management, Employee Benefits
LABOR / MANAGEMENT RELATIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Occupational Health and Safety (OHS) Compliance
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, OHS Training
	403-5	Worker training on occupational health and safety	Occupational Health and Safety, OHS Training
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, Occupational Health and Safety (OHS) Compliance
	403-9	Work-related injuries	Occupational Health and Safety, OHS Performance
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Training and Development
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development

SUSTAINABILITY STATEMENT (cont'd)

GLOBAL REPORTING INITIATIVES (GRI) CONTENT INDEX (cont'd)

GRI STANDARD		DISCLOSURE	SECTION REFERENCE
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity and Equal Opportunity Workplace
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity Workplace, Our Workforce
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Employee Rights
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Rights
CHILD LABOR			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Talent Management
FORCED OR COMPULSORY LABOR			
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Talent Management
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3	Management of material topics	Community Engagement
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement, Community Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management

The Board of Directors of Malton Berhad (Board) concurs that corporate governance, ethical values and practices are essential and necessary to provide a framework for compliance of regulations and laws and best practices to enhance shareholders' value, long-term sustainability and growth. In this context, the Board is wholly committed to ensuring high standards of corporate governance and ethics are implemented and practiced throughout the Group. The Board supports the principles expounded in the Malaysian Code on Corporate Governance 2021 (MCCG).

This statement which provides an outline of the corporate governance practices of the Group pursuant to the principles set out in the MCCG for the financial year ended 30 June 2023, shall be read in conjunction with the Corporate Governance Report of Malton Berhad 2023 (CG Report) which is available on Malton's website at www.malton.com.my.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board responsibilities

The Board assumes the responsibility for effective stewardship and control of leading the Group in planning and strategizing goals and objectives for the Group to safeguard the interests of the shareholders and stakeholders.

The Board is collectively responsible in exercising oversight on the management of the businesses of the Group to ensure that operations are carried out in accordance to its directions to achieve sustainable results and long term success. The Board has established the standard of ethical values and governance framework for the Group to achieve its goals and objectives. The implementation of the business plans and strategies to achieve the goals are delegated to the executive members of the Board and Management.

The Board, in discharging its duties, has adopted the following strategies:-

- The Board is responsible for setting and planning the goals and objectives for the Group.
- Set the standard of ethical values and good governance through Code of Conduct and Business Ethics for implementation by Management throughout the Group.
- Develop, implement and oversee the conduct of business operations together with Management.
- Implement mechanisms to monitor progress against the goals and objectives.
- Based on the Code of Conduct and Business Ethics established for the Group, the Board together with Management develop a control framework through Discretionary Authority Limits and Standard Operating Procedures for the Group to ensure internal controls are in place.
- Established Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy, in compliance with the requirements set out in the MACC (Amendment) Act 2018 (MACC Act), with the aim to foster the growth of a business environment that is free of corruption.
- Identify principal risks which could affect the Group and develop the necessary mitigation measures to alleviate, pre-empt or resolve the effects of the risks.
- Succession planning for continuous growth and smooth operation of the Group's business which include mentorship and development of employees' skills and competencies.
- Develop and implement communication policies for the Group for effective communication with shareholders and other stakeholders.

In addition to delegating certain operational authorities to Management, the Board has also established the following Board Committees to assist the Board in the oversight of various areas of its duties.

- Audit Committee
- Nominating Committee
- Remuneration Committee
- ESOS Committee

Each committee has its own terms of reference, which sets out the functions, responsibilities and authorities of the committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Chairman

Tan Sri Lim Siew Choon is the Non-Independent Non-Executive Chairman of Malton. Tan Sri Lim, together with the Deputy Chairman, Mr Guido Paul Philip Joseph Ravelli, a non-independent non-executive director, ensure that the Board practises good governance in discharging its duties and responsibilities.

The primary role of the Non-Independent Non-Executive Chairman is to lead the Board in setting the vision and direction of the Group. The Chairman also ensures that the Board is effective in overseeing the business of the Group. The Chairman sets the tone on ethical values and good corporate governance that are implemented throughout the Group. The Chairman together with the Deputy Chairman, manage the roles and responsibilities of the Board as a whole and set the agenda for board discussions.

The division of the roles and responsibilities of the Non-Independent Non-Executive Chairman and the Executive Directors is clear. The Executive Directors are responsible for overseeing the implementation of business plans to achieve the vision and strategic direction for the Group keeping in line with ethical values and governance framework approved by the Board. In this regard, the Board has put in place mechanisms to monitor the progress based on the goals and objectives of the Group. The Executive Directors and Management are primarily responsible for running the day-to-day operations of the Group.

Company Secretary

The Board recognises that the company secretary plays an important role in advising the Board on governance matters and in ensuring that an effective system of corporate governance is established. The company secretary also plays a key role in guiding and advising the Board on compliance matters such as company and securities law and listing requirements. The company secretary also advises the Board on policies and procedures and manages the agenda, facilities and communication for meetings of the Board and shareholders. In order to contribute and function effectively, the company secretary must have the necessary qualification recognized by the relevant regulatory authorities and experience and capability to carry out duties of this position. In addition, the company secretary needs to keep abreast with the developments around corporate and securities law, listing requirements and corporate governance practices. Accordingly, a structured training programme is in place for the company secretary to improve knowledge and skills.

The Company Secretary of Malton is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. The Board has unrestricted access to the advice of the Company Secretary on all matters concerning governance and regulatory requirements.

Meetings

Board meetings are structured with pre-determined agendas. Notification on Board meetings is sufficiently given to enable full attendance at Board meetings. Board papers which are appropriate and complete with comprehensive information are prepared and circulated prior to each Board meeting. Board papers are targeted to be distributed to the Directors within 5 business days in advance of the board meeting for their review and request further information and explanation, if necessary. The Directors also have unfettered access to all information within the Group in furtherance of their duties. Minutes which record the deliberations and decisions of the meetings are circulated for review by the Board members on accuracy and completeness.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Meetings (cont'd)

The Board is scheduled to meet at least five (5) times a year, with additional matters addressed by way of circular resolutions and additional meetings convened as and when necessary. The Board met six (6) times during the financial year ended 30 June 2023. The attendance of the Directors and Board meetings held during the financial year under review is set out below.

Name	Total Meetings Attended
Tan Sri Lim Siew Choon	5 of 6
Guido Paul Philip Joseph Ravelli	6 of 6
Puan Sri Tan Kewi Yong	5 of 6
Chua Thian Teck	6 of 6
Datuk Hong Lay Chuan	6 of 6
Dato' Siew Mun Wai	6 of 6
Hj Ahmad bin Hj Ismail, PJK (retired on 31 May 2023)	6 of 6

Mr Arunasalam A/L Muthusamy was appointed an Independent Non-Executive Director, Chairman of the Audit Committee and a member of Nomination Committee and Remuneration Committee on 31 May 2023. Mr Arunasalam has not attended any of the board meetings held during the financial year ended 30 June 2023 as all the meetings were held prior to his appointment to the Board.

Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong had abstained from attending one (1) of the Board meetings held during the financial year because both of them were interested directors in the related party proposal deliberated at the board meeting.

Board Charter and Code of Conduct and Business Ethics

The Board Charter sets out the roles and responsibilities of the Board and serves as a reference to the Board on the matters for the Board deliberation and the roles and responsibilities delegated to Management and Board Committees.

The Board Charter is reviewed periodically to ensure that it remains consistent with the vision and mission and strategic direction of the Group, in compliance with governance and regulatory changes.

The Board Charter is available on Malton's website at www.malton.com.my.

The Board has established a Code of Conduct and Business Ethics for the Group which sets out the standard professional and personal behaviour for all employees at the work place. The Code of Conduct and Business Ethics serves as a guide on matters concerning conflicts of interest, confidentiality, fraud, staff relations, safeguard of properties, compliance with laws and regulations amongst others.

The Code of Conduct and Business Ethics is available on Malton's website at www.malton.com.my.

Anti-Bribery and Anti-Corruption Policy

In line with the requirements of the MACC Act, the Board has formalised the anti-bribery and anti-corruption policy and procedures of the Group. The Board upholds a business environment that is free of corruption.

Pursuant to the Anti-Bribery and Anti-Corruption Policy, the Whistleblowing Policy and Procedures enable concerns of possible improprieties and malpractices in the Group to be brought to the attention of the Board and Management in an appropriate manner. The reporting procedure and process are set out in the policy.

The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy of the Group are available on Malton's website at www.malton.com.my.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Board Composition and Independent Directors

The Board currently comprises eight (8) directors, three (3) of whom are independent directors. The ratio of independent directors on Board of Malton fulfils the requirements of Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements") which sets out that at least two (2) directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors. In the event of any vacancy in the board of directors which results in non-compliance in the composition of the Board, the Board must fill the vacancy within three (3) months.

The Board has established an evaluation procedure which is carried out, on an annual basis, to ensure that independent directors meet the criteria of independent directors set out in the Main Market Listing Requirements and the effectiveness and contribution of each independent director. In the opinion of the Board as a whole, the independent directors have met the criteria set out in the Main Market Listing Requirements. Each independent director has affirmed his independency and brings invaluable judgement to bear on issues of strategy, performance, allocation of resources, risk management, internal controls and standards of conduct for the Group. The minority shareholders are well represented by the presence of the existing independent non-executive directors in the Board who have shown that they are individuals with integrity and highly capable and competent to carry out their duties and responsibilities.

The Board takes cognizance that the MCCG recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. As set out above, the Group has established annual evaluation to determine and ensure the independency of each independent director and if each of them has contributed positively and effectively as an independent director. In this connection, the Company presently does not limit the terms of an independent director as recommended in the MCCG. The evaluation process will determine if an independent director will remain objective and continue to be fair and impartial in all Board deliberations and decision making. The continued tenure of independent directors also brings stability to the Board and the Group benefits from the directors who have, over time, gained valuable insight of the Group, its market and industry. Re-election of directors is carried out every year at the annual general meeting. All directors are required to submit themselves for re-election at least once every 3 years. Following the recommendation set out in the MCCG, the Board will seek shareholders' approval to retain them as Independent Non-Executive Directors through a two-tier voting process.

Nominating Committee

The Board established the Nominating Committee on 24 October 2002. The Nominating Committee currently comprises:-

- Guido Paul Philip Joseph Ravelli (Non-Independent Non-Executive Director) – Chairman
- Dato' Siew Mun Wai (Independent Non-Executive Director) – Member
- Arunasalam A/L Muthusamy (Independent Non-Executive Director) – Member

Dato' Siew Mun Wai and Mr Arunasalam A/L Muthusamy were appointed to the Nominating Committee on 31 May 2023. Hj Ahmad bin Hj Ismail, PJK served as a member of the Committee until his retirement on 31 May 2023.

The functions, responsibilities and authority of the Nominating Committee are set out in its terms of reference. The main objectives of the Nominating Committee are to assess, make recommendations and consider candidates for appointment to the Board. The scope of responsibilities of the Nominating Committee also covers the assessment of the performance and effectiveness of the Board as a whole and the Directors individually.

The Board had established a Directors' Fit and Proper Policy for the Group which sets out the fit and proper criteria for appointment and re-appointment of Directors on the Boards of the Group. The policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates proposed for appointment onto the Board as well as assessment of directors who are seeking re-election and other periodic assessments.

The Directors' Fit and Proper Policy of the Group is available on Malton's website at www.malton.com.my.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Nominating Committee (cont'd)

For new appointment to the Board, the Nominating Committee may consider recommendations from existing directors, major shareholders, independent professional recruitment specialists or professional bodies to identify suitably qualified candidates.

In accordance with the Directors' Fit and Proper Policy, the Nominating Committee will consider the following criteria in the evaluation of candidates for new appointment:-

- Character and integrity covering compliance with legal obligations and regulatory requirements, personal integrity, financial integrity and reputation

- Experience and competence including qualification, skills, relevant experience and expertise and past performance track record

Additionally, in the case of appointment as independent directors, the Nominating Committee will review:-

- Relationship of the candidate with the existing Directors and senior management to assess independency and ability to discharge the duties of an independent director

- Time and commitment including ability to devote a certain amount of time as a member of the Board

For the financial year ended 30 June 2023, the Nomination Committee reviewed the performance of the Board members, individually and collectively as a Board and also the Board Committees based on the following key aspects:-

- Size of the Board
- Composition of the Board to assess the ratio of Independent Directors
- Assessment of independency of the Independent Directors
- Diversity of skills and experience of the Board
- Scope of responsibilities and discharge of duties of the Board as a whole and the Board members individually
- Effectiveness of the Board as a whole and the Board members individually
- Review of the tenure of each director
- Functions of Board Committees and the Terms of Reference
- Discharge of duties and responsibilities of the Board Committees

The Nominating Committee is satisfied that the Board as a whole and the Board members individually have fulfilled their duties and responsibilities effectively and are suitably qualified in their respective positions.

Additionally, the annual re-election of a director is contingent upon satisfactory evaluation of the performance and contribution to the Board and Group.

On the review of the Remuneration Committee, ESOS Committee and Audit Committee, the Nominating Committee concluded that each Board Committee carried out its functions and responsibilities effectively in accordance with its terms of reference.

An evaluation of the Independent Directors was also carried out to assess their independency and competency to continue in office as independent directors of Malton on self-assessment basis and by the other members of the Board. It was concluded that each independent director has continuously maintained his independency and is competent to continue serving as an independent director of the Company.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Board Diversity

The Board presently does not have any gender policies in its evaluation of candidacy and assessment of the performance of the Board as a whole or the Directors individually as the main considerations for a Board appointment and performance as a Director is on character, integrity, experience and competency.

The Board takes cognizance of the recommendations on gender diversity set out in the MCCG and will evaluate the policies from time to time and if found suitable and necessary, revise the policies to meet the requirements of the Company.

Remuneration Committee

The function for assessment of the remuneration of directors and senior management is charged to the Remuneration Committee. The responsibilities and authority of the Remuneration Committee are set out in its terms of reference. The Committee will review the remuneration package of each Executive Director from time to time to assess and make appropriate recommendation, if necessary, to ensure that remuneration packages are competitive to attract and retain capable executives who can manage the Group successfully. Executive Directors have no part in the decision-making process of their own remuneration.

The determination of remuneration packages of independent non-executive directors is a matter of the Board as a whole. The independent non-executive directors do not partake in decisions affecting their remuneration.

The terms of reference of the Remuneration Committee is available on Malton's website www.malton.com.my.

The Board endorsed the formation of the Remuneration Committee on 24 October 2002 to assist the Board in the discharge of its responsibilities in this matter. Currently, the Remuneration Committee comprises:-

- Guido Paul Philip Joseph Ravelli (Chairman)
- Chua Thian Teck (Member)
- Arunasalam A/L Muthusamy (Member)

Mr Arunasalam A/L Muthusamy was appointed a member of the Remuneration Committee on 31 May 2023 upon the retirement of Hj Ahmad bin Hj Ismail, PJK on the same date.

During the financial year ended 30 June 2023, the Remuneration Committee carried out the review of the remuneration policies, structure and packages of each director and reported to the Board of Directors.

The aggregate remuneration of the Directors for the financial year ended 30 June 2023 is set out below.

	Salaries RM	EPF RM	Fees RM	Meeting Allowance RM	Benefit-In-Kind RM	Total RM
Tan Sri Lim Siew Choon	-	-	240,000	-	41,241	281,241
Guido Paul Philip Joseph Ravelli	-	-	48,000	14,000	7,200	69,200
Puan Sri Tan Kewi Yong	720,000	86,400	-	-	22,700	829,100
Chua Thian Teck	1,040,000	115,200	-	-	25,736	1,180,936
Datuk Hong Lay Chuan	960,000	115,200	-	-	22,700	1,097,900
Hj Ahmad bin Hj Ismail, PJK	-	-	44,000	13,000	4,500	61,500
Dato' Siew Mun Wai	-	-	48,000	14,000	-	62,000
Arunasalam A/L Muthusamy	-	-	4,000	1,000		5,000
Total	**2,720,000**	**316,800**	**384,000**	**42,000**	**124,077**	**3,586,877**

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Personal Development

The Board, on the whole, believes that continuous pursuit of information and learning and the development of new skills is essential for the Directors to carry out and fulfil their duties and responsibilities. The Directors continuously review programmes, conferences, seminars and forums based on the suitability of the subject matter. In addition to attending conferences, seminars and training programmes, the Directors regularly keep up to date on matters relating to economy, business, property and construction industries, finance, legal and regulatory updates and other related issues. All of the Directors have attended the Directors' Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. For the financial year ended 30 June 2023, Directors attended various conferences, seminars and forum including Business Conditions and Economic Outlook for SMEs 2022 – 2023, Tian An 1000 Trees Shanghai, Investment Opportunities in Nusantara Capital City Indonesia, Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers (Bursa Malaysia), Corporate Governance & Remuneration Practices for the ESG World, ESG Awareness, ESG Climate Changes & Sustainability Reporting and Disclosures for Main Market Listing and ICAEW Certificate in Sustainability.

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The current Audit Committee comprises two (2) independent non-executive directors and one (1) non-independent non-executive director.

The Audit Committee primarily assists the Board in the review of financial reporting, internal control framework, risk management assessment and mitigation and evaluation of the performance and audit independence of the external auditors.

The Audit Committee comprises members from a wide range and diverse background in qualification, skills and experience necessary to discharge their duties. All of the members are financial literate and familiar with matters concerning property development and construction. In addition to the requirement that the Audit Committee must comprise only non-executive directors, the Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of a least three (3) years before being appointed as a member of the Audit Committee. None of the current members of the Audit Committee is a former key audit partner of the auditors of the Group.

Information on the Audit Committee is set out in the Audit Committee Report in this Annual Report.

Risk Management and Internal Control

The Board together with Management have established a risk management and internal control framework which is essentially designed to identify the risks that could impede the performance of the Group with mitigation strategies which include planning and taking steps to reduce the probability of the risks and severity of the risks.

Information on the risk management and internal control framework is set out in the Statement on Risk Management and Internal Control in this Annual Report.

Internal Audit Function

The Group has established an internal audit department which reports directly to the Audit Committee. The internal audit team carries out its audit duties based on its established internal audit framework that covers business audit, system audit, operational and financial audits and reports its findings and recommendations to the Audit Committee. The internal audit team will also, on directives from the Audit Committee, issue notices and memorandum on audit findings and recommendations for improvement to the relevant heads of departments. The internal auditors also review the quarterly results together with the Audit Committee prior to recommendation to the Board for approval and release.

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

Communication with Stakeholders

The Board subscribes to the corporate disclosure framework under the Main Market Listing Requirements. The Group has established its website www.malton.com.my which provides the shareholders and public access to information in relation to property launches, corporate matters, announcements and financial reports released to Bursa Malaysia Securities Berhad, analysts' reports and other investors' relations matters. The Board values and encourages communications with the shareholders and other stakeholders for them to establish better understanding of the Group's objectives and performance. Annual General Meetings are appropriate forums for shareholders to participate in questions and answer sessions with Directors and Management.

OTHER CORPORATE DISCLOSURES

1. Material contracts

There were no material contracts involving the interests of the Directors and/or major shareholders of the Company other than those disclosed in the Recurrent Related Party Transactions set out below and Related Party Transactions and Balances presented in the Financial Statements of this Annual Report.

2. Audit and non-audit fees paid to external auditors

The Group paid a total of RM748,100 to Deloitte PLT and affiliates for audit and non-audit services for the financial year ended 30 June 2023. The details of the payments are set out below.

	Company RM	Group RM
Audit fees	110,000	509,000
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
- Tax Compliance	12,300	69,100
- Housing Development Accounts	-	15,000
- Report on the compilation of Pro-Forma Consolidated Financial Statements of Malton Berhad	150,000	150,000
Total	**277,300**	**748,100**

3. Recurrent related party transactions

The Group was granted shareholders' mandate to enter into Recurrent Related Party Transactions for the sale of trading stock properties with related parties and construction and project management services contracts with related parties of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong at the 27th Annual General Meeting of Malton held on 23 November 2022.

During the financial year ended 30 June 2023, there were no new recurrent related party transactions pursuant to the above-mentioned mandates.

OTHER CORPORATE DISCLOSURES (cont'd)

4. Malton Employees' Share Option Scheme

The Malton Employees' Share Option Scheme (Malton ESOS) was established on 20 April 2016. Malton ESOS which expired on 19 April 2021, was extended by five (5) years until 19 April 2026. Malton ESOS is currently the only existing employees' share option scheme under the Company.

Some of the details of the Malton ESOS are set out below.

		Number of options				
Date of grant of options	Exercise price per option RM	Granted	Balance as of 1 July 2022	Exercised	Lapsed	Balance as of 30 June 2023
23 February 2017	0.80	16,115,000	3,200,600	-	295,000	2,905,600

Malton ESOS options granted to the directors are set out below.

	Number of options			
Date of grant of options	Granted	Balance as of 1 July 2022	Lapsed	Balance as of 30 June 2023
Tan Sri Lim Siew Choon	300,000	300,000	-	300,000
Guido Paul Philip Joseph Ravelli	150,000	150,000	-	150,000
Puan Sri Tan Kewi Yong	450,000	450,000	-	450,000
Chua Thian Teck	450,000	450,000	-	450,000
Datuk Hong Lay Chuan	450,000	450,000	-	450,000
Hj. Ahmad Bin Hj. Ismail, PJK	150,000	150,000	150,000	-
TOTAL	**1,950,000**	**1,950,000**	**150,000**	**1,800,000**

The total maximum allocation applicable to the directors and senior management is approximately 17.7% of the total maximum allocation available to all of the eligible employees under the Malton ESOS, all of which were granted to the directors and senior management.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the results and the cash flow of the Group for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group for the financial year ended 30 June 2023, the Group has adopted approved applicable accounting standards in Malaysia and complied with the provisions of the Companies Act, 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Malton Berhad (Malton) aspires to be the leading lifestyle and innovative property developer in the region. The Board of Directors of Malton (Board) agrees that, to enhance shareholders' value, and achieve long term sustainability and growth, it is imperative for Malton and its subsidiaries (Group) to have a sound risk management framework and internal control system as integral features of the corporate governance structure of the Group.

The main focus of risk management is to identify risks and manage them before they affect the business. Having a robust and effective risk management framework, embedded into the culture of the Group, to govern and review risks to the Group will promote organisational effectiveness and contribute towards the achievement of corporate strategies and goals.

The Group has established a risk management policy which aligns with the ISO31000:2018 Risk Management Standards.

The internal control system of the Group is designed to minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and ensure adherence to policies, rules, regulations and laws.

Risk Management Framework

The Group's business comprises Property Development Division, Construction and Project Management Division and Property Trading. The Board and Senior Management have developed a risk management framework within the governance system of the Group, essentially designed to determine and analyse the risks that could disrupt the operations of the Group.

We strive to control, as much as possible, future outcomes by acting proactively rather than reactively. Therefore, effective risk management is very important to us to reduce both the possibility of a risk occurring and its potential impact. The Group's risk management process begins with understanding the operating environment in which we operate, the current state of affairs and any situation and circumstances that could pose a threat to our businesses.

The risk management framework of the Group serves to:-

- Identify the risks faced by the Group;
- Determine the risks target areas;
- Establish the risk appetite of the Group;
- Evaluate the likelihood and impact of the risks on the target areas and Group as a whole;
- Determine and implement mitigation and control strategies to eliminate or reduce the severity of the risks;
- Monitor and manage the process of mitigation and control;
- Evaluate the effectiveness of the mitigation strategies;
- Develop any further necessary measures to manage risks;
- Record and report the results of mitigation and control;
- Review of the risk management process and procedures periodically.

Risk Governance Structure

The management for each business division is primarily responsible for the day-to-day risk assessment of the operations of the divisions encompassing identifying risks, assessing the impact of the risks and taking appropriate actions to manage and mitigate risks guided by established systems of controls. Each business division is tasked with monitoring and managing the process of mitigation and report the results to the Executive Directors and Senior Management.

Risk Governance Structure (cont'd)

Senior Management comprising the head of each business division, namely Property Development, Construction and Project Management and Property Trading, together with the Executive Directors are entrusted with identifying principal risks that could affect the operations for each business division, assessment of the impact of the risks and establish the policies and mechanisms to mitigate the risks.

The Board, as a whole, is responsible for the oversight of risk management framework of the Group which includes ensuring that a sound system of risk management and internal controls is in place.

The significant risks identified are categorized as follows:-

- **Economic risks**

  The Group recognises economic risks are macroeconomic circumstances which include economic volatility, political stability, foreign policy uncertainty, trade uncertainties and government policies that could affect market trends and prices, wages, taxes and cost of materials among other things and may adversely affect profits.

- **Financial risks**

  Financial risks include exposure to fluctuations in interest rates, foreign exchange fluctuations, cash flow liquidity and financial leverage.

- **Environmental conditions**

  Environmental risks include actual or potential threats of adverse effects on the community and environment by effluents, emissions, wastes, resource depletions arising out of business activities.

- **Market risks**

  The Group recognises the potential market risks triggered by COVID-19 pandemic causing changes in purchasing behaviour as consumers divert spending for more essential purposes.

- **Operational risks**

  The Group recognises operational risks which may include inadequate procedures, systems or policies, system failures, employee errors, breach of internal controls and incidents of fraud. Potential risks to operations also include unexpected variations to cost, defects or late delivery penalties and delays in acquiring regulatory approval.

- **Health and Safety**

  The Group recognises that managing occupational safety and health is an integral part of managing the business. Through our risk management process, we identify potential workplace hazards, evaluate and analyse the risks associated with those hazards, then taking action to eliminate the hazards or control the risks that cannot be eliminated to minimize injury and illness potential.

- **Cybersecurity**

  The Group recognises the risks arising from disruptions to information technology infrastructure, as well as the threat of cyber terrorism and information security breaches.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Risk Governance Structure (cont'd)

The assessment of risks mainly covers the following areas:-

1. **Review of Business Opportunities**

   The Board and Senior Management have established a process for the review of business opportunities which include carrying out detailed feasibility studies, market researches, formulation of potential development plans, financial and operational requirements to assess the viability of the opportunities, identify potential areas of risks and where necessary, plans to alleviate or reduce the effects of any potential risks.

2. **Review of Property Development Projects**

   Property Development is based on expectation of a future demand. To be a successful property developer, we must get our development to the market at the right time and the right price. The development profits depend on how we manage the development costs against timeline. Before inception and during the progress of a development project, the development team needs to manage, amongst others, legal requirements, local authorities, neighbourhood expectations, consultants and contractors. Based on the requirements and challenges of a development project, the Board and Senior Management have formulated a risk management framework to identify and assess the type of risks, levels of the risks, potential effects of the risks and risks mitigation process.

3. **Review of Construction Projects**

   The development and construction teams will, prior to commencement of any development and construction activities, review the construction requirements including equipment and machinery specifications, type and usage of materials to assess the impact of the activities on the community and environment and also well-being and safety of the work force on site. The teams will make the necessary recommendations to address and minimise the effects of any potential risks to the community, environment and ensure the wellbeing and safety of the work force on site.

4. **Review of Financial Requirements and Cash Flow Management**

   Prior to the implementation of any approved development or construction projects, the Executive Directors and Senior Management will review the budget and overall cash flow requirements to assess and plan the financing requirements and cost of financing.

5. **Health and Safety Practices**

   Health and safety of employees at the work place, whether at various construction sites or offices, has a substantial impact on the Group. The Group has implemented initiatives to identify hazards in the workplace and put in place, measures to minimise them and inculcate safety at workplace. Employees are informed and trained on health and safety hazards and measures.

   To safeguard the health and safety of the employees during the outbreak of COVID-19, the Group has implemented appropriate guidelines and standard operating procedures in line with the management guidelines for workplaces issued by the Ministry of Health, Malaysia. Employees are constantly reminded of the guidelines and procedures including best practices for maximum protection for themselves at the workplaces.

Internal Control System

The characteristics of the internal control system of the Group comprises a control environment, risk assessment, control activities, information and communication and monitoring.

The internal control system of the Group include the following areas:-

1. **Integrity and Ethical Values**

   The Board and Senior Management set the tone of integrity and conducts in respect of good corporate governance and corporate behaviour. The Code of Conduct and Business Ethics sets out the standards of integrity and values required of each employee. The Code covers requirements on conduct in the work place, dealings with external parties, compliance with laws and regulations, protection of the Group's and conflict of interest amongst others.

   Employee Handbook provides guidance and information related to the vision and mission of the Group, policies and procedures and employment entitlement and benefits. The Employee Handbook also address matters and actions relating misconduct and breach of employment guidelines.

2. **Commitment to Competency of Employees**

   We are committed to recruiting people with necessary qualification, knowledge and competencies to complement the required skills for our business. We have established programmes and initiatives to equip employees and enhance their abilities and skills in driving the Group forward through ongoing emphasis on performance management and employee development. It is the Group's practice to train the employees from time to time in order for them to perform well in their current positions and also for career advancement.

   The Group has an appraisal system in place to gauge the performance of the employees and ensure that individuals who perform well are recognised and rewarded appropriately.

   Succession Planning is crucial to the continuity of the business strategies of the Group. Talents who show leadership qualities and potential are given the opportunity and training for career development.

3. **Board of Directors and Audit Committee**

   The Board is overall responsible for the corporate governance of the Group. The Audit Committee supports the Board in the review of the adequacy and effectiveness of the internal control system of the Group.

4. **Internal Audit Function**

   The Group has established an internal audit department which carries out the internal audit function in the Group. The findings of the internal audit department are regularly reported to the Audit Committee. The Audit Committee meets at least five (5) times a year with the Board to discuss significant issues discovered during the internal audit process and makes the necessary recommendations to the Board.

5. **Organisation Structure**

   The Group is led by the Board and Senior Management who have clear roles and responsibilities and lines of reporting. Separation of duties within the organisation identifies the areas of responsibilities and defines the lines of accountability. The lines of reporting enable proper delegation of authority and duties for planning, execution and monitoring of business operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Internal Control System (cont'd)

6. Risk Management

The risk management process of the Group encompasses identifying occurrence and circumstances which could adversely affect the operations of the Group, analysing the risks and impact, determining response strategies, monitoring and report on the implementation and outcome of the response. By doing so, the Group endeavours to protect and create value for the stakeholders of the Group including the shareholders, employees, customers and suppliers.

7. Anti-Bribery and Anti-Corruption Policy

The Group has established policies and procedures to ensure specifically to identify, analyse, assess internal and external corruption risk exposure. The corruption risk assessment procedures include:-

a. Risk of corruption and fraud activities arising from lapses in the Group's organisation governance framework and internal systems.
b. Financial transactions that may disguise as corrupt payments.
c. Business activities in countries or sectors that pose higher corruption risk.
d. Non-compliance by external parties acting on behalf of Malton Group.
e. Relationships with third parties in the supply chain which are likely to expose the Group to corruption.

Comprehensive assessment of anti-corruption risk will be carried out at least once every three years with intermittent assessments to be conducted when necessary to ensure relevance and compliance with the legislation.

8. Whistleblowing Policy and Procedures

Whistleblowing Policy and Procedures of the Group provides the avenue for employees and external parties to raise legitimate concerns on any misconduct, illegal activities, unethical or inappropriate behaviour committed by the employees of the Group. Written reports are to be addressed to the Senior Independent Director and Company Secretary of the Group. Anonymous reports are not accepted. All reports will be handled with utmost confidentiality to protect the whistleblower against victimization or reprisal.

9. Standard Operating Policies and Procedures and Limits of Authority

Each department within the Group has its own standard operating policies and procedures (SOPs) which set out guidances, references and expectations for execution of work duties. One of the advantages of having SOPs in place is consistency in the delivery of products and services. The SOPs are reviewed periodically to ensure that practices keep pace with the development in the market and industry and amendments in the regulatory environment.

10. Budgeting Process

Budgets are drawn up for each project before commencement and for business units, on an annual basis.

The budgets are presented to the Senior Management and Executive Directors for review and approval. The performance of projects and the Group is monitored and reviewed periodically based on the approved budgets and forecasts. The Senior Management reviews the reports on the performance and variances and where appropriate and necessary, take remedial actions.

Internal Control System (cont'd)

11. Tender Process

The Group has established a tender process for awards of contracts. The pre-qualification exercise involves evaluation of relevant experiences and financial capabilities of the contractors and suppliers. Tenders are opened in the presence of the consultants, staff from the project and contracts departments and Management. The tender values are recorded and kept private and confidential. Further assessment is carried out through interviews and inspection of the quality of materials and workmanship. Tender reports are presented to the Tender Committee for review and comments. Management team will carry out a final review and negotiation prior to shortlisting the tenderers for recommendation to the Senior Management where selection will be decided.

12. Meetings

The purpose of meetings is to inform and provide updates on business activities and performance of business divisions and the Group as a whole. Meetings bring the leadership in a forum to provide guidance and solve problems with the ultimate goal of meeting the objectives of the Group.

Each business division holds scheduled operation meetings where development and construction progress reports are presented and reviewed. Agenda of the meeting include work progress, quality of work, whether schedules are met, manpower requirements, risks and controls, issues encountered and solutions reached.

At monthly management meetings, the Group's strategies and performance are reviewed and discussed. Presentation includes information on sales and marketing performance, financial performance, property development projects, construction projects, quality assurance and talent management.

13. Site Visits

Management carries out periodic visits to project sites to inspect work progress and quality of work to check if construction is carried out according to the development plan and schedule.

14. Financial Reports

Monthly management reports containing operational budgets and financial performance and indicators of projects are presented at management meetings.

The Group's quarterly financial statements and annual audited financial statements are reviewed by the Audit Committee and thereafter recommended to the Board for consideration and approval prior to release to Bursa Malaysia Securities Berhad.

15. Safeguard of Assets

The Group ensures that proper accounting of assets are kept. Insurance policies are in place to ensure that the assets are sufficiently covered against loss and damages. Scheduled inspection and maintenance of machinery is carried out to assure that they are maintained in optimal conditions.

The Board is assured that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board will review its risk management framework from time to time to ensure its relevance and compliance with the relevant legislations and guidelines.

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report.

AUDIT COMMITTEE REPORT

The Audit Committee of Malton Berhad was formed on 8 March 2002. All members of the current Audit Committee are non-executive directors with a majority of them independent directors.

- Arunasalam A/L Muthusamy – *Independent Non-Executive Director* (Chairman)
- Guido Paul Philip Joseph Ravelli – *Non-Independent Non-Executive Director* (Member)
- Dato' Siew Mun Wai – *Independent Non-Executive Director* (Member)

Mr Guido Paul Philip Joseph Ravelli chaired the Audit Committee until 31 May 2023. Mr Arunasalam A/L Muthusamy was appointed as Chairman of the Committee on 31 May 2023. Hj Ahmad Bin Hj Ismail, PJK was a member of the Committee until his retirement on 31 May 2023.

Both Mr Arunasalam A/L Muthusamy and Dato' Siew Mun Wai are members of chartered accountancy bodies United Kingdom. Mr Arunasalam is a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. Dato' Siew Mun Wai is a Fellow Member of the Institute of Chartered Accountants in England & Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

The Audit Committee met six (6) times during the financial year ended 30 June 2023. The attendance of the Audit Committee members during the financial year is set out below.

Name	Total Meetings Attended
Guido Paul Philip Joseph Ravelli	6 of 6
Hj Ahmad bin Hj Ismail, PJK	6 of 6
Dato' Siew Mun Wai	6 of 6

All the Audit Committee meetings, during the financial year under review, were held prior to the appointment of Mr Arunasalam A/L Muthusamy to the Committee, hence he was not involved in any of the meetings.

TERMS OF REFERENCE

Objectives of the Audit Committee

The primary objectives of the Committee are to:-

1. Provide oversight of the financial reporting process, the audit process, the internal control system of the Malton Berhad and its subsidiaries and compliance with laws and regulations;
2. Maintain, through regularly scheduled meetings, an open line of communication between the Board, Management, external auditors and internal auditors; and
3. Oversee and appraise the quality of the audits conducted by the external auditors and internal auditors.

Membership of the Audit Committee

1. The Company must appoint an Audit Committee from amongst its directors and must be comprised not fewer than 3 members, all of whom shall be non-executive directors with a majority of them being independent directors.
2. At least one member of the Audit Committee:-
   i. must be a member of the Malaysian Institute of Accountants; or
   ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
      a. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
      b. he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

TERMS OF REFERENCE (cont'd)

Membership of the Audit Committee (cont'd)

iii. fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

3. No alternate director shall be appointed as a member of the Committee.

4. If a member of the Committee for any reason ceases to be a member with the result that the number is reduced to below three (3), the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

5. A person who is a former audit partner in charge of the external audit of the Company is required to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a director or a member of the Audit Committee of the Company.

Chairman of the Audit Committee

The members of the Committee shall elect a Chairman from among themselves who shall be an independent director subject to the endorsement of the Board of Directors.

Authority of the Audit Committee

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

1. Have the authority to investigate any matter within its terms of reference;

2. Have the resources which are required to perform its duties;

3. Have full and unrestricted access to any information pertaining to the Group;

4. Have direct communication channels with the external auditors and also the internal auditors;

5. Be able to obtain independent professional advice or other advice necessary for the discharge of its duties; and

6. Be able to convene meeting with the external auditors and/or internal auditors excluding the attendance of other directors and/or employees, whenever it is deemed necessary.

The Chairman of the Committee shall engage on a continuous basis with senior management on matters affecting the Group.

Where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

Key Functions and Responsibilities

The primary functions of the Committee are to review the following and report the same to the Board of Directors:-

1. The audit plan, audit findings and audit reports and evaluation of the system of internal controls with the external auditors and assistance given by the employees of the Group to the external auditors;

2. The adequacy of scope, competency and resources of the internal audit function and the necessary authority to carry out its duties;

3. The internal audit plan and processes, the results of the internal audit assessments and investigation undertaken and whether appropriate actions are taken on the recommendation of the internal audit function and/or the Committee;

TERMS OF REFERENCE (cont'd)

Key Functions and Responsibilities (cont'd)

4. The quarterly results and year-end financial statements, prior to review by the Board of Directors, focusing particularly on:-

   i. changes in or implementation of major accounting policy changes;

   ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and

   iii. compliance with accounting standards and other legal requirements.

5. All related party transactions and conflict of interest situations that arose, persist and may arise within the Group including information on the framework in place for the purposes of identifying, evaluating, approving, reporting and monitoring such conflict of interest situations and related party transactions;

6. Audit programme and processes of the external auditors including evaluation of the performance and audit independence of the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

7. Any resignation of external auditors of the Company; and

8. Recommendation for nomination of a person or persons as external auditors.

Meetings and Reporting of the Audit Committee

1. The quorum in respect of a meeting of the Committee shall be a majority of independent directors.

2. The Committee shall meet each quarter of a financial year to review the unaudited results of the Group and on an annual basis, to review the audited financial statements. Additional meetings may be convened, as the Chairman shall decide, in order to fulfil its duties.

3. The Company Secretary or any person appointed by the Audit Committee shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other supporting explanatory documentation for circulation to the Committee Members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee and circulating them to the members and to the other members of the Board of Directors. The Chairman shall convene a meeting of the Committee to consider any matter that the external auditors believe should be brought to the attention of the directors and/or shareholders of the Company.

4. Any other directors and/or employees of the Company may attend a meeting of the Committee upon an invitation of the Committee.

5. All or any member of the Committee may participate in a meeting of the Committee by telephone conferencing, video conferencing or any communication equipment that allows all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

INTERNAL AUDIT FUNCTION

The Group has established an internal audit department which reports directly to the Audit Committee. During the financial year ended 30 June 2023, the internal audit department carried out its audit duties based on its established internal audit framework that covered business audit, system audit, operational and financial audits and reported the findings to the Audit Committee. The Audit Committee together with the internal auditors, Executive Directors and Management reviewed the quarterly unaudited financial results and year-end audited financial statements and reported its assessment to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

The internal audit department comprises two personnel. Mr Kheu Chao Leng headed the internal audit department until his retirement. The department is currently headed by Mr Pang Kean Fei, a Member of the Association of Chartered Certified Accountants and Certified Internal Auditor. He is also a member of the Institute of Internal Auditor Malaysia since 2011.

The internal audit team which reports directly to the Audit Committee is free from any relationships and conflict of interest that may impair objectivity and independence.

The total cost incurred for the internal audit function of the Group for the financial year ended 30 June 2023 was approximately RM469,486.

The Internal Audit Department is required to present the audit programme prior to commencement of each financial year for review and approval by the Audit Committee. During the financial year ended 30 June 2023, the Internal Audit Department presented audit reports on the business and operational activities of the property development and construction divisions. Audit assessment was carried out on:-

- Quality Assurance and Control Function
- Procurement Management
- Petty Cash Management
- IT Management
- Sales and Marketing Department
- Related Party Transactions

In carrying internal audit work, the internal audit personnel carried on-site inspections, examine documents, interview relevant employees and discuss observations with relevant department head. These reports presented the findings on the activities carried out by the various departments and through the activities, evaluated the quality and effectiveness of internal controls in place and risks areas. The internal audit team also made recommendations on improvements and appropriate mitigation measures.

ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2023

During the financial year ended 30 June 2023, the Audit Committee had reviewed the quarterly unaudited financial results together with members of Management and reported its comments to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

The Audit Committee reviewed the internal audit report on related party transactions conducted during the financial year ended 30 June 2023 based on established guidelines and procedures to ensure that the transactions were entered into by the Group on an arm's length basis on terms which are not more favourable than those transacted with the public and not detrimental to the interest of the minority shareholders. It was confirmed that the related party transactions were conducted in compliance with established guidelines and procedures at prevailing market prices and on terms which are not more favourable than those transacted with the public and not detrimental to the interest of the minority shareholders.

AUDIT COMMITTEE REPORT
(cont'd)

ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

The internal audit reviewed and presented reports to the Audit Committee on operational functions and internal controls on the following:-

- Quality Assurance and Control of the Construction division including review of the operating procedures and processes, compliance with MS ISO 9001 audit report and controls, pre-delivery inspection procedures and records and reports on construction inspection
- Procurement Management including review of the procurement process to ensure compliance of controls
- Petty Cash Management with emphasis on the documentation and approval process
- IT Management with focus on system backup and security
- The activities of the Sales and Marketing department with emphasis on its policies and procedures, compliance with policies and procedures and payments of commission,

The Audit Committee met with the external auditors, prior to commencement of the audit for the financial year ended 30 June 2023 and discussed the planning report presented by the external auditors. The planning report covered the objectives, scope and procedures of audit work to be carried out by the external auditors. During the review of the year-end audited financial statements, the external auditors had also reported to the Audit Committee on the audit progress and findings made during audit process. The Audit Committee met and reviewed the year-end audited financial statements together with the external auditors and Management and reported its assessment to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

The external auditors had informed the Audit Committee of the new requirements pertaining to the provision of external auditors for non-assurance services to public interest entity (PIE) audit clients released by the International Ethics Standards Board for Accountants (IESBA). The Audit Committee is cognizant of its responsibilities in this area and have requested Management to propose the policy and procedures for the engagement for non-assurance services for its endorsement and presentation to the Board of Directors for approval.

The Audit Committee also met with the external auditors without presence of the executive members of the Board and Management to discuss matters relating to the audit process and assistance and cooperation extended by Management and employees of the Group.

As practiced in the previous years, the Audit Committee also reviewed the independence policies and procedures of the external auditors for assessment of independency of the external auditors.

MALTON BERHAD
[Registration No: 199401035205 (320888-T)]

FINANCIAL STATEMENTS

CONTENTS

REPORT OF THE DIRECTORS

The Directors of **MALTON BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Loss before tax	(77,171)	(1,737)
Income tax expense	(21,656)	(844)
Loss for the financial year	(98,827)	(2,581)
Loss attributable to:		
Owners of the Company	(83,286)	(2,581)
Non-controlling interests	(15,541)	-
	(98,827)	(2,581)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than written off of land held for property development expenditures, write down of long-term leasehold land proprietor's entitlement to net realizable value, share in results of joint venture, loss on fair value adjustment of investment in redeemable preference shares, allowance for impairment losses (net of impairment charge) against trade and other receivables as disclosed in Note 14, Note 17, Note 18 and Note 22 to the financial statements respectively.

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year. Further, the Directors do not recommend any declaration of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares and debentures during the financial year.

SHARE OPTIONS

The Employees' Share Option Scheme ("ESOS") which was established on 20 April 2016 for the benefit of eligible employees and directors of the Group. The ESOS is to be in force for a period of five (5) years and had subsequently expired on 19 April 2021. The Board of Directors of the Company had on 15 April 2021 approved the extension of duration of ESOS for a further five (5) years commencing from 20 April 2021 to 19 April 2026.

The salient features of the ESOS are disclosed in Note 27 to the financial statements.

The movements of the options over the unissued ordinary shares in the Company granted under the ESOS during the financial year are as follows:

		Number of options over ordinary shares			
Date of grant	**Exercise price per share RM**	**Balance as of 1.7.2022**	**Granted**	**Lapsed**	**Balance as of 30.6.2023**
23.2.2017	0.80	3,200,600	-	295,000	2,905,600

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

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

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

REPORT OF THE DIRECTORS
(cont'd)

OTHER STATUTORY INFORMATION (cont'd)

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

DIRECTORS

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

Tan Sri Lim Siew Choon
Guido Paul Philip Joseph Ravelli
Puan Sri Tan Kewi Yong
Chua Thian Teck
Datuk Hong Lay Chuan
Dato' Siew Mun Wai
Arunasalam A/L Muthusamy (Appointed on 31 May 2023)
Baharum Bin Harun (Appointed on 3 July 2023)
Hj. Ahmad Bin Hj. Ismail (Retired on 31 May 2023)

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

Tan Sri Lim Siew Choon
Chua Thian Teck
Datuk Hong Lay Chuan
Datuk Lim Chon Hoo
Ahmad Lazri Bin Long Ahmad Zainal Abidin
Mohd Khairuddin Bin Hj. Nawani

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	Balance as of 1.7.2022	**Bought**	**Sold**	**Balance as of 30.6.2023**
Shares in the Company				
Direct interest				
Tan Sri Lim Siew Choon	20,961,800	1,720,000	-	22,681,800
Indirect interest				
Tan Sri Lim Siew Choon	207,901,489	-	-	207,901,489*
Puan Sri Tan Kewi Yong	207,901,489	-	-	207,901,489*

* Held through Malton Corporation Sdn. Bhd.

DIRECTORS' INTERESTS (cont'd)

In addition to the above, the following Directors have an interest in the shares of the Company, by virtue of the options granted pursuant to the ESOS of the Company:

	Number of options over ordinary shares			
	Balance as of 1.7.2022	**Granted**	**Lapsed**	**Balance as of 30.6.2023**
Tan Sri Lim Siew Choon	300,000	-	-	300,000
Guido Paul Philip Joseph Ravelli	150,000	-	-	150,000
Puan Sri Tan Kewi Yong	450,000	-	-	450,000
Chua Thian Teck	450,000	-	-	450,000
Datuk Hong Lay Chuan	450,000	-	-	450,000
Hj. Ahmad Bin Hj. Ismail	150,000	-	150,000	-

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of any transactions with companies in which certain Directors have substantial financial interest in the ordinary course of business.

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Executive directors:				
Salaries and other emoluments	2,720	2,522	2,720	2,522
Defined contribution plan	317	293	317	293
	3,037	2,815	3,037	2,815
Non-executive directors:				
Fees	624	635	384	381
Allowances	42	33	42	33
	666	668	426	414
	3,703	3,483	3,463	3,229

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM158,000 and RM124,000 (2022: RM183,000 and RM126,000), respectively.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted to certain Directors pursuant to the Company's ESOS as disclosed above.

REPORT OF THE DIRECTORS
(cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Group and the Company maintain Directors' and Officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Group and of the Company. The amount of insurance premium paid during the year is RM36,000.

The total amount of sum insured for Directors and Officers of the Group for the financial year amounted to RM30,000,000.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The details of significant events during the financial year and subsequent to the end of the financial year are disclosed in Note 42 to the financial statements.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the year ended 30 June 2023 is as disclosed below.

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statutory audit fees	509	485	110	105
Non-audit fees	239	124	167	67

AUDITORS

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

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

CHUA THIAN TECK

DATUK HONG LAY CHUAN

Kuala Lumpur
27 October 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALTON BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MALTON BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 June 2023 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 113 to 205.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Revenue recognition from property development and construction activities

Revenue from property development and construction activities recognised during the year as disclosed in Note 5 to the financial statements amounted to RM794million, which represents 95% of the Group's revenue.

Property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the 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 costs incurred to date as a percentage of the estimated total costs of development of the project).

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process. These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

Revenue from construction contracts is recognised over time which depends on the extent to which the performance obligation has been satisfied, which is measured by determining the stage of completion. The stage of completion is determined by the proportion that contract construction costs incurred for work performed to date compared to the estimated total construction costs.

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD
(Incorporated in Malaysia) (cont'd)

Key Audit Matters (cont'd)

Revenue recognition from property development and construction activities (cont'd)

Judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs.

We focused on this area because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgments.

Refer to "key estimate and assumptions" in Note 4(a)(i) and (ii), revenue in Note 5 and property development costs in Note 20 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- Obtained understanding of the revenue recognition process, including the accuracy and timing of revenue recognition towards satisfaction of performance obligation, and tested the associated relevant controls surrounding revenue recognition.

- Reviewed the agreements for property development and construction projects. Tested the accuracy of the management's computation for the progress of property development and construction projects towards the complete satisfaction of performance obligation taking into account the construction or development costs recognised during the financial year and the budgeted cost by testing a sample of costs incurred to date to the relevant supporting documentation (such as contractor's claim certificates, surveyor certificates, architect certificate and others) and reviewing the management prepared budgets ensuring that project budgets are reasonable. We also performed site-visits for individually significant on-going projects to arrive at an overall assessment as to whether percentage of progress towards complete satisfaction of performance obligation determined on a cost-to-cost basis was reasonable. Further, checked the cost incurred by contractors of which invoice/progress claim has yet to be received.

- Evaluated the reasonableness of the estimates made and assessed whether or not these estimates showed any evidence of management bias, based on historical accuracy of management's estimates in prior years. Discussed and tested changes in total estimated costs of a sample of construction and property development projects from prior years with management and assessed the consistency of assumptions applied across projects. Also, interviewed management's project team on the reasonableness of the budgeted costs to the completion of a sample of projects.

Valuation of Inventories

As at 30 June 2023, the Group has unsold inventories amounting to RM145million. Inventories for sale are stated at the lower of cost and net realisable value (NRV). The determination of the estimated net realisable value of these unsold inventories is dependent upon the directors' expectation of future selling prices.

We focused on this, as this is the specific risk area most susceptible to misstatements and area that involves significant degree of management judgement, and accounting estimates on determining future selling price.

Refer to "key estimate and assumptions" in Note 4(b)(v), and inventories in Note 21 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- Reviewed and understood the management process for determination of NRV of inventories and evaluated the design and implementation of the relevant controls.

- For unsold inventory, we tested management's assessment of NRV by reference to recent transacted prices of comparable properties, taking into consideration the estimated selling price less cost to sell.

(Forward)

Key Audit Matters (cont'd)

Valuation of Inventories (cont'd)

- Physically sighted a sample of unsold properties, focusing on long-aged properties, to ascertain if any write-down was warranted due to physical obsolescence and deterioration of the properties.

- Where the estimation of NRV is based on the report of management's specialist (i.e. independent valuer), we assessed the appropriateness of the independent valuer's scope of work and evaluated the independence and qualification of the independent valuer. Had discussions with the independent valuer on the methodologies and techniques used in performing the valuation and obtained and tested data provided by management to the independent valuer.

Fair value of investment properties

As at 30 June 2023, the investment property portfolio of the Group amounted to RM222 million. The investment properties of the Group are held at fair value, which is based on independent external valuations performed by management's specialist. The valuation process involves determination of the appropriate valuation method to be used and underlying assumptions to be applied.

We focused on this as the use of valuation methods, assumptions and estimates require significant judgment. The valuation is sensitive to the key assumptions applied and various unobservable inputs.

Refer to "key estimate and assumptions" in Note 4(b)(iv), and investment properties in Note 13 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- assessed the appropriateness of the independent valuer's scope of work, evaluated the independence and qualification of the independent valuer.

- had discussions with the independent valuer on the methodologies and techniques used in performing the valuation, challenged the assumptions used in the valuation and obtained and tested data provided by management to the independent valuer.

- engaged internal specialist to review valuation report and to assess the reasonableness of the basis of valuation of a significant investment property.

Valuation of land held for development in relation to Taman Rimba Kiara Development

The Group has recorded the land held of development of RM537 million in the statement of financial position as of 30 June 2023. In relation to Taman Rimba Kiara Development's matter as set out in note 14(c), on 18 April 2023, the Federal Court decided that the original development order on Taman Rimba Kiara's land remains quashed. Various negotiations and coordination, such as obtaining necessary authorities' permissions and negotiations with the proprietor for a revised development order on the land have been carried out by the Group subsequent to the Federal Court's order. As a result, the land held for development may have a potential risk of having lower realisable value than originally expected in the event of subsequent revision of the development plan.

Net realisable value of the land held for development is made based on the valuation report and revised development order considering the changes of development areas, and estimations of property selling prices and construction costs.

We consider whether a valuation loss should be recognised on the land held for development to be a key audit matter for our audit given the assessment process is complex involving significant management's judgements on legal opinions, and high degree of estimations and assumptions applied in the revised development order to determine the net realisable value of land held for development.

Refer to "key estimate and assumptions" in Note 4(b)(v), land held for development in Note 14(c), other payable in Note 34(b) and subsequent event in Note 42(d) to the financial statements.

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD
(Incorporated in Malaysia) (cont'd)

Key Audit Matters (cont'd)

Valuation of land held for development in relation to Taman Rimba Kiara Development (cont'd)

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- Reviewed the documents obtained from management related to the lawsuit including the decision of Federal Court and correspondence between the entity and its external legal counsel.
- Inquired of and discussed with management the policies and procedures adopted for identifying, evaluating and accounting for the outcome of lawsuit.
- Challenged the management on the judgement applied in estimating the accounting impacts resulting from the decision of Federal Court.
- Requested management's legal counsel to provide an evaluation of the concluded outcome and estimated of the amount of potential loss.
- Assessed the revised project scaled down development plan and challenge the management on the assumptions and estimations used in the development plan.
- Reviewed the signed supplementary agreement entered by the Group and proprietor.
- Obtained the valuation report and discussed with the independent value the results of their work.
- Assessed the competency, independence and integrity of the independent valuer.
- Challenged the management's judgement in writing down the value based on the market value as stated in the valuation report considering a revised development order will be granted.

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

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, and Corporate Information, Corporate Structure, Group Financial Highlights, Board of Directors, Key Senior Management, Chairman's Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Audit Committee Report, Group Properties and Statement of Shareholders, which we are expected to be made available to us after that date.

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

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

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

When we read the Corporate Information, Corporate Structure, Group Financial Highlights, Board of Directors, Key Senior Management, Chairman's Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Audit Committee Report, Group Properties and Statement of Shareholders, if we conclude that there is a misstatement therein, we are required to communicate the matter to those charged with governance and request management to correct the other information accordingly.

(Forward)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD
(Incorporated in Malaysia) (cont'd)

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

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

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

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

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 towards any other person for the contents of this report.

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

DATUK LIM CHU GUAN
Partner - 03296/03/2025 J
Chartered Accountant

27 October 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	831,917	645,241	13,819	11,272
Cost of sales	6	(682,156)	(471,069)	-	-
Gross profit		149,761	174,172	13,819	11,272
Other income		71,002	66,644	6,511	6,792
Reversal of impairment loss on trade receivables	8	46	16,685	-	-
Share in results of an associated company	16	(378)	-	-	-
Share in results of joint ventures	17	(33,452)	29,704	-	-
Selling and distribution expenses		(6,586)	(6,007)	-	-
Administrative expenses		(188,337)	(84,402)	(13,279)	(11,506)
Impairment loss on trade receivables	8	(4,043)	(3,200)	-	-
Impairment loss on other receivables	8	(325)	(2,941)	-	-
Finance costs	7	(64,859)	(61,158)	(8,788)	(5,777)
(Loss)/Profit before tax	8	(77,171)	129,497	(1,737)	781
Income tax expense	9	(21,656)	(53,719)	(844)	(1,082)
(Loss)/Profit for the year		(98,827)	75,778	(2,581)	(301)
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the year		(98,827)	75,778	(2,581)	(301)
(Loss)/Profit attributable to:					
Owners of the Company		(83,286)	76,234	(2,581)	(301)
Non-controlling interests	29	(15,541)	(456)	-	-
		(98,827)	75,778	(2,581)	(301)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(83,286)	76,234	(2,581)	(301)
Non-controlling interests		(15,541)	(456)	-	-
		(98,827)	75,778	(2,581)	(301)
(Loss)/Earnings per ordinary share:					
Basic (sen)	10	(15.77)	14.43		
Diluted (sen)	10	(15.77)	14.43		

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

STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	23,427	27,084	423	455
Right-of-use assets	12	4,265	2,984	407	180
Investment properties	13	221,705	208,181	-	-
Land held for property development	14	536,828	671,520	-	-
Investment in subsidiary companies	15	-	-	501,017	501,017
Investment in associated companies	16	23,022	-	-	-
Investment in joint ventures	17	-	31,247	-	-
Other investments	18	203,234	285,848	-	-
Deferred tax assets	19	18,727	17,587	82	82
Total non-current assets		1,031,208	1,244,451	501,929	501,734
Current assets					
Property development costs	20	369,156	337,397	-	-
Inventories	21	144,363	169,093	-	-
Trade receivables	22	398,626	287,142	-	-
Other receivables and prepaid expenses	22	85,436	53,256	775	821
Contract assets	23	287,056	214,102	-	-
Amount owing by associated company		2,233	-	-	-
Amount owing by joint ventures		37,249	38,376	-	-
Amount owing by subsidiary companies	24	-	-	148,116	163,723
Tax recoverable		900	684	644	566
Short-term funds	25	527	511	527	511
Fixed deposits with licensed banks	36	67,751	70,061	2,925	2,810
Cash and bank balances	26	140,030	141,072	1,501	1,389
Total current assets		1,533,327	1,311,694	154,488	169,820
Total assets		2,564,535	2,556,145	656,417	671,554

(Forward)

STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2023 (cont'd)

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	27	528,552	528,552	528,552	528,552
Reserves	28	391,717	475,003	4,204	6,785
		920,269	1,003,555	532,756	535,337
Non-controlling interests	29	2,019	17,560	-	-
Total equity		922,288	1,021,115	532,756	535,337
Non-current liabilities					
Other payables	34	-	648	-	-
Redeemable preference shares	30	-	50,996	-	-
Bank borrowings - non-current portion	31	287,330	141,997	-	-
Hire-purchase payables - non-current portion	32	304	408	-	-
Lease liabilities - non-current portion	33	2,575	1,084	238	-
Deferred tax liabilities	19	49,969	57,601	12	12
Total non-current liabilities		340,178	252,734	250	12
Current liabilities					
Trade payables	34	643,451	657,933	-	-
Other payables and accrued expenses	34	138,538	180,346	2,277	1,068
Redeemable preference shares	30	79,824	-	-	-
Contract liabilities	23	9,322	24,142	-	-
Amount owing to subsidiary companies	24	-	-	3,199	2,932
Amount owing to joint venture		93	-	-	-
Bank borrowings - current portion	31	405,921	379,424	117,757	132,005
Hire-purchase payables - current portion	32	390	500	-	-
Lease liabilities - current portion	33	1,801	2,177	178	200
Tax liabilities		22,729	37,774	-	-
Total current liabilities		1,302,069	1,282,296	123,411	136,205
Total liabilities		1,642,247	1,535,030	123,661	136,217
Total equity and liabilities		2,564,535	2,556,145	656,417	671,554

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Non-distributable reserves		Distributable reserve			
The Group	**Share capital RM'000**	**Revaluation reserve RM'000**	**Option reserve RM'000**	**Retained earnings RM'000**	**Attributable to owners of the Company RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
As of 1 July 2021	528,552	2,065	1,153	395,551	927,321	18,016	945,337
Share options lapsed under ESOS	-	-	(210)	210	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	76,234	76,234	(456)	75,778
As of 30 June 2022	528,552	2,065	943	471,995	1,003,555	17,560	1,021,115
As of 1 July 2022	528,552	2,065	943	471,995	1,003,555	17,560	1,021,115
Share options lapsed under ESOS	-	-	(70)	70	-	-	-
Total comprehensive loss for the year	-	-	-	(83,286)	(83,286)	(15,541)	(98,827)
As of 30 June 2023	528,552	2,065	873	388,779	920,269	2,019	922,288

(Forward)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023
(cont'd)

		Non-distributable reserve	Distributable reserve	
The Company	**Share capital RM'000**	**Option reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
As of 1 July 2021	528,552	1,153	5,933	535,638
Share options lapsed under ESOS	-	(210)	210	-
Total comprehensive loss for the year	-	-	(301)	(301)
As of 30 June 2022	528,552	943	5,842	535,337
As of 1 July 2022	528,552	943	5,842	535,337
Share options lapsed under ESOS	-	(70)	70	-
Total comprehensive loss for the year	-	-	(2,581)	(2,581)
As of 30 June 2023	528,552	873	3,331	532,756

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES				
(Loss)/Profit for the year	(98,827)	75,778	(2,581)	(301)
Adjustments for:				
Income tax expense recognised in profit or loss	21,656	53,719	844	1,082
Finance costs	64,859	61,158	8,788	5,777
Depreciation of:				
Property, plant and equipment	4,852	8,382	116	149
Right-of-use assets	2,904	3,351	316	441
Write-offs of:				
Land held for development	21,016	4,842	-	-
Property, plant and equipment	3	-	3	-
Write down on land held for development to net realisable value:				
Long-term leasehold land - Proprietor's entitlement	29,400	-	-	-
Long-term leasehold land at cost	-	6,642	-	-
Write down of completed units to net net realisable value	663	-	-	-
Allowance for impairment loss in:				
Trade receivables	4,043	3,200	-	-
Other receivables	324	2,941	-	-
(Gain)/Loss on fair value adjustment on:				
Investment properties	(1,246)	5,233	-	-
Fair valuation of investment in redeemable preference shares	69,369	(32,999)	-	-
Transfer from property development costs to investment properties	-	16	-	-
Share in results of:				
Associated company	378	-	-	-
Joint ventures	33,452	(29,704)	-	-
Gain on disposal of property, plant and equipment	(73)	(421)	(4)	-
Reversal of provision for foreseeable losses	(2,738)	(1,840)	-	-
Distribution income on short-term funds	(14)	(13)	(14)	(13)
Interest income	(2,364)	(2,394)	(6,481)	(6,676)
Rental rebates	-	(85)	-	(12)
Deferred day one loss in profit or loss:				
Redeemable preference shares B	985	1,146	-	-
Redeemable preference shares D	(850)	-	-	-
Provision for release of bumiputera quota	2,812	-	-	-
Reversal of allowance for impairment loss on:				
Trade receivables	(46)	(16,685)	-	-
Redeemable preference shares	-	(4,042)	-	-
Derecognition of deferred day one loss	3,228	-	-	-
Gain on lease termination	(106)	-	-	-
Operating Profit Before Working Capital Changes	153,680	138,225	987	447

(Forward)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES (CONT'D)				
(Increase)/Decrease in:				
Property development costs	(29,459)	47,331	-	-
Trade receivables	(115,481)	(73,812)	-	-
Other receivables and prepaid expenses	(9,875)	(13,610)	3	(41)
Inventories	24,505	23,454	-	-
Contract assets	(72,954)	294,250	-	-
Amount due from associated company	(2,233)	-	-	-
Amount due from joint ventures	1,127	(2,679)	-	-
Amount due from subsidiary companies	-	-	62,788	28,878
(Decrease)/Increase in:				
Trade payables	(14,482)	(87,869)	-	-
Other payables and accrued expenses	22,932	(59,141)	1,209	192
Contract liabilities	(14,820)	16,420	-	-
Amount owing to joint venture	93	-	-	-
Amount due to subsidiary companies	-	-	266	(2,338)
Cash (Used In)/Generated From Operations	(56,967)	282,569	65,253	27,138
Income tax paid	(45,689)	(28,310)	(923)	(1,208)
Income tax refunded	-	4	-	-
Net Cash (Used In)/From Operating Activities	(102,656)	254,263	64,330	25,930
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Additions to investment properties (Note 13)	(12,278)	-	-	-
Additions to land held for property development (Note 14)	(6,576)	(7,398)	-	-
Additions to property, plant and equipment (Note (i))	(1,203)	(2,040)	(87)	(36)
Withdrawal/(Placement) of:				
Fixed deposits pledged to licensed banks	21,017	(17,876)	(73)	-
Restricted cash at bank	(23,944)	1,673	-	-
Additions to short-term funds	(16)	(11)	(16)	(11)
Advances to subsidiary companies	-	-	(40,770)	(35,939)
Proceeds from disposal of property, plant and equipment	78	501	4	-
Interest received	2,364	2,394	72	63
Distribution income on short-term funds received	14	13	14	13
Acquisition of an associated company	(23,400)	-	-	-
Proceed from/(Additions to) investment in redeemable preference shares	7,677	(48,126)	-	-
Net Cash Used In Investing Activities	(36,267)	(70,870)	(40,856)	(35,910)

(Forward)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

	Note	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Proceeds from bank borrowings		623,720	556,389	240,147	174,076
Repayments of bank borrowings		(449,331)	(627,788)	(254,374)	(164,548)
Repayments of hire-purchase payables		(214)	(941)	-	-
Repayment of lease liabilities		(2,964)	(3,375)	(327)	(467)
Interest paid		(36,031)	(32,564)	(8,788)	(5,777)
Net Cash From/(Used In) Financing Activities		135,180	(108,279)	(23,342)	3,284
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(3,743)	75,114	132	(6,696)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		144,250	69,136	(3,588)	3,108
CASH AND CASH EQUIVALENTS AT END OF YEAR	36	140,507	144,250	(3,456)	(3,588)

Note (i)

During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM1,203,000 (2022: RM2,040,000) and RM87,000 (2022: RM36,000) respectively of which RM325,000 (2022: RMNil) for the Group were acquired under hire-purchase arrangements. Cash payments for the acquisition of property, plant and equipment of the Group and of the Company amounted to RM878,000 (2022: RM2,040,000) and RM87,000 (2022: RM36,000) respectively.

1. GENERAL INFORMATION

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

The principal activities of the subsidiary companies are disclosed in Note 15.

The registered office of the Company is located at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Level 18 & 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 27 October 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the significant accounting policies in Note 3.

The financial statements are presented in Ringgit Malaysia ("RM"), unless otherwise stated, which is the Group's and the Company's functional currency.

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company have adopted a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for current financial year as follows:

Amendments to:

MFRS 3	Reference to Conceptual Framework
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
MFRSs	Annual Improvements to MFRS Standards 2018-2020

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

New MFRS and Amendments to MFRSs in Issue But Not Yet Effective

The new MFRS and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17	Insurance Contracts[1]
Amendments to:	
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9[1]
MFRS 16	Lease Liability in a Sale and Leaseback[2]
MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information[1]
MFRS 101	Classification of Liabilities as Current or Non-current[1]
MFRS 101	Disclosure of Accounting Policies[1]
MFRS 101	Non-current Liabilities with Covenants[2]
MFRS 108	Definition of Accounting Estimates[1]
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
MFRS 112	International Tax Reform - Pillar Two Model Rules[1]
MFRS 121	Lack of Exchangeability[3]
MFRS 7 and MFRS 107	Supplier Finance Arrangements[4]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
[3] Effective date for annual periods beginning on or after 1 January 2025, with earlier application permitted.
[4] Effective date deferred to a date to be determined and announced, with earlier application permitted.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Accounting (cont'd)

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

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

Revenue Recognition

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

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

Revenue 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 customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and 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 customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

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

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

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

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

(i) Property development revenue

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 project 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 costs incurred to date as a percentage of the estimated total costs of development of the project).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

(ii) Sale of completed properties

Revenue from sales of completed properties is recognised at point in time, when control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(iii) Revenue from construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle.

(iv) Management fees

Management fees are recognised when such services are rendered.

(v) Dividend income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flows to the Group and the Company and the amount of revenue can be measured reliably).

(vi) Rental income

Rental income is recognised over the tenure of the rental period of properties.

(vii) Interest income

Interest income is recognised when it is probable that the economic benefits will flows to the Group and the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Equity compensation benefits

Under the Company's Employees' Share Option Scheme ("ESOS"), share options to acquire ordinary shares of the Company are granted to eligible employees and directors of the Group. Details of the Company's ESOS are disclosed in Note 27. The ESOS, an equity-settled share-based compensation plan, allows the Group's employees and directors to acquire ordinary shares of the Company. The total fair value of share options granted to employees and directors is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and takes into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

Foreign Currency

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchanges differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Income Tax

Income tax in profit or loss for the financial year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences as of the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Directors of the Group reviewed the Group's investment properties and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, the Directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment properties based on the expected rate that would apply on disposal of the investment properties.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding or voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and the non-controlling interests. Total comprehensive income of subsidiaries is attributed 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.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Where the Group loses control of a subsidiary company, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combination

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under MFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to the replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured as fair value or, when applicable, on the basis specified in another MFRS.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business Combination (cont'd)

When a business combination is achieved in stages, the Group's previously held interests in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Investments in Subsidiary Companies

Investments in unquoted shares of subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost less impairment losses. When there is an indication of impairment in the value of the investment, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in Associates and Joint Ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of an associate and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investments in Associates and Joint Ventures (cont'd)

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment

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

Capital work-in-progress is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis to write-off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used are as follows:

Buildings - leasehold	Over the lease period
Furniture and fittings	10%
Office equipment	10%
Motor vehicles	20%
Site equipment	10% - 20%
Electrical installations	10%
Computers	20%
Office renovations	10%
Sales gallery	20% - 25%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are recognised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use its incremental borrowing rate.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

The Group and the Company as lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

The Group and the Company as lessee (cont'd)

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'administrative and other expenses' in the statements of profit or loss.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flows projections. Changes in fair value are included in profit or loss in the period in which they arise.

On the disposal of the investment property, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties (cont'd)

Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of change in use becomes its deemed cost for subsequent accounting.

Determination of fair value

Fair value of investment properties is determined based on valuation carried out by an external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued or, based on past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Inventories

(i) Land held for property development

Land held for property development consists of land held for future development on which no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less impairment losses (if any). Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is classified as property development cost under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined on a specific identification basis. Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that meet the definition of inventories are recognised as an asset and stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories (cont'd)

(iii) Completed development units and vacant land for sale

Completed property units and vacant land for sale are valued at the lower of cost (determined on the specific identification basis) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

Contract Assets and Contract Liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

Where there is an objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

Contract Costs

The Group recognise the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

Borrowing Costs

Interest incurred on borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Statement of Cash Flows and Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

For the purposes of the statements of cash flows, cash and cash equivalents include cash and bank balances, fixed deposits with licensed banks, and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as gain or loss.

(b) In all other cases, the difference is deferred and amortised over the life of the instrument or realised fully on settlement.

<u>Financial Assets</u>

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

<u>Classification of financial assets</u>

The Group classifies the financial assets in the following categories:

- at fair value through profit and loss ("FVTPL");
- at fair value through other comprehensive income ("FVTOCI"); or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flows characteristics.

<u>Financial assets measured at amortised cost</u>

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are initially recognised at fair value, and subsequently carried at amortised cost using effective interest rate methods less any accumulated impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The interest income is recognised in profit or loss.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial asset on initial recognition. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, these are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Dividends on these investments in equity instruments are recognised in profit or loss when the right to receive payment of the dividend is established.

Financial assets measured at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These financial assets are initially recorded at fair value and transaction costs is recognised statement of profit or loss. Subsequently, these are measured at fair value, with fair value changes recognised in the statement of profit or loss in the period in which they arise.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Impairment of financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

At each reporting period, the Group and the Company assess whether financial assets carried at amortised cost 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

(i) Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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

(ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Derecognition of financial liabilities

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

Redeemable Preference Shares

The redeemable preference shares are regarded as compound instruments. The component part of compound instruments issued by the Company is classified financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Financial Guarantee Contracts

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

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

- the amount of the obligation under the contract, as determined in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Earnings per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS, if any, is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of warrants and options.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as follows:

(i) Revenue recognition on property development projects

Revenue from property development is recognised 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, which is measured on the basis of the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Significant judgement is required in determining the total expected property development, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process. These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year, as well as assessing the recoverability of the property development projects.

Estimated losses are recognised in full when determined. Property development revenue and costs estimates are reviewed and revised periodically as work progresses.

(ii) Revenue recognition on construction contracts

As revenue from on-going construction contracts is 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 contract construction costs incurred for work performed to date compare to the estimated total contract construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction project and contract cost. Estimated losses are recognised in full when determined. Construction revenue and costs estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

(iii) Classification between investment properties and property, plant and equipment

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for own use for administrative purposes.

If these portions would be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for own use 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.

(iv) Capitalisation of land held for Taman Rimba Kiara Development

Following to the Federal Court's decision to quash the original approved development order, the management has written down certain development expenditures, and continues to capitalise the remaining land and other development expenditures in view that a new development plan has been submitted for relevant authroities' approval. In this case, assumptions and judgements are made by the management in the input used in estimating the amount to be capitalised. The carrying amount of the land held for development at the reporting date and further details are disclosed in Notes 8,14 and 42.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Impairment of non-financial assets

The Group and the Company review the carrying amount of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and results.

(ii) Impairment of trade receivables, other receivables and contract assets - ECL model

The policy for allowance for impairment loss of the Group and of the Company is based on the ECL model as required by MFRS 9. Significant estimate is required in determining the impairment of trade receivables, other receivables and contract assets. Impairment loss is measured based on expected credit loss model is based on assumptions on the risk of default and expected loss rates. The Group and the Company use judgment in making these assumption and selecting the inputs to the ECL based on past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

(iii) Deferred tax assets

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

(iv) Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for the financial reporting purposes. The directors use their judgement in selecting and applying an appropriate valuation technique for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in Note 13.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key Sources of Estimation Uncertainty (cont'd)

(v) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group determines net realisable value based on historical trends and management estimates of future selling pricing. Possible changes in these estimates could result in revisions to the valuation of inventories.

During the year, the management has written down certain completed units to their net realisable value. Further details are disclosed in Note 8 and 21.

(vi) Impairment in investment in subsidiary companies

The Company reviews the carrying amount of its investment in subsidiary companies to determine whether there is an indication that those assets or Cash Generating Unit ("CGU") have suffered an impairment loss. When there is an indication that the carrying amount of an asset or CGU may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset or CGU, being the future economic benefits to be expected from its continued use and ultimate disposal, the Company makes estimates and assumptions that require significant judgements. While the Company believes these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Company's financial position and results.

The carrying amount of investment in subsidiary companies as at the reporting period is RM501,017,000 (2022: RM501,017,000). Further details are disclosed in Note 15.

(vii) Provision for Release of Bumiputera Quota

Provision for release of bumiputera quota is recognized for expected bumiputera quota penalties to be imposed by local authorities. Significant judgement is required in determining the amount of provision to be made. The Group evaluates the amount of provision required based on past experience and industry norm. As at 30 June 2023, the amount for release of bumiputera quota is disclosed in Note 34.

5. REVENUE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from:				
Property development (Note 23)	366,879	367,127	-	-
Construction contracts (Note 23)	427,027	248,463	-	-
Completed properties	31,415	23,182	-	-
Rental income from investment properties	6,576	6,291	-	-
Management fee receivable from joint venture (Note 24)	20	173	-	-
Management fee receivable from subsidiary companies (Note 24)	-	-	13,819	11,272
Others	-	5	-	-
	831,917	645,241	13,819	11,272

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

5. REVENUE (cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Timing of revenue recognition:				
Point in time	31,415	23,182	-	-
Over time	800,502	622,059	13,819	11,272
	831,917	645,241	13,819	11,272

6. COST OF SALES

	The Group	
	2023 RM'000	2022 RM'000
Cost of property development sold	262,207	239,270
Cost of construction contracts	378,835	200,725
Cost of inventories sold	27,093	22,245
Reversal of provision for foreseeable loss (Note 20)	(2,738)	(1,840)
Cost to obtain contract (Note 23)	16,759	10,669
	682,156	471,069

7. FINANCE COSTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on:				
Term loans/Bridging loans	6,441	14,854	-	-
Revolving credits	24,702	11,262	7,921	5,425
Bank overdrafts	2,117	2,036	369	326
Lease liabilities (Note 12 & 33)	264	287	25	26
Hire-purchase	50	84	-	-
Trade facilities	948	1,016	-	-
Others	1,509	3,025	473	-
Amortised cost adjustment on:				
Redeemable preference shares (Note 30)	28,828	28,594	-	-
	64,859	61,158	8,788	5,777

8. (LOSS)/PROFIT BEFORE TAX

(a) (Loss)/Profit before tax is arrived at after (crediting)/charging:

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Gain on disposal of property, plant and equipment	(73)	(421)	(4)	-
Interest income on:				
Fixed deposits	(1,188)	(1,283)	(72)	(63)
Imputed interest	-	-	-	-
Housing development account	(976)	(506)	-	-
Others	(200)	(605)	-	-
Amount owing by subsidiary companies (Note 24)	-	-	(6,409)	(6,613)
	(2,364)	(2,394)	(6,481)	(6,676)
Rental income	(4,217)	(3,578)	-	-
Rental rebates (Note 33)	-	(85)	-	(12)
Distribution income on short-term funds	(14)	(13)	(14)	(13)
Loss/(Gain) on fair valuation of investment in redeemable preference shares (Note 18)	69,369	(32,999)	-	-
Deferred day one loss in profit or loss:				
Redeemable preference shares B (Note 18)	985	1,146	-	-
Redeemable preference shares D (Note 18)	(850)	-	-	-
(Gain)/loss on fair value adjustments of investment properties (Note 13)	(1,246)	5,233	-	-
Allowance for impairment loss:				
Trade receivables (Note 22)	4,043	3,200	-	-
Other receivables (Note 22)	324	2,941	-	-
Reversal of allowance for impairment loss on trade receivables (Note 22)	(46)	(16,685)	-	-
Depreciation of:				
Property, plant and equipment (Note 11)	4,852	8,382	116	149
Right-of-use assets (Note 12)	2,904	3,351	316	441
Reversal of impairment loss in:				
Redeemable preferences shares	-	(4,042)	-	-

(Forward)

8. (LOSS)/PROFIT BEFORE TAX (cont'd)

(a) (Loss)/Profit before tax is arrived at after (crediting)/charging: (cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Write-offs of:				
Land held for property development expenditures (Note 14)	21,016	4,842	-	-
Property, plant and equipment (Note 11)	3	-	3	-
Land held for development (Note 14)	-	6,642	-	-
Write down of long-term leasehold land - proprietor's entitlement to net realisable value (Note 14)	29,400	-	-	-
Write down of completed units to net realisable value	633	-	-	-
Audit fees:				
Statutory	509	485	110	105
Non - audit fees	239	124	167	67
Short term lease rental of premises payable to third party (Note 12)	518	319	207	52
Low-value assets lease rental (Note 12)	5	36	5	18
Dividend income (Note 18)	(58,650)	-	-	-
Gain on lease termination	(106)	-	-	-
Reversal of provision for foreseeable losses (Note 20)	(2,738)	(1,840)	-	-
Provision for release of bumiputera quota (Note 34)	2,812	-	-	-
Derecognition of deferred day one loss (Note 18)	3,228	-	-	-
Government grant received in respect of a project of a subsidiary company	-	(15,904)	-	-

8. (LOSS)/PROFIT BEFORE TAX (cont'd)

(b) Staff costs

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Wages, salaries and bonuses	26,299	30,782	4,474	4,224
Defined contribution plan	2,978	3,137	454	441
Social security contributions	257	214	26	23
EIS contributions	21	20	3	2
	29,555	34,153	4,957	4,690

(c) Directors' remuneration

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Executive directors:				
Salaries and other emoluments	2,720	2,522	2,720	2,522
Defined contribution plan	317	293	317	293
	3,037	2,815	3,037	2,815
Non-executive directors:				
Fees	624	635	384	381
Allowances	42	33	42	33
	666	668	426	414
	3,703	3,483	3,463	3,229

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM158,000 and RM124,000 (2022: RM183,000 and RM126,000), respectively.

9. INCOME TAX EXPENSE

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Estimated tax payable:				
Current	31,456	44,326	806	1,093
(Over)/Underprovision in prior years	(1,028)	4,264	38	(11)
	30,428	48,590	844	1,082
Deferred tax (Note 19):				
Current	(7,243)	8,777	-	-
Overprovision in prior years	(1,529)	(3,648)	-	-
	(8,772)	5,129	-	-
Income tax expense	21,656	53,719	844	1,082

9. INCOME TAX EXPENSE (cont'd)

A reconciliation of income tax expense applicable to (loss)/profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit before tax	(77,171)	129,497	(1,737)	781
Tax expense at the applicable statutory income tax rate of 24% (2022: 24%)	(18,521)	31,079	(417)	188
Tax effects of:				
Expenses not deductible for tax purposes	54,678	29,584	1,223	908
Income not subject to tax	(16,125)	(11,822)	-	(3)
Recognition of deferred tax assets not recognised previously	(55)	(2,050)	-	-
Deferred tax asset not recognised	4,236	5,579	-	-
(Over)/Underprovision in prior years in respect of estimated tax payable	(1,028)	4,264	38	(11)
Overprovision in prior years in respect of deferred tax	(1,529)	(3,648)	-	-
Effect of change in tax rate	-	733	-	-
Income tax expense	21,656	53,719	844	1,082

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unabsorbed capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be recognised. As of 30 June 2023, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances, for which the tax effects have not been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group	
	2023 RM'000	2022 RM'000
Deductible temporary differences arising from:		
Other payables and accrued expenses	3,415	773
Property, plant and equipment	(2,043)	(2,554)
Investment properties	(16,094)	(13,402)
Right-of-use assets	(150)	(1,862)
Lease liabilities	1,146	2,044
Unused tax losses	113,380	99,987
Unabsorbed capital allowances	19,258	16,504
	118,912	101,490

The unused tax losses and unabsorbed capital allowances are subject to the agreement by the tax authorities. The comparative information presented above has been restated to conform with the actual income tax computation submitted to tax authorities. The unabsorbed capital allowances are available indefinitely for offsetting against future taxable profits of the respective subsidiary companies in the Group.

Under the Malaysia Finance Act 2021, the Group's unused tax losses from year of assessment 2018 be allowed to be carried forward for a maximum period of 10 consecutive years of assessment i.e. year of assessment 2028.

9. INCOME TAX EXPENSE (cont'd)

The unused tax losses of the Group will expire as follows:

	2023 RM'000	2022 RM'000
Expiry year of assessment		
Year of assessment 2028	60,611	61,133
Year of assessment 2029	4,513	4,513
Year of assessment 2030	10,713	10,713
Year of assessment 2031	8,451	8,451
Year of assessment 2032	15,215	15,177
Year of assessment 2033	13,877	-
	113,380	99,987

10. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic

The basic (loss)/earnings per ordinary share of the Group has been calculated based on the (loss)/profit attributable to ordinary equity holders of the Company and on the weighted average number of ordinary shares in issue and ranking for dividend during the year as follows:

	The Group	
	2023 RM'000	2022 RM'000
(Loss)/Profit attributable to ordinary equity holders of the Company	(83,286)	76,234

	The Group	
	2023 '000	2022 '000
Weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141

Basic (loss)/earnings per ordinary share:

	The Group	
	2023 Sen	2022 Sen
(Loss)/Profit attributable to ordinary equity holders of the Company	(15.77)	14.43

10. EARNINGS PER ORDINARY SHARE (cont'd)

Diluted

The diluted (loss)/earnings per ordinary share of the Group has been calculated based on the (loss)/profit attributable to ordinary equity holders of the Company and on the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
(Loss)/Profit attributable to ordinary equity holders of the Company	(83,286)	76,234

	The Group	
	2023	**2022**
	'000	**'000**
Weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141
Effects of share option dilution	-	-
Adjusted weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141

Diluted (Loss)/earnings per ordinary share:

	The Group	
	2023	**2022**
	Sen	**Sen**
(Loss)/Profit attributable to ordinary equity holders of the Company	(15.77)	14.43

The assumed conversion of the option has an anti-dilutive effect.

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold building RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Site equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Sales gallery RM'000	Capital work-in-progress RM'000	Total RM'000
Cost											
As of 1 July 2021	5,500	4,585	2,084	10,137	17,488	297	4,673	7,090	10,301	16,303	78,458
Additions	-	5	11	-	128	-	106	-	97	1,693	2,040
Disposal	-	(16)	(26)	(310)	(908)	-	(6)	-	(30)	-	(1,296)
Transfer	-	-	-	-	-	-	-	-	8,931	(8,931)	-
Write-offs (Note 8)	-	(1)	-	(218)	-	-	-	-	(10,095)	-	(10,314)
As of 30 June 2022/1 July 2022	5,500	4,573	2,069	9,609	16,708	297	4,773	7,090	9,204	9,065	68,888
Additions	-	42	10	503	198	-	119	-	331	-	1,203
Disposal	-	(1)	(1)	(999)	-	-	(20)	-	-	-	(1,021)
Write-offs (Note 8)	-	-	-	-	-	-	(35)	-	-	-	(35)
As of 30 June 2023	5,500	4,614	2,078	9,113	16,906	297	4,837	7,090	9,535	9,065	69,035

(Forward)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Leasehold building RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Site equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Sales gallery RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated Depreciation											
As of 1 July 2021	1,000	4,064	1,508	9,319	12,207	296	4,139	5,968	6,451	-	44,952
Charge for the year (Note 8)	100	92	85	368	2,248	1	240	321	4,927	-	8,382
Disposal	-	(8)	(10)	(284)	(908)	-	(6)	-	-	-	(1,216)
Write-offs (Note 8)	-	(1)	-	(218)	-	-	-	-	(10,095)	-	(10,314)
As of 30 June 2022/ 1 July 2022	1,100	4,147	1,583	9,185	13,547	297	4,373	6,289	1,283	-	41,804
Charge for the year (Note 8)	100	83	80	273	1,773	-	179	273	2,091	-	4,852
Disposal	-	(1)	-	(999)	-	-	(16)	-	-	-	(1,016)
Write-offs (Note 8)	-	-	-	-	-	-	(32)	-	-	-	(32)
As of 30 June 2023	1,200	4,229	1,663	8,459	15,320	297	4,504	6,562	3,374	-	45,608
Net book value											
As of 30 June 2023	4,300	385	415	654	1,586	-	333	528	6,161	9,065	23,427
As of 30 June 2022	4,400	426	486	424	3,161	-	400	801	7,921	9,065	27,084

(Forward)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Cost						
As of 1 July 2021	760	374	1,661	1,276	1,187	5,258
Additions	5	2	-	29	-	36
As of 30 June 2022/1 July 2022	765	376	1,661	1,305	1,187	5,294
Additions	42	4	-	41	-	87
Disposal	-	-	-	(3)	-	(3)
Write-offs (Note 8)	-	-	-	(5)	-	(5)
As of 30 June 2023	807	380	1,661	1,338	1,187	5,373
Accumulated depreciation						
As of 1 July 2021	531	259	1,660	1,136	1,104	4,690
Charge for the year (Note 8)	34	18	-	72	25	149
As of 30 June 2022/1 July 2022	565	277	1,660	1,208	1,129	4,839
Charge for the year (Note 8)	33	17	-	41	25	116
Disposal	-	-	-	(3)	-	(3)
Write-offs (Note 8)	-	-	-	(2)	-	(2)
As of 30 June 2023	598	294	1,660	1,244	1,154	4,950
Net book value						
As of 30 June 2023	209	86	1	94	33	423
As of 30 June 2022	200	99	1	97	58	455

Included in property, plant and equipment of the Group and of the Company are fully depreciated property, plant and equipment with a cost of RM32,603,000 (2022: RM26,919,000) and RM5,665,000 (2022: RM4,250,000) respectively, which are still in use.

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of RM1,291,000 (2022: RM1,055,000).

12. RIGHT-OF-USE ASSETS

	The Group RM'000	The Company RM'000
Cost		
At 1 July 2021	13,213	1,162
Additions	286	-
Disposal (Note (d))	(2,116)	-
At 30 June 2022/1 July 2022	11,383	1,162
Additions	4,944	543
Disposal (Note (d))	(1,767)	-
Write-off (Note (e))	(3,185)	-
At 30 June 2023	11,375	1,705
Accumulated depreciation		
At 1 July 2021	7,164	541
Charge for the year (Note 8)	3,351	441
Disposal (Note (d))	(2,116)	-
At 30 June 2022/1 July 2022	8,399	982
Charge for the year (Note 8)	2,904	316
Disposal (Note (d))	(1,767)	-
Write-off (Note (e))	(2,426)	-
At 30 June 2023	7,110	1,298
Carrying amount		
At 30 June 2023	4,265	407
At 30 June 2022	2,984	180

(a) The Group and the Company lease several office buildings and sales galleries. The average lease term of the Group and the Company is 2 to 5 years and 2 to 3 years (2022: 2 to 5 years and 2 to 3 years) respectively.

(b) In the current financial year, amounts recognised in profit and loss are as below:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amounts recognised in profit and loss				
Depreciation of right-of-use assets (Note 8)	2,904	3,351	316	441
Interest expense on lease liabilities (Note 7)	264	287	25	26
Expenses relating to short-term leases (Note 8)	518	319	207	52
Expenses relating to leases of low-value assets (Note 8)	5	36	5	18

(c) During the year, the total cash outflow for leases for the Group and the Company amounted to RM3,228,000 (2022: RM3,662,000) and RM352,000 (2022: RM493,000) respectively (Note 33).

(d) Disposal represents right-of-use asset for which lease term was expired during the year.

(e) Write-off represents right-of-use asset which was early terminated and lease agreement was derecognised during the year.

13. INVESTMENT PROPERTIES

The Group	At fair value		
	Freehold properties RM'000	Long-term leasehold properties RM'000	Total RM'000
As of 1 July 2021	54,065	156,565	210,630
Fair value adjustments (Note 8)	-	(5,233)	(5,233)
Transfer from property Tdevelopment costs (Note 20) (Note (d))	2,784	-	2,784
As of 30 June 2022	56,849	151,332	208,181
As of 1 July 2022	56,849	151,332	208,181
Fair value adjustments (Note 8)	1,524	(278)	1,246
Additions	12,000	278	12,278
As of 30 June 2023	70,373	151,332	221,705

(a) **Investment properties**

At fair value

The fair values of the Group's investment properties as of 30 June 2023 have been arrived at by the directors based, among others, on valuations performed by the independent valuers that are not related to the Group using the comparison method of valuation and current prices in an active market for similar properties.

The fair values of the Group's investment properties are classified as a Level 3 fair value item for the purposes of fair value hierarchy disclosure.

The following table shows the significant unobservable input used in the valuation model:

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Freehold properties	Sale price of comparable land and buildings	The higher the sale price of comparable land and buildings, the higher the fair value
Long-term leasehold properties	Sale price of comparable land and buildings	The higher the sale price of comparable land and buildings, the higher the fair value

(b) **Investment properties pledged as securities**

As of 30 June 2023, the freehold property and long-term leasehold properties of the Group amounting to RM162,142,000 (2022: RM146,800,000), are charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

13. INVESTMENT PROPERTIES (cont'd)

(c) The following are recognised in profit or loss in respect of investment properties:

	The Group	
	2023 RM'000	2022 RM'000
Rental income	(9,139)	(8,002)
Direct operating expenses	3,786	3,506

(d) In the previous year, the Group has recognised a fair value loss of RM16,000 on transfer of property development costs to investment properties.

14. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2023 RM'000	2022 RM'000
At beginning of year:		
Freehold land - at cost	14,995	11,458
Long-term leasehold land - at cost	127,011	125,784
Long-term leasehold land - proprietor's entitlement	404,767	404,767
Development expenditure	124,747	133,597
	671,520	675,606
Additions during the year:		
Freehold land - at cost	-	3,537
Long-term leasehold land - at cost	-	1,227
Development expenditure	6,576	2,634
	6,576	7,398
Development expenditure written off (Note 8)	(21,016)	(4,842)
Development expenditure reclassified to other receivables (Note (c))	(22,652)	-
Write down of long-term leasehold land - proprietor's entitlement to net realisable value (Note 8)	(29,400)	-
Derecognition of long-term leasehold land - proprietor's entitlement (Note 42(d))	(68,200)	-
Write down of long-term leasehold land at cost to net realisable value (Note 8)	-	(6,642)
At end of year:		
Freehold land - at cost	14,995	14,995
Long-term leasehold land - at cost	127,011	127,011
Long-term leasehold land - proprietor's entitlement	307,167	404,767
Development expenditure	87,655	124,747
	536,828	671,520

14. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

(a) Certain long-term leasehold land of the Group amounting to RM199,316,000 (2022: RM197,016,000) are charged to licensed bank for credit facilities granted to the Group as mentioned in Note 31.

(b) The title deeds in respect of the long-term leasehold land - proprietor's entitlement are not registered under the subsidiary companies' names as these title deeds will be transferred directly to purchasers upon sale of the properties.

(c) Pursuant to the Joint Venture Agreement ("JVA") dated 7 April 2014, Yayasan Wilayah Persekutuan ("Yayasan WP"), a third party, was required to deliver vacant possession of a parcel of long-term leasehold land to Memang Perkasa Sdn Bhd ("MPSB"), a 51% owned subsidiary company, for development. All the development costs shall be borne by MPSB. MPSB is entitled to the gross development value of the development less Yayasan WP's entitlement of RM160,000,000 in accordance with the terms of JVA.

Included in land held for property development arising from acquisition of subsidiary company is long-term leasehold land proprietor's entitlement amounting to RM91,800,000 (2022: RM160,000,000), of which RMNil (2022: RM68,200,000) (Note 34(b)) is payable to Yayasan WP upon the fulfilment of conditions precedent pursuant to the JVA.

On 11 August 2017, Perbadanan Pengurusan Trellises and 9 Others ("the Applicants") had filed a Judicial Review against Datuk Bandar Kuala Lumpur and Dewan Bandaraya Kuala Lumpur ("DBKL"), Yayasan WP and MPSB, a wholly owned subsidiary company of the Company, for the following orders:

(i) An Order of Certiorari to quash the decision of DBKL to grant a conditional planning approval dated 28 February 2017 for the proposed development on the Land;

(ii) (ii) An Order for Certiorari to quash the decision of DBKL to grant a Development Order dated 13 July 2017 in relation to the proposed development mentioned in paragraph (i) above; and

(iii) An Order on Mandamus for DBKL to adopt the draft Kuala Lumpur local plan 2021 and to publish the said adoption in the gazette pursuant to Section 16 of the Federal Territory (Planning Act) 1982.

On 15 November 2017, the Kuala Lumpur High Court allowed Yayasan WP and MPSB's application to intervene and be added as the 3rd and 4th Respondents in the Judicial Review proceeding.

Subsequently, the Applicants withdrew their claim against DBKL.

On 28 November 2018, the Kuala Lumpur High Court ruled that the Development Order dated 13 July 2017 issued by DBKL was valid. The Judicial Review Application was accordingly dismissed with costs. The Applicants appealed to the Court of Appeal against the decision of the Kuala Lumpur High Court on 28 November 2018.

On 27 January 2021, the Court of Appeal delivered its decision and handed down the following Orders:

(i) That the Applicants' Appeal was unanimously allowed with costs;

(ii) That the decision of the High Court dated 28 November 2018 was set aside; and

(iii) That an Order of Certiorari be granted quashing the decision of the DBKL in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land.

14. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

On 23 February 2021, MPSB filed a Notice of Motion for Leave to Appeal to the Federal Court and the Federal Court had on 1 September 2021 allowed the application by MPSB to appeal against the decision of the Court of Appeal. The Notice of Appeal was filed in the Federal Court on 14 September 2021.

The Appeal was heard by the Federal Court on 22 and 28 of April 2022 and 25 to 27 July 2022.

On 18 April 2023, the Federal Court upheld the decision of the Court of Appeal of 27 January 2021 which granted an order of certiorari quashing the decision of the DBKL in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land with costs of RM70,000.00 to be paid by MPSB to the 6th to 10th Respondents comprise residents and property owners in Taman Tun Dr. Ismail, Kuala Lumpur.

Subsequent to the decision of the Federal Court, MPSB has then applied for a refund of RM22,652,000 from the authorities for development charges, deposits and other contributions incurred in view of the development order dated 13 July 2017 that has become defective, and includes this as other receivables in Note 22.

Barring unforeseen circumstances and facts as explained above, the management has further written off development expenditure amounting to RM21,016,000 during the year.

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	515,493	515,493
Less: Accumulated impairment loss	(14,476)	(14,476)
	501,017	501,017
Accumulated impairment losses		
At beginning of year	14,476	14,843
Write-off during the year	-	(367)
At end of year	14,476	14,476

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows:

Name	Country of incorporation	Proportion of ownership interest and voting power 2023 %	2022 %	Principal activities
Direct Subsidiary Companies				
Khuan Choo Realty Sdn Bhd	Malaysia	100	100	Investment in property, investment holding, and provision of management services
Bukit Rimau Development Sdn Bhd	Malaysia	100	100	Property development
Domain Resources Sdn Bhd	Malaysia	100	100	Construction, project management, consultancy services and property trading
Domain Stable Construction Sdn Bhd	Malaysia	100	100	Property development
Pembinaan Gapadu Sdn Bhd	Malaysia	100	100	Property development
Regal Marvel Capital Sdn Bhd	Malaysia	100	100	Investment holding and provision of treasury and fund management services
Khuan Choo Property Management Sdn Bhd	Malaysia	100	100	Property development and property management
Malton Development Sdn Bhd	Malaysia	100	100	Property development
Kumpulan Gapadu Sdn Bhd	Malaysia	100	100	Property development and investment holding
Layar Raya Sdn Bhd	Malaysia	100	100	Property development
Ehsan Armada Sdn Bhd	Malaysia	100	100	Property development
Macorp Sdn Bhd	Malaysia	100	100	Investment holding
Memang Perkasa Sdn Bhd	Malaysia	51	51	Property development

(Forward)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation	Proportion of ownership interest and voting power 2023 %	2022 %	Principal activities
Indirect Subsidiary Companies (Held through Khuan Choo Realty Sdn Bhd)				
Asia-Condo Corporation Sdn Bhd	Malaysia	100	100	Property development and investment
Gapadu Development Sdn Bhd	Malaysia	100	100	Property development
Gapadu Harta Sdn Bhd	Malaysia	100	100	Property development
Khuan Choo Development Sdn Bhd	Malaysia	100	100	Property development
Horizontal Promenade Sdn Bhd	Malaysia	100	100	Property development
Rentak Sejati Sdn Bhd	Malaysia	100	100	Property development
Silver Setup Sdn Bhd	Malaysia	100	100	Property development and investment holding
World East Hotel Sdn Bhd	Malaysia	100	100	Dormant
Khuan Choo Sdn Bhd	Malaysia	100	100	Property trading and property development
Melariang Sdn Bhd	Malaysia	100	100	Property development and investment holding
Ambang Suriamas Sdn Bhd	Malaysia	100	100	Dormant
Indirect Subsidiary Companies (Held through Domain Resources Sdn Bhd)				
Domain Property Services Sdn Bhd	Malaysia	100	100	Property management services
Domain EPC Sdn Bhd	Malaysia	100	100	Project management services
DMP Construction Sdn Bhd	Malaysia	100	100	Dormant
Domain Project Management Sdn Bhd	Malaysia	100	100	Dormant
Indirect Subsidiary Company (Held through Silver Setup Sdn Bhd)				
Silver Quest Development Sdn Bhd	Malaysia	100	100	Property development

(Forward)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation	Proportion of ownership interest and voting power 2023 %	2022 %	Principal activities
Indirect Subsidiary Company (Held through Melariang Sdn Bhd)				
Interpile (M) Sdn Bhd	Malaysia	100	100	Property development
Indirect Subsidiary Company (Held through Kumpulan Gapadu Sdn Bhd)				
Pioneer Haven Sdn Bhd	Malaysia	100	100	Property development

All subsidiary companies above are audited by Deloitte PLT, Malaysia.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Country of incorporation	Number of wholly-owned subsidiaries 2023	2022
Property development	Malaysia	18	18
Construction contracts	Malaysia	3	3
Property trading	Malaysia	1	1
Investment holding	Malaysia	4	4
Dormant	Malaysia	4	4

Principal Activity	Country of incorporation	Number of non-wholly-owned subsidiaries 2023	2022
Property development	Malaysia	1	1

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of non-wholly owned subsidiary companies that have material non-controlling interests are as follows:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests (Note 29)	
		2023	2022	2023	2022	2023	2022
		%	%	RM'000	RM'000	RM'000	RM'000
Memang Perkasa Sdn Bhd ("MPSB")	Malaysia	49	49	(15,541)	(456)	2,019	17,560

(Forword)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations:

	2023 RM'000	2022 RM'000
MPSB		
Statement of financial position		
Non-current asset	121,368	236,397
Current assets	23,099	912
Current liabilities	(138,341)	(199,466)
Total equity	(6,126)	(37,843)
Statement of profit or loss and other comprehensive income		
Administrative expenses	(21,146)	(930)
Finance cost	(10,571)	-
Loss before tax	(31,717)	(930)
Income tax expense	-	-
Loss for the year	(31,717)	(930)

16. INVESTMENT IN ASSOCIATED COMPANIES

	The Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	23,400	*
Share in post-acquisition reserves	(378)	-
	23,022	-

* The cost of investment is RM45 as of 30 June 2022.

<u>2023</u>

Acquisition of associated company

On 8 July 2022, Ambang Suriamas Sdn Bhd, a wholly-owned indirect subsidiary of the Company, acquired 50% of the issued and paid-up ordinary share capital of Kristaljaya Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM23,400,000.

Disposal of associated company

On 25 July 2022, Khuan Choo Sdn Bhd, a wholly-owned indirect subsidiary of the Company, disposed 45% of the issued and paid-up ordinary share capital of Reliance Star Limited for a total cash consideration of RM45.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

16. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The summarized unaudited financial statements of the associated companies is set out below:

	2023 RM'000	2022 RM'000
Assets and Liabilities		
Total assets	88,207	2
Total liabilities	(59,221)	(3,030)
Net assets/(liabilities)	28,986	(3,028)
Group's share of net assets	14,493	-
Goodwill	8,529	-
Group's share of net assets at associated companies	23,022	-
Results		
Total revenue	-	-
Loss for the financial year	(756)	-
Group's share of loss for the financial year	(378)	-

The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Company when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

The details of the associated companies are as follows:

Name	Country of incorporation	Proportion of ownership interest and voting power 2023 %	2022 %	Principal activities
Indirect Associated Company (Held through Ambang Suriamas Sdn Bhd)				
Kristaljaya Sdn Bhd *@^	Malaysia	50	-	Property development
Indirect Associated Company (Held through Khuan Choo Sdn Bhd)				
Reliance Star Limited ^	British Virgin Islands	-	45	Investment holding
Indirect Associated Company (Held through Reliance Star Limited)				
Perfect Express Global Ltd ^	British Virgin Islands	-	45	Investment holding
Indirect Associated Company (Held through Perfect Express Global Ltd)				
Inai Berkat Sdn Bhd *@	Malaysia	-	45	Investment holding

* The financial statements of the associated company are audited by auditors other than the auditors of the Company.
@ The financial year end of the associated company is 31 December.
^ The financial statements of these associated companies are examined for the purpose of equity accounting.

17. INVESTMENT IN JOINT VENTURES

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At cost	102	102
Unquoted ordinary shares, at cost	102	102
Deferred day one loss on RPS-D (Note 18)	4,992	2,787
	5,094	2,889
Share in post-acquisition reserves	(5,094)	28,358
	-	31,247
Share in post-acquisition reserves:		
At beginning of the year	28,358	(1,346)
Share of results for the year	(33,452)	29,704
At end of the year	(5,094)	28,358

Investment in joint ventures represents investment in Amberstraits Sdn Bhd ("ASB") and Regal Path Sdn Bhd ("RPSB").

As at 30 June 2023, the effective equity interest of the Group in ordinary share capital of ASB and RPSB is 51%.

However, pursuant to the Amberstraits Shareholders' Agreement dated 25 September 2019 entered between ASB, Khuan Choo Realty Sdn Bhd ("KCRSB") and Jelang Tegas Sdn Bhd ("JTSB"), KCRSB and JTSB had a joint control over ASB as all Board Reserve Matters and Shareholder Reserve Matters require the unanimous approval of JTSB and KCRSB.

Further, pursuant to the Regal Path Shareholders' Agreement dated 10 October 2019 entered between KCRSB, JTSB, Q PBJ Sdn Bhd ("QPBJ"), ASB and RPSB, KCRSB, JTSB and QPBJ had a joint control over RPSB as all Board Reserve Matters and Shareholder Reserve Matters require the unanimous approval of KCRSB, JTSB and QPBJ. On 2 June 2023, subsequent to the redemption of redeemable preference share by QPBJ, QPBJ is no long having interest by way of RPS in RPSB and RPSB revised its constitution. KCRSB and JTSB continue to have joint control over RPSB as all Board Reserve Matters and Shareholder Reserve Matters require the unanimous approval of KCRSB and JTSB only. Accordingly, management believed that the Group had lost the control over ASB and RPSB as a holding company and therefore, investments in ASB and RPSB were then recognised as investment in joint ventures.

ASB and RPSB were assessed as a separate vehicles that have rights to their assets, and obligations for the liabilities, relating to the joint arrangement. KCRSB and JTSB only have the joint arrangement with rights to the net assets of the arrangement. Therefore, investments in ASB and RPSB have been treated as investment in joint ventures.

17. INVESTMENT IN JOINT VENTURES (cont'd)

The summarised financial information of the significant joint venture is as follows:

	2023 RM'000	2022 RM'000
Assets and Liabilities		
Total assets	636,451	2,298,089
Total liabilities	(655,222)	(2,236,820)
Net (liabilities)/assets	(18,771)	61,269
Group's share of net (liabilities)/assets of joint venture	(9,573)	31,247
Results		
Total revenue	104,978	42,551
(Loss)/Profit for the financial year	(83,627)	101,396
Group's share of (loss)/profit recognised during the financial year	(33,452)	51,712
Unrecognised Group's share of loss during the financial year	(9,198)	-

The Group has not recognised loss relating to RPSB where its unrecognised share of loss amounting to RM9,198,000 exceeds the Group's interest in this joint venture. The Group has no obligation in respect of this loss.

18. OTHER INVESTMENTS

	The Group 2023 RM'000	2022 RM'000
Transferable golf and country club memberships - at cost	245	245
Redeemable preference shares ("RPS") - B	183,877	275,309
Redeemable preference shares ("RPS") - D	19,112	10,294
	203,234	285,848

18. OTHER INVESTMENTS (cont'd)

The movement of RPS-B carried at FVTPL as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Balance as at 1 July	271,096	199,017
Less : Redeemable preference shares redeemed	(17,850)	-
Add: Redeemable preference shares subscribed	-	40,331
Less : Deferred day one loss	-	(1,251)
	(17,850)	39,080
Fair value (loss)/gain (Note 8)	(69,369)	32,999
	(87,219)	271,096
Add: Deferred day one loss	-	4,213
Balance as at 30 June	183,877	275,309

The movement of deferred day one loss as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Balance as at 1 July	(4,213)	(4,108)
Deferred day one loss recognised in profit or loss during the year (Note 8)	985	1,146
Deferred day one loss on new RPS-B subscribed during the year	-	(1,251)
Derecognition of deferred day one loss	3,228	-
Balance as at 30 June	-	(4,213)

18. OTHER INVESTMENTS (cont'd)

The movement of RPS-D carried at amortised cost as follows:

	The Group	
	2023 RM'000	2022 RM'000
Balance as at 1 July	10,294	4,042
Add: Redeemable preference shares subscribed	10,173	7,795
Less: Deferred day one loss (Note 17)	(2,205)	(1,543)
	7,968	6,252
	18,262	10,294
Deferred day one loss recognised in profit or loss during the year (Note 8)	850	-
	19,112	10,294

RPS-D are initially recognised at its fair value on the respective transacted dates. The difference between the consideration paid and fair value at transacted dates has been recognised as an increase to the cost of investment in joint venture. The Group recognises impairment losses based on expected credit losses ("ECL") model using the general approach, which measures the impairment losses at an amount equal to 12-month ECL.

During the year, the Group has subscribed to RPS-D of RM10,173,247 (2022: RM7,795,012) issued by Regal Path Sdn Bhd ("RPSB"), a joint venture entity. On 28 June 2023, the Group redeemed part of the RPS-B by way of Optional Redemption (as disclosed in the amended salient features of RPS-B below). 17,850,000 RPS-B was redeemed at a redemption amount of RM1.00 each, by way of cash, at a total cash redemption of RM17,850,000 together with payment of RPS-B Final Dividend of RM58,650,000 by way of cash.

On 2 June 2023, the RPSB amended its Constitution to effect changes in the salient features of RPS-B as disclosed below.

The salient features including the amendments with effect from 2 June 2023 of the RPS-B are as follows:

(i) The RPS-B shall have no voting rights, save for the right of a holder of a RPS-B to one vote per RPS-B held at a meeting of RPSB on a resolution to vary any right attached to RPS-B, the holders of RPS-B shall vote as a class of their own. All issued and outstanding RPS-B shall be deemed to form a single class of shares in RPSB.

(ii) The RPS-B entitle the holders to annual cumulative preferential dividend payable in cash at the rate of seven percent (7.0%) per annum calculated based on the issue price of RM1.00 per RPS-B which will be accrued until the RPS-B are redeemed ("RPS Preference Dividend"). With effect from 2 June 2023, the RPS Preference Dividend will be accrued until 1 June 2023 ("the Stop Date").

(iii) With effect from 2 June 2023, the RPS-B entitled the holder to further dividend of three percent (3.0%) per annum ("Further Dividend) in respect of each outstanding RPS-B provided that RPS-B Final Dividend Amount has been repaid in full by RPSB and that RPSB has sufficient available profits at the financial year end to meet the payment of entire Further Dividend.

18. OTHER INVESTMENTS (cont'd)

(iv) RPS-B are redeemable in the following events:

(a) Optional Redemption (may be effected by RPSB at any time); or

(b) Early Redemption (upon the occurrence of an Asset Sale Event - a sale, conveyance or other disposition, directly or indirectly, of the Pavilion Bukit Jalil Mall by RPSB where the proceeds received by RPSB from such sale, conveyance or disposition are sufficient to pay the aggregate redemption amounts of RPS-A, RPS-B and RPS-C issued by RPSB and RPS-D, RPS-A2 and RPS-B2 if issued by RPSB). This Early Redemption option is not applicable with effect from 2 June 2023; or

(c) Mandatory Redemption (on the seventh (7th) anniversary of the issue date of the first tranche of RPS-A. However, RPS-A holders have the option to postpone the mandatory redemption date of both RPS-A and RPS-B by one (1) calendar year by delivering a written notice to RPSB on or before the sixth (6th) anniversary of the issue date of the first tranche of RPS-A.) With effect from 2 June 2023, the mandatory redemption date has been fixed on 10 October 2026 ("the Final Redemption Date"); or

(d) Reinvestment (as set out in (vii) below) (effected by RPS-A holders serving a reinvestment notice to RPSB). This Reinvestment option is not applicable with effect from 2 June 2023.

(v) In the event of an Optional Redemption of RPS-B:

(a) RPSB to the extent permitted by applicable law, declare and pay to each RPS-B holders the sum of all the accrued and unpaid RPS Preference Dividend plus an amount that would result in the RPS-B holders achieving an IRR of 12% in respect of such RPS-B after taking into account and without double counting, all accrued and unpaid RPS Preference Dividend, plus the aggregate of the RPS-B Cash Flows1 received by the RPS-B holders in respect of such RPS-B (collectively referred to as "RPS-B Final Dividend Amount"). With effect from 2 June 2023, the IRR of 12% ended on the Stop Date and RPSB may at any time give a Redemption Notice under option to pay the RPS-B Final Dividend.

[1] RPS-B Cash Flows, in relation to each RPS-B, means:

- dividends (including RPS Preference Dividend), interests and distribution received by RPS-B holders; plus
- moneys received by RPS-B holders on the redemption or any return of capital; plus
- the proportional RPS-D redemption amount received by the relevant RPS-B holders in respect of such RPS-B.

(b) RPSB shall redeem all of the RPS-B outstanding for an amount equal to the RPS-B Redemption Amount for every one RPS-B held.

[2] RPS-B Redemption Amount, means:

- RPSB is permitted to declare and pay the RPS-B Final Dividend Amount in full, the RPS-B Issue Price, or
- where, RPSB does not have sufficient distributable profits to permit the declaration and payment in full of the RPS-B Final Dividend Amount, the sum of RPS-B Issue Price plus an amount not exceeding the RPS-B Final Dividend Amount that RPSB is unable to pay as dividends.

(Forward)

18. OTHER INVESTMENTS (cont'd)

(vi) In the event of a Mandatory Redemption of RPS-B:

RPSB shall pay the RPS-B Final Dividend Amount and the RPS-B Redemption Amount in the manner set out in (iv)(a) and (iv)(b) above. Each RPS-B holder shall also pay to RPSB an amount equal to the RPS-B issue price of RM1.00 for every one RPS-B held to concurrently subscribe for one ordinary share in RPSB.

Provided always that if RPS-A holders deliver a written notice to RPSB by no later than thirty (30) days prior to the sixth (6th) anniversary of the issue date of the first tranche of RPS-A (or seventh (7th) anniversary if the mandatory redemption date of both RPS-A and RPS-B is extended by one (1) calendar year), indicating that they do not intend to subscribe for ordinary shares in RPSB, RPSB shall only be required to declare a final dividend and redeem each outstanding RPS-B in cash without the relevant RPS-B holders subscribing for ordinary shares in RPSB.

(vii) The rights attached to the RPS-B may only be varied or abrogated with the consent in writing of the RPS-B holders of at least seventy-five percent (75%) of the issued RPS-B respectively, and may be so varied or abrogated either whilst RPSB is a going concern or during or in contemplation of a winding-up.

The salient features of the RPS-D are as follows:

(i) The RPS-D shall have no voting rights, save for the right of a holder of a RPS-D to one vote per RPS-D held at a meeting of the Company on a resolution to vary any right attached to RPS-D, the holders of RPS-D shall vote as a class of their own. All issued and outstanding RPS-D shall be deemed to form a single class of shares in the Company.

(ii) The RPS-D does not confer on its holder the right to receive any specific dividend or other distribution.

(iii) RPS-D are redeemable in the following events:

(a) Optional Redemption (may be effected by RPSB at any time); or

(b) Early Redemption (upon the occurrence of an Asset Sale Event – a sale, conveyance or other disposition, directly or indirectly, of the Pavilion Bukit Jalil Mall by RPSB). Where the proceeds received by RPSB from such sale, conveyance or disposition are sufficient to pay the aggregate redemption amounts of RPS-A, RPS-B and RPS-C issued by RPSB and RPS-D, RPS-A2 and RPS-B2 if issued by RPSB). Early Redemption is not applicable with effect from 2 June 2023.

(c) Mandatory Redemption (on the seventh (7th) anniversary of the issue date of the first tranche of RPS-A. However, RPS-A holders has the option to postpone the mandatory redemption date of both RPS-A and RPS-B by one (1) calendar year by delivering a written notice to RPSB on or before the sixth (6th) anniversary of the issue date of the first tranche of RPS-A).With effect from 2 June 2023, the mandatory redemption date has been fixed on 10 October 2026 ("the Final Redemption Date")

(iv) The rights attached to the RPS-D may only be varied or abrogated with the consent in writing of the RPS-D holders of at least seventy-five percent (75%) of the issued RPS-D respectively, and may be so varied or abrogated either whilst RPSB is a going concern or during or in contemplation of a winding-up.

(v) RPS-D holders are entitled to a Redemption Amount equivalent to RM1.00.

19. DEFERRED TAX ASSETS/(LIABILITIES)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	18,727	17,587	82	82
Deferred tax liabilities	(49,969)	(57,601)	(12)	(12)
	(31,242)	(40,014)	70	70

The deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

The Group 2023	**At beginning of year RM'000**	**Recognised in profit or loss (Note 9) RM'000**	**At end of year RM'000**
Deferred tax liabilities:			
Property development cost	(57,600)	7,632	(49,968)
Investment properties	(3,583)	3,583	-
Property, plant and equipment	(596)	(398)	(994)
Right-of-use assets	-	(295)	(295)
	(61,779)	10,522	(51,257)
Deferred tax assets:			
Unused tax losses	2,093	967	3,060
Property development cost	7,594	3,668	11,262
Other payables and accrued expenses	2,521	(1,566)	955
Unabsorbed capital allowances	3,629	(3,602)	27
Property, plant and equipment	1,619	(1,619)	-
Lease liabilities	58	257	315
Others	4,251	145	4,396
	21,765	(1,750)	20,015
	(40,014)	8,772	(31,242)

19. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following: (cont'd)

The Group 2022	**At beginning of year RM'000**	**Recognised in profit or loss (Note 9) RM'000**	**At end of year RM'000**
Deferred tax liabilities:			
Property development cost	(57,600)	-	(57,600)
Investment properties	(3,503)	(80)	(3,583)
Property, plant and equipment	(609)	13	(596)
Right-of-use assets	(701)	701	-
	(62,413)	634	(61,779)
Deferred tax assets:			
Unused tax losses	4,176	(2,083)	2,093
Property development cost	5,515	2,079	7,594
Redeemable preference shares	4,656	(4,656)	-
Other payables and accrued expenses	1,636	885	2,521
Unabsorbed capital allowances	3,177	452	3,629
Property, plant and equipment	1,026	593	1,619
Lease liabilities	712	(654)	58
Others	6,630	(2,379)	4,251
	27,528	(5,763)	21,765
	(34,885)	(5,129)	(40,014)

The Company	**At beginning of year RM'000**	**Recognised in profit or loss (Note 9) RM'000**	**At end of year RM'000**
2023			
Deferred tax liabilities:			
Property, plant and equipment	(12)	-	(12)
Deferred tax assets:			
Other payables and accrued expenses	77	-	77
Right-of-use assets	5	-	5
	70	-	70
2022			
Deferred tax liabilities:			
Property, plant and equipment	(6)	(6)	(12)
Deferred tax assets:			
Other payables and accrued expenses	62	15	77
Right-of-use assets	14	(9)	5
	70	-	70

20. PROPERTY DEVELOPMENT COSTS

	The Group 2023 RM'000	The Group 2022 RM'000
At beginning of year:		
Freehold land - at cost	-	4,970
Freehold land - proprietor's entitlement	10,250	385,705
Long-term leasehold land - at cost	7,057	7,039
Long-term leasehold land - proprietor's entitlement	209,082	253,847
Development expenditure	382,021	2,030,854
	608,410	2,682,415
Additions during the year:		
Freehold land - proprietor's entitlement	-	5,148
Long-term leasehold land - at cost	672	18
Long-term leasehold land - proprietor's entitlement	19,075	1,701
Development expenditure	273,090	185,072
	292,837	191,939
Cumulative costs realisable as an expense in profit or loss:		
Previous years	(268,275)	(2,233,363)
Current year	(260,952)	(239,270)
Closed out due to completion of projects	58,298	2,204,358
	(470,929)	(268,275)
Costs closed out during the year due to completion of projects	(58,298)	(2,204,358)
Provision for foreseeable losses:		
Previous years	(2,738)	(4,578)
Current year (Note 6 & 8)	2,738	1,840
	-	(2,738)
Transfer to investment properties	-	(2,800)
Transfer to inventories	(2,864)	(58,786)
At end of year	369,156	337,397

(Forward)

20. PROPERTY DEVELOPMENT COSTS (cont'd)

(a) The title deeds in respect of the freehold and long-term leasehold land - proprietor's entitlement are not registered under the subsidiary companies' names as these title deeds will be transferred directly to purchasers upon sale of the properties.

(b) Certain freehold land - proprietor's entitlement and long-term leasehold land - proprietor's entitlement of the Group under property development amounting to RMNil (2022: RM4,582,000) and RM94,658,000 (2022: RM79,758,000), respectively are charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

(c) Pursuant to the Joint Development Agreement ("JDA") dated 16 March 2010, and the Supplemental Agreement dated 3 July 2012 ("SA"), Bukit Jalil Development Sdn Bhd ("BJDSB"), a third party, was required to deliver vacant possession of a parcel of freehold land measuring approximately 50 acres to PHSB for development. All the development costs shall be borne by PHSB. PHSB is entitled to 82% of the gross development value of the development, whereas BJDSB is entitled to 18% of the gross development value of the development provided that the total entitlement of BJDSB should not be lesser than RM220,000,000 in accordance with the terms of the JDA and the SA.

Included in property development costs is freehold land proprietor's entitlement amounting to RM10,250,000 (2022: RM10,080,000). As at year end, amount of RM10,568,000 (2022: RM38,122,000) (Note 34(c)) is payable to BJDSB, a third party. The directors have recognised the said proprietor's entitlement progressively in respect of the completed developments and on-going development projects, pursuant to the JDA and the SA.

(d) Pursuant to the Joint Venture Agreement ("JVA") dated 3 January 2012, Gagasan Matrik Sdn Bhd ("GMSB"), a third party, was required to deliver vacant possession of a parcel of long-term leasehold land to Kumpulan Gapadu Sdn Bhd ("KGSB"), a wholly-owned subsidiary company, for development. All the development costs shall be borne by KGSB. KGSB is entitled to the gross development value of the development less GMSB's entitlement of RM102,000,000 in accordance with the terms of the JVA.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM102,000,000 (2022: RM102,000,000), of which RM5,372,000 (2022: RM5,372,000) (Note 34(b)) is payable to GMSB, a third party.

(e) In 2012, Malton Development Sdn Bhd ("MDSB"), a wholly-owned subsidiary company, entered into a Joint Venture Agreement ("JVA") with Virtue Court Sdn Bhd ("VCSB"), a third party. Pursuant to the JVA and a Supplemental Agreement dated 5 May 2014 ("SA"), VCSB is required to deliver vacant possession of a parcel of a long-term leasehold land measuring approximately 19,859 square meters to MDSB for development. All the development costs shall be borne by MDSB. MDSB is entitled to the gross development value of the development less VCSB's entitlement of RM74,800,000 in accordance with the terms of the JVA and the SA.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM74,800,000, (2022: RM74,800,000) of which RM226,000 (2022: RM226,000) (Note 34(b)) is payable to VCSB.

20. PROPERTY DEVELOPMENT COSTS (cont'd)

(f) In 2003, Ehsan Armada Sdn Bhd ("EASB"), a wholly-owned subsidiary company entered into a Joint Development Agreement ("JDA") with Darul Omni Sdn Bhd ("DOSB"), a third party. Pursuant to the JDA and the Supplemental Letter dated 8 December 2010 ("SL"), DOSB was required to deliver vacant possession of a parcel of leasehold land measuring approximately 83 acres to EASB for development. All the development costs shall be borne by EASB. EASB is entitled to 80.5% of the gross development value of the development, whereas DOSB is entitled to 19.5% of the gross development value of the development. Pursuant to the Supplemental Letter dated 27 August 2018 ("SL"), there is a revision of the entitlement to 3.2% of the gross development value of the development for the balance commercial development land.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM8,255,000 (2022: RM8,255,000).

(g) In 2010, Asia-Condo Corporation Sdn Bhd ("ACCSB"), a wholly-owned subsidiary company entered into a Joint Venture Agreement ("JVA") with Tekad Harapan Sdn Bhd ("THSB"), a third party. THSB is required to deliver vacant possession of a parcel of long-term leasehold land to ACCSB for development. All the development costs shall be borne by ACCSB. ACCSB is entitled to the gross development value of the development less THSB's entitlement in accordance with the terms of the JVA. THSB is entitled to 20% of the gross development value of the development and 35% of profit after tax of the entire development project.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM51,373,000 (2022: RM51,373,000).

21. INVENTORIES

	The Group	
	2023 RM'000	**2022 RM'000**
Completed properties	135,363	160,093
Commercial land	9,000	9,000
	144,363	169,093

Included in inventories are completed properties with cost amounting to RM23,416,000 (2022: RM16,749,000) charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

Included in inventories are completed properties and commercial land with cost amounting to RM31,306,000 (2022: RM35,977,000) charged to licensed banks for credit facilities granted to certain subsidiary companies as mentioned in Note 31.

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables comprise mainly amounts receivable from customers for construction works carried out, project management services provided and sales of properties developed by the Group. The credit period granted to customers generally ranges from 7 to 90 days (2022: 7 to 90 days) unless otherwise agreed under contractual obligations.

Trade receivables are as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Trade receivables	302,619	196,934
Less: Allowance for impairment loss	(11,254)	(7,257)
	291,365	189,677
Retention sum held by contract customers	85,734	58,552
Stakeholder sum held by solicitors	21,527	38,913
	398,626	287,142

Included in trade receivables of the Group amounting to RM260,322,000 (2022: RM115,463,000) is due from related parties.

Retention sum held by contract customers and stakeholder sum held by solicitors are due upon expiry of retention periods ranging from 6 to 24 months (2022: 6 to 24 months).

Trade receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end financiers and eustomers from the ordinary course of construction business. However, these debts are expected to be realised in full without material losses in the ordinary course of business as majority of the customers are with financing facilities obtained from reputable end financiers.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Of the receivables balance at the end of the reporting period, approximately 84% (2022: 88%) is receivable from 3 (2021:4) major debtors. Maximum concentration of credit risk to any single counterparty is 48% (2022: 40%) of gross trade receivables at the reporting date.

The Group recognises impairment losses based on expected credit losses ("ECL") model using the simplified approach, which measures the impairment losses at an amount equal to lifetime ECL.

<u>Movement in the allowance for impairment loss</u>

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year	7,257	20,742
Impairment loss recognised (Note 8)	4,043	3,200
Reversal of impairment loss (Note 8)	(46)	(16,685)
At end of year	11,254	7,257

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

Aging analysis of trade receivables

	The Group	
	2023 RM'000	2022 RM'000
Retention sum/stakeholder sum	107,261	97,465
Not past due	48,484	7,005
Past due less than 1 month	9,411	65,080
Past due 1 to 2 months	35,804	17,188
Past due more than 2 months	197,666	100,404
Total	398,626	287,142

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables (Notes (b) & 14(c))	93,437	60,526	625	675
Less: Allowance for impairment loss	(19,886)	(19,562)	-	-
	73,551	40,964	625	675
Deposits	10,235	10,124	149	145
Prepaid expenses	1,650	2,168	1	1
	85,436	53,256	775	821

Movement in the allowance for impairment loss

	The Group	
	2023 RM'000	2022 RM'000
At beginning of year	19,562	16,621
Impairment loss recognised (Note 8)	324	2,941
At end of year	19,886	19,562

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

(a) In 2006, MDSB entered into joint venture development agreements ("JVDA") with various third parties ("JV Partners"). Pursuant to the JVDA, the JV Partners were required to deliver vacant possession of the leasehold land ("the Land") to MDSB for development. All the development costs would be borne by MDSB and MDSB was entitled to the entire proceeds from the development. In consideration for the Land delivered, the JV Partners were entitled to a fixed sum of RM25,000,000 paid by MDSB in accordance with the terms of the JVDA.

In 2010 and 2011, MDSB entered into deeds of assignment with the third party to assign the development rights of the land to the said third party which was partially development.

Pursuant to the deed of assignment dated 26 June 2020, MDSB, the JV Partners and the said third party entered into another deed of assignment to re-assign the development rights of the balance portion of the land valued to RM7,130,000 to MDSB for a total consideration of RM10. As of 30 June 2023, the net of allowance for impairment loss on the receivable from the said third party is RM8,900,000 (2022: RM8,900,000).

(b) Included in other receivables of the Group is an amount of RM18,246,656 (2022: RM17,199,739), which represents deposits and advances made by Domain Resources Sdn Bhd ("DRSB"), a wholly-owned subsidiary company, to Acres and Hectares Development Sdn Bhd ("A&H"), a third party, pursuant to Joint Development Agreement dated 9 December 2013. A&H appointed DRSB as the Project Development Manager for a project known as Taman Perumahan Yayasan Islam Kelantan ("Project"). Advances to A&H is interest-free, unsecured and repayable on demand.

Pursuant to the letter of appointment, DRSB is required to carry out and perform works on behalf of A&H. In consideration for DRSB agreeing to be appointed as the Project Development Manager in accordance with the scope of works, DRSB shall be entitled to a remuneration of a sum equivalent to 70% of the profit before taxation derived from the Project, after taking into account all development costs relating to the Project but before taking into account DRSB's remuneration.

23. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM'000	**2022 RM'000**
Contract assets:		
Property development	222,744	169,930
Construction	34,405	19,218
	257,149	189,148
Contract cost:		
Property development		
Sales commission and agency fee	29,907	24,954
Total	287,056	214,102
Contract liabilities:		
Property development	4,332	-
Construction	4,990	24,142
	9,322	24,142

23. CONTRACT ASSETS/(LIABILITIES) (cont'd)

Staff costs included in current additions of construction include salaries, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the year amounted to RM1,085,734 (2022: RM1,163,366).

(a) Contract assets and contract liabilities from property development:

	The Group	
	2023 RM'000	**2022 RM'000**
Contract assets	222,744	169,930
Contract liabilities	(4,332)	-
Net	218,412	169,930
At beginning of the year	169,930	379,489
Consideration paid/payable to customers	41,958	46,234
Revenue recognised during the year (Note 5)	366,879	367,127
Progress billing during the year	(360,355)	(622,920)
At end of the year	218,412	169,930

The movement of the contract cost assets is as follows:

	The Group	
	2023 RM'000	**2022 RM'000**
At 1 July	24,954	13,680
Addition during the year	21,712	21,943
Amortised during the year (Note 6)	(16,759)	(10,669)
At 30 June	29,907	24,954

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2023 is RM590,978,000 (2022: RM621,203,000). The remaining performance obligations are expected to be recognised as below:

23. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(a) Contract assets and contract liabilities from property development: (cont'd)

	The Group 2023 RM'000	The Group 2022 RM'000
Within 1 year	272,563	282,637
Between 1 to 4 years	318,415	338,566
Total	590,978	621,203

(b) Contract assets and contract liabilities from construction:

	The Group 2023 RM'000	The Group 2022 RM'000
Contract assets	34,405	19,218
Contract liabilities	(4,990)	(24,142)
Net	29,415	(4,924)
At beginning of the year	(4,924)	107,461
Revenue recognised during the year (Note 5)	427,027	248,463
Progress billing during the year	(392,688)	(360,848)
At end of the year	29,415	(4,924)

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

(c) Contract cost:

The above cost to obtain contracts are amortised to cost of sales when the related revenues are recognised.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2023 is RM625,077,000 (2022: RM404,354,000). The remaining performance obligations are expected to be recognised as below:

	The Group 2023 RM'000	The Group 2022 RM'000
Within 1 year	237,283	198,211
Between 1 to 4 years	387,794	206,144
Total	625,077	404,355

24. RELATED PARTY TRANSACTIONS AND BALANCES

Amount owing by subsidiary companies, comprising mainly unsecured advances and payments made on behalf, is repayable on demand and bears interest fixed at 4.50% (2022: 4.50%) per annum except for management fees receivable, which is interest-free.

Amount owing to subsidiary companies, which arose mainly from unsecured advances and payments made on behalf, is interest-free and repayable on demand.

Amount owing from/(to) joint ventures and amount owing from associate, which arose mainly from progress billings receivable, unsecured advances and payments made on behalf, is interest-free and repayable on demand.

The related parties of the Company and subsidiary companies and its relationship are as follows:

Related Parties	**Relationship**
Pavilion REIT ("REIT")	A real estate investment trust in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong are directors of the manager of the REIT and have direct financial interests.
Pavilion REIT Management Sdn Bhd	A company in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong have direct financial interest.
Impian Ekspresi Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has indirect financial interest.
Jendela Mayang Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has direct financial interest.
WCT OUG Development Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon is related to its director/shareholder.
WCT Holdings Berhad	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has direct financial interest.
Dream Domain Sdn Bhd	A company in which a director of the Company, namely Chua Thian Teck has direct financial interest.
Kuala Lumpur Pavilion Sdn Bhd	A company in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong have direct financial interest.
Regal Path Sdn Bhd	A company in which certain directors of the Company and its subsidiary company has indirect financial interest.
Amberstraits Sdn Bhd	A company in which certain directors of the Company and its subsidiary company has direct financial interest.
Lumayan Indah Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has indirect financial interest.

During the financial year, significant related party transactions, which are carried out on negotiated basis are as follows:

	The Company	
	2023	**2022**
	RM'000	**RM'000**
With subsidiary companies:		
Management fee received/receivable (Note 5)	(13,819)	(11,272)
Interest income received/receivable (Note 8)	(6,409)	(6,613)
Accounting fees paid/payable	96	96

24. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
With related parties:				
Impian Ekspresi Sdn Bhd				
Progress billing receivable	(2,938)	(62,693)	-	-
Jendela Mayang Sdn Bhd				
Progress billing receivable	(7,694)	(65,289)	-	-
WCT OUG Development Sdn Bhd				
Progress billing receivable	(94,030)	(82,975)	-	-
WCT Berhad				
Progress billing receivable	(218,582)	-	-	-
Pavilion REIT				
Rental of premises paid/payable	2,374	2,826	361	347
Pavilion REIT Management Sdn Bhd				
Rental of premises received/receivable	(393)	(393)	-	-
Dream Domain Sdn Bhd				
Rental of premises paid/payable	-	80	-	-
Lumayan Indah Sdn Bhd				
Rental of premises paid/payable	198	198	198	198
Kuala Lumpur Pavilion Sdn Bhd				
Property management fee	114	114	-	-
Sale of properties to certain family members of a director of the Company	-	(4,992)	-	-
WCT Holdings Bhd				
Rental received from letting office space	(393)	(393)	-	-
Regal Path Sdn Bhd				
Progress billing received/receivable	-	(199,922)	-	-
Management fee receivable (Note 5)	(20)	(173)	-	-
Amberstraits Sdn Bhd				
Accounting, banking and general fee receivable	(6)	(6)	-	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company and certain members of senior management of the Group and of the Company.

24. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

Compensation of key management personnel (cont'd)

The remuneration of key management personnel during the year are as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	5,134	7,022	3,146	2,936
Defined contribution plans	553	573	317	293
	5,687	7,595	3,463	3,229

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel otherwise than in cash from the Group and from the Company during the financial year amounted to RM158,000 and RM124,000 (2022: RM183,000 and RM126,000), respectively.

Included in the remuneration of key management personnel is the remuneration of Directors of the Company as disclosed in Note 8(c).

25. SHORT-TERM FUNDS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At fair value through other profit or loss				
Investments in unit trust funds in Malaysia	527	511	527	511

26. CASH AND BANK BALANCES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	41,463	17,837	1,501	1,389
Housing development accounts	98,567	123,235	-	-
	140,030	141,072	1,501	1,389

The housing development accounts are maintained by the Group in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from house purchasers, are for the payments of property development expenditure incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Group upon completion of the property development projects and after all property development expenditure have been fully settled.

27. SHARE CAPITAL

	The Group and The Company			
	2023		2022	
	No. of shares ('000)	RM'000	No. of shares ('000)	RM'000
Issued and fully paid-up:				
Ordinary shares	528,141	528,552	528,141	528,552

Share Options

The Employees' Share Option Scheme ("ESOS") which was established on 20 April 2016 for the benefit of eligible employees and directors of the Group was due to expire on 19 April 2022. During the previous year, the ESOS was extended for a further period of five years expiring on 19 April 2026.

The number in the Company's ESOS options are as follows:

	2023 Unit '000	2022 Unit '000
Number of options over ordinary shares	2,906	3,201

The salient features of the ESOS are as follows:

(a) The total number of shares which may be made available shall not exceed 15% of the issued and paid-up share capital of the Company at the time of offer of the ESOS.

(b) The ESOS shall be in force for a duration of five years with effect from 20 April 2016 and may be further extended for such durations, subject to an aggregate duration of not more than ten years from the effective date of the ESOS.

(c) All employees, including directors, who are confirmed full-time employees of the Group and have been serving for at least one year within the Group are eligible.

(d) Any allocation of options under the ESOS shall require prior approval from the ESOS committee.

(e) No option shall be granted for less than 100 shares or more than the maximum allowable allotment as follows:

   (i) the number of options allocated, in aggregate, to the directors and senior management of the Group shall not exceed 70% of the total options available under the ESOS; and

   (ii) number of options allocated to any individual director or executive who, either singly or collectively through his/her associates, holding 20% or more in the issued and paid-up share capital of the Company shall not exceed 10% of the total options available under the ESOS.

(f) The option price shall be at a discount of not more than 10% from the weighted average market price of the Company as shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days immediately preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher.

27. SHARE CAPITAL (cont'd)

(g) There is no retention period imposed on the shares arising from the exercise of ESOS options except for the non-executive directors which has a retention period of 1 year.

(h) The ESOS Committee may at any time and from time to time, during the duration of the ESOS and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier in the discretion think fit.

28. RESERVES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable:				
Revaluation reserve	2,065	2,065	-	-
Option reserve	873	943	873	943
Distributable:				
Retained earnings	388,779	471,995	3,331	5,842
Total	391,717	475,003	4,204	6,785

Revaluation reserve

Revaluation reserve represents the increase in the fair value of long-term leasehold properties prior to its reclassification as investment properties.

Option reserve

Option reserve, which relates to the equity-settled share options granted to eligible employees by the Group and the Company, is made up of the cumulative value of services received from employees recorded on grant of the share options. When the grant is exercised, the amount from the option reserve is transferred to share capital. When the share grants expire, the amount from the option reserve is transferred to retained earnings.

Retained earnings

As of 30 June 2023, the entire retained earnings of the Company are available for distribution as single-tier dividends.

29. NON-CONTROLLING INTERESTS

Included in non-controlling interests is 3,385,000 (2022: 3,385,000) Redeemable Preference Shares ("RPS") issued by MPSB which is held by Tegap Dinamik Sdn Bhd ("TDSB"), a third party, amounting to RM18,617,500 (2022: RM18,617,500).

The RPS shall confer on the holder the following rights:

(a) The RPS shall not be entitled to receive any fixed dividend;

(b) The RPS shall not be mandatorily redeemed on the maturity date, which is 3 December 2025;

(c) Unless redeemed earlier, RPS shall, on the maturity date, be automatically converted into new ordinary shares at conversion ratio fixed at 100 RPS surrendered for cancellation for every one new ordinary share of RM1.00 each;

(d) The RPS shall rank in priority to the ordinary shares of MPSB but rank behind all secured and unsecured obligations of MPSB; and

(e) The RPS is redeemable at the option of the issuer at any time after the issued date and during the tenure of the RPS.

30. REDEEMABLE PREFERENCE SHARES

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Principal	3,000	3,000
Accrued interest	76,824	47,996
	79,824	50,996
Current	79,824	-
Non-current	-	50,996
	79,284	50,996

30. REDEEMABLE PREFERENCE SHARES (cont'd)

On 5 September 2013, PHSB had entered into Subscription Agreement with a third party, to issue 3,000,000 redeemable preference shares ("RPS") of RM1 each.

The RPS is carried at amortised cost and the premium payable at redemption is to be accounted for as interest expense over the expected life of the RPS. During the year, the Group recognised an amortised cost adjustment of RM28,828,000 (2022: RM28,594,000) as disclosed in Note 7.

The Group expects to settle the sum of redeemable preference shares to the holder within the next 12 months.

The salient features of the redeemable preference shares are as follows:

(a) The RPS shall not bear any fixed dividend. No dividend shall be declared and paid on the ordinary shares of PHSB unless the dividends on the RPS have been declared and paid on the basis that the dividend payable on each RPS shall not be lesser than the dividend payable on the ordinary shares for any of the financial year.

(b) The RPS shall rank behind all secured and unsecured obligations of PHSB but will rank in priority to the ordinary shares of PHSB in respect of return of capital upon liquidation or otherwise for the par value of the RPS. All RPS rank pari passu amongst one another.

(c) The total issued and paid-up preference share capital shall always represent 30% of the total share capital of PHSB.

(d) Each RPS entitles the holder to participate in any distributions of PHSB (including surplus assets and profits) on the basis that such distribution accrued to/payable on each RPS shall not be lesser than the distributions declared and/or payable in respect of each ordinary share.

(e) Each RPS entitles the holder to participate in any further preference shares issued/offered by PHSB.

(f) The registered holder of the RPS shall not have any right to vote at any general meeting of PHSB, unless the meeting was converted for the purpose of reducing the capital, or winding-up or where the proposition to be submitted to the meeting directly affects the rights and privileges of the holder of RPS.

(g) The RPS shall not be convertible into ordinary shares of PHSB.

(h) The RPS may be redeemable wholly in cash at the option of PHSB or the subscriber, upon full completion of the mixed development project undertaken by PHSB and full disposal of all saleable development units of the said project. Partial redemption is not permissible.

31. BANK BORROWINGS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured:				
Term loans	241,164	124,774	15,800	19,528
Bank overdrafts (Note 36)	18,992	21,551	4,957	4,977
Revolving credits	329,686	318,955	97,000	107,500
Trade facilities	59,958	4,382	-	-
Bridging loans	43,451	51,759	-	-
	693,251	521,421	117,757	132,005
Less: Amount due within next 12 months (included under current liabilities)	(405,921)	(379,424)	(117,757)	(132,005)
Non-current portion	287,330	141,997	-	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

31. BANK BORROWINGS (cont'd)

The non-current portion is repayable as follows:

	The Group 2023 RM'000	The Group 2022 RM'000
Between 1 - 2 years	287,330	141,409
Between 2 - 5 years	-	588
	287,330	141,997

As of reporting date, the Group and the Company have the following credit facilities from licensed banks:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured:				
Term loans	227,200	155,000	20,000	20,000
Bridging loans	226,468	105,000	-	-
Revolving credits	520,000	519,500	145,000	145,000
Trade facilities	100,000	100,000	-	-
Bankers guarantee	101,265	83,000	14,000	14,000
Bank overdrafts*	22,000	22,000	5,000	5,000
	1,196,933	984,500	184,000	184,000

* Bank overdrafts include a credit facility of RM5,000 under Islamic financing.

The interest rates per annum are as follows:

	The Group		The Company	
	2023 per annum %	2022 per annum %	2023 per annum %	2022 per annum %
Secured:				
Term loans	5.14 to 6.87	4.42 to 10.00	10.00	10.00
Bridging loans	4.34 to 5.42	4.10 to 4.40	-	-
Revolving credits	4.34 to 10.25	2.35 to 6.95	4.45 to 7.95	4.15 to 6.95
Bank overdrafts	6.95 to 8.35	4.45 to 7.55	7.06 to 7.81	5.90 to 6.61

31. BANK BORROWINGS (cont'd)

The borrowings of the Group and of the Company are secured against the following:

(i) Charge over the investment properties, land held for property development, property development costs, completed properties and commercial land of certain subsidiary companies as mentioned in Notes 13, 14, 20 and 21, respectively.

(ii) A debenture incorporating a fixed and floating charge over present and future assets of certain subsidiary companies and deposit of share certificates of a subsidiary company.

(iii) Fixed deposits of the Company and certain subsidiary companies as mentioned in Note 36.

(iv) Assignment and charge over the Debt Service Reserve Account and Interest Service Reserve Account as mentioned in Note 36.

The borrowings of the subsidiary companies are also covered by the corporate guarantee of the Company.

32. HIRE-PURCHASE PAYABLES

	The Group	
	2023 RM'000	**2022 RM'000**
Total outstanding	737	961
Less: Interest-in suspense outstanding	(43)	(53)
Principal outstanding	694	908
Less: Amount due within 12 months (included under current liabilities)	(390)	(500)
Non-current portion	304	408

The non-current portion is payable as follows:

	The Group	
	2023 RM'000	**2022 RM'000**
Between 1 - 2 years	123	329
Between 2 - 5 years	181	79
	304	408

For the financial year ended 30 June 2023, the effective interest rates for the hire-purchase payables of the Group ranges from 4.10% to 8.06% (2022: 4.10% to 8.06%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

33. LEASE LIABILITIES

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	3,261	6,435	200	679
Addition during the year	4,944	286	543	-
Finance costs (Note 7)	264	287	25	26
Rental rebates (Note 8)	-	(85)	-	(12)
Payment of lease rental (Note 12)	(3,228)	(3,662)	(352)	(493)
Derecognition	(865)	-	-	-
At 30 June	4,376	3,261	416	200

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current	2,575	1,084	238	-
Current	1,801	2,177	178	200
At 30 June	4,376	3,261	416	200

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Maturity Analysis:				
Year 1	1,801	2,177	178	200
Year 2	1,818	884	189	-
Year 3	757	200	49	-
At 30 June	4,376	3,261	416	200

34. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amount outstanding to contractors and consultants for property development projects. The credit period granted to the Group ranges from 30 to 120 days (2022: 30 to 120 days).

Trade payables are as follows:

	The Group	
	2023 RM'000	**2022 RM'000**
Trade payables	372,807	370,355
Accrued costs to completion of projects	13,896	27,930
Accrued uncertified work performed by sub-contractors	130,585	144,645
	517,288	542,930
Retention sum payable to sub-contractors	126,163	115,003
	643,451	657,933

Other payables and accrued expenses are as follows:

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Other payables (Note (b) and (c))	82,798	161,135	1,396	413
Accrued expenses	55,739	19,848	881	655
Amount owing to directors (Note (a))	1	11	-	-
	138,538	180,994	2,277	1,068
Less: Other payable - non-current portion	-	(648)	-	-
	138,538	180,346	2,277	1,068

Movement of provision for release of bumiputera quota is as follows:

	The Group	
	2023 RM'000	**2022 RM'000**
At beginning of year	-	-
Provision made during the year (Note 8)	2,812	-
At end of year	2,812	-

(a) Amount owing to directors, which arose mainly from unsecured advances, was interest-free and repayable on demand.

(b) Included in other payables are proprietor's entitlements payable to Yayasan WP, Gagasan Matrik Sdn Bhd and Virtue Court Sdn Bhd, third parties, of RMNil (Note 14(c)), RM5,372,000 (Note 20(d)) and RM226,000 (Note 20(e)) (2022: RM68,200,000 (Note 14(c)), RM5,372,000 (Note 20(d)) and RM226,000 (Note 20(e))) respectively.

(c) Included in other payables is an amount of RM10,568,000 (2022: RM38,122,000) representing the proprietor's entitlement payable to BJDSB pursuant to the Joint Development Agreement dated 16 March 2010 and Supplemental Agreement dated 3 July 2012 as disclosed in Note 20(c).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

35. DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any declaration of dividend in respect of the current financial year.

36. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	67,751	70,061	2,925	2,810
Cash and bank balances (Note 26)	140,030	141,072	1,501	1,389
Bank overdrafts (Note 31)	(18,992)	(21,551)	(4,957)	(4,977)
	188,789	189,582	(531)	(778)
Less: Non cash and cash equivalents:				
Fixed deposits pledged to licensed banks	(22,967)	(43,961)	(2,925)	(2,810)
Debt Service Reserve Account and Interest Service Reserve Account	(25,315)	(1,371)	-	-
	140,507	144,250	(3,456)	(3,588)

Included in fixed deposits with licensed banks of the Group and of the Company is an amount of RM22,967,000 (2022: RM43,961,000) and RM2,925,000 (2022: RM2,810,000) respectively, pledged to financial institutions for banking facilities granted to subsidiary companies as mentioned in Note 31.

Included in cash and bank balances is an amount of RM25,315,000 (2022: RM1,371,000) representing Debt Service Reserve Account and Interest Service Reserve Account with licensed banks to secure the banking facilities granted to the subsidiary companies as mentioned in Note 31. The Group has restricted rights on the accounts and therefore the amount cannot be used in business operation.

The interest rates for fixed deposits range from 1.15% to 2.90% (2022: 1.25% to 2.60%) per annum. The fixed deposits have a maturity period of 1 to 365 days (2022: 1 to 365 days).

37. CAPITAL COMMITMENT

The Group and the Company did not have any capital commitments as at 30 June 2023 and 30 June 2022.

38. SEGMENTAL REPORTING

For management purposes, the Group is organised into the following operating divisions:

(i) Property development segment is involved in the business of constructing and developing residential and commercial properties. The reportable segment has been formed by aggregating the property construction and development segments, which are regarded by management to exhibit similar economic characteristics.

(ii) Construction contracts segment is involved in the business of construction works for development of residential and commercial properties.

(iii) Property trading segment is involved in the business of sales of developed residential and commercial properties.

(iv) Others segment, which is involved in the business of investment holding, project management, property investment and management, and provision of management and accounting services, is not material to the Group and therefore not separately reported.

Inter-segment revenue mainly comprise construction works performed and provision of management services to the subsidiary companies.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

38. SEGMENTAL REPORTING (cont'd)

2023	Property development RM'000	Construction contracts RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	366,879	427,027	31,415	6,596	-	831,917
Inter-segment sales	-	40,485	-	64,695	(105,180)	-
	366,879	467,512	31,415	71,291	(105,180)	831,917
Results						
Segment results	38,326	16,133	3,720	37,497	(76,536)	19,140
Distribution income on short-term funds and interest income						2,378
Finance costs						(64,859)
Share in results of joint ventures						(33,452)
Share in results of an associated company						(378)
Loss before tax						(77,171)
Income tax expense						(21,656)
Loss for the year						(98,827)
Attributable to:						
Owners of the Company						(83,286)
Non-controlling interests						(15,541)
						(98,827)
2023						
Assets						
Segment assets	2,128,620	1,209,364	153,144	2,104,868	(3,051,089)	2,544,907
Unallocated assets						19,628
						2,564,535
Liabilities						
Segment liabilities	1,575,405	819,751	36,367	1,939,113	(2,801,087)	1,569,549
Unallocated liabilities						72,698
						1,642,247
Other information						
Capital expenditure	857	222	-	125	-	1,203
Depreciation of property, plant and equipment	2,504	2,213	-	136	-	4,852

38. SEGMENTAL REPORTING (cont'd)

2022	Property development RM'000	Construction contracts RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	367,127	248,463	23,182	6,469	-	645,241
Inter-segment sales	-	97,988	-	59,375	(157,363)	-
	367,127	346,451	23,182	65,844	(157,363)	645,241
Results						
Segment results	69,604	57,232	286	79,948	(48,526)	158,544
Distribution income on short-term funds and interest income						2,407
Finance costs						(61,158)
Share in results of joint ventures						29,704
Profit before tax						129,497
Income tax expense						(53,719)
Profit for the year						75,778
Attributable to:						
Owners of the Company						76,234
Non-controlling interests						(456)
						75,778

2022	Property development RM'000	Construction contracts RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets						
Segment assets	2,199,496	1,094,398	78,374	2,205,302	(3,039,696)	2,537,874
Unallocated assets						18,271
						2,556,145
Liabilities						
Segment liabilities	1,556,335	686,758	35,921	1,971,724	(2,811,082)	1,439,656
Unallocated liabilities						95,374
						1,535,030
Other information						
Capital expenditure	14,701	173	26	41	(5,503)	9,438
Depreciation of property, plant and equipment	4,154	2,728	-	166	1,334	8,382

39. FINANCIAL INSTRUMENTS

(i) Capital Risk Management

The Group and the Company manage their capital to ensure that it will be able to continue as a going-concern while maximising returns to their shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2022.

The Group and the Company did not engage in any transaction involving financial derivative instruments during the financial year.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2023.

The Group is not subject to externally imposed capital requirements.

Gearing ratio

The gearing ratio at the end of the reporting period is as follows:

	The Group	
	2023 **RM'000**	**2022** **RM'000**
Total debts	778,145	576,586
Fixed deposits with licensed banks, cash and bank balances	(207,781)	(211,133)
Net debts	570,364	365,453
Equity	922,288	1,021,115
Debt to equity ratio	61.84%	35.79%

Total debts are defined as redeemable preference shares, long and short-term borrowings, hire-purchase payables and lease liabilities as described in Notes 30, 31, 32 and 33.

Equity includes all capital, reserves and non - controlling interests of the Group that are managed as capital.

39. FINANCIAL INSTRUMENTS (cont'd)

(i) Capital Risk Management (cont'd)

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Financial assets		
At FVTPL:		
Other investments	202,384	281,635
Short-term funds	527	511
At amortised cost:		
Trade receivables	398,626	287,142
Other receivables	83,786	51,088
Amount owing by joint ventures	37,249	38,376
Amount owing by associated company	2,233	-
Fixed deposits with licensed banks	67,751	70,061
Cash and bank balances	140,030	141,072
Financial liabilities		
At amortised cost:		
Trade payables	643,451	657,933
Other payables and accrued expenses	138,538	180,994
Bank borrowings	693,251	521,421
Redeemable preference shares	79,824	50,996
Amount owing to joint venture	93	-
Hire-purchase payables	694	908
Lease liabilities	4,376	3,261

(Forward)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

39. FINANCIAL INSTRUMENTS (cont'd)

(i) Capital Risk Management (cont'd)

Categories of Financial Instruments (cont'd)

	The Company	
	2023	2022
	RM'000	RM'000
Financial assets		
At FVTPL:		
Short-term funds	527	511
At amortised cost:		
Other receivables	774	820
Amount owing by subsidiary companies	148,116	163,723
Fixed deposits with licensed banks	2,925	2,810
Cash and bank balances	1,501	1,389
Financial liabilities		
At amortised cost:		
Other payables and accrued expenses	2,277	1,068
Bank borrowings	117,757	132,005
Amount owing by subsidiary companies	3,199	2,932
Lease liabilities	416	200

(ii) Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(a) **Foreign Currency Risk Management**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign exchange rate risk is minimal and mainly through its other investments in unquoted shares outside Malaysia.

(b) **Interest Rate Risk Management**

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings.

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk are disclosed in Note 31.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's (loss)/profit after tax for the financial year ended 30 June 2023 would increase/decrease by RM3,635,000 and RM120,000 (2022: RM2,240,000 and RM465,000) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the lower variable rate debt instruments.

(c) **Credit Risk Management**

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its trade receivables, other receivables and contract assets. The Group extends credit to its customers/debtors based upon careful evaluation of the customer's/debtor's financial condition and credit history. Trade and other receivables are monitored on an ongoing basis by the Group's credit control department.

The Group is exposed to significant concentration of credit risk to a few customers arising from construction business as disclosed in Note 22.

The Company is exposed to credit risk mainly from its subsidiary companies. The Company monitors the results of its subsidiary companies regularly and repayments made by the subsidiary companies.

The Group's and the Company's credit risk on deposits and cash and bank balances are limited as the Group and the Company place their funds with reputable financial institutions with high credit ratings.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(c) **Credit Risk Management (cont'd)**

Exposure to credit risk

The Group measures the loss allowance for trade receivables, other receivables and contract assets at an amount equal to lifetime expected credit loss (ECL) and for other financial assets (measured at amortised cost) at 12-month ECL by applying simplified approach and general approach respectively, as required by MFRS 9. The Company measures the loss allowance for other receivables and amount owing by subsidiary companies at an amount equal to lifetime expected credit loss (ECL) and for other financial assets (measured at amortised cost) at 12-month ECL by applying simplified approach and general approach respectively, as required by MFRS 9. Impairment loss is measured based on expected credit loss model is based on assumptions on the risk of default and expected loss rates. The Group and the Company use judgment in making these assumption and selecting the inputs to the ECL based on past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

As at the end of the reporting period, the Group's maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables, short-term funds, fixed deposits with licensed banks and cash and bank balances. The Company's maximum exposure to credit risk is the carrying amount of financial assets which are mainly other receivables, amount owing by subsidiary companies, short-term funds, fixed deposits with licensed banks and cash and bank balances.

(d) **Liquidity Risk Management**

The Group and the Company seek to invest cash assets safely and profitably. The Group and the Company also seek to control credit risk by setting counterparty limits and ensuring that sale of goods and services are made to customers with an appropriate credit history, and monitoring customers' financial standing through periodic credit review and credit checks at point of sales. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(d) **Liquidity Risk Management (cont'd)**

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
The Group						
2023						
Non-interest bearing instruments	-	791,311	-	-	-	791,311
Hire-purchase payables	2.44 - 4.52	404	127	187	-	718
Variable interest rate instruments	4.34 - 10.25	435,533	308,291	-	-	743,824
Redeemable preference shares	45.65	116,264	-	-	-	116,264
Lease liabilities	5.50 - 6.00	1,905	2,723	-	-	4,628
The Company						
2023						
Non-interest bearing instruments	-	5,476	-	-	-	5,476
Variable interest rate instruments	4.45 -10.00	126,265	-	-	-	126,265
Lease liabilities	6.00	189	252	-	-	441
The Group						
2022						
Non-interest bearing instruments	-	774,499	-	-	-	774,499
Hire-purchase payables	5.64	540	340	81	-	961
Variable interest rate instruments	4.40	468,661	148,175	594	-	617,430
Redeemable preference shares	45.65	-	74,275	-	-	74,275
Lease liabilities	5.50 - 6.00	2,291	923	203	-	3,417

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(d) **Liquidity Risk Management (cont'd)**

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
The Company						
2022						
Non-interest bearing instruments	-	4,000	-	-	-	4,000
Variable interest rate instruments	6.33	140,361	-	-	-	140,361
Lease liabilities	5.50 - 6.00	203	-	-	-	203

(e) **Cash Flow Risk**

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

(iii) **Fair Value of Financial Instruments**

(a) The carrying amounts of current financial assets and financial liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair value of long-term financial assets and financial liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between fair values and carrying values of these assets and liabilities as at the end of the reporting period.

39. FINANCIAL INSTRUMENTS (cont'd)

(iii) Fair Value of Financial Instruments (cont'd)

(b) Fair value hierarchy

As at the end of the reporting period, the Group and the Company held the following financial instruments carried at fair values in the statements of financial position:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Level 2				
Financial assets at FVTPL:				
Short-term funds #	527	511	527	511
Other investments ^	245	245	-	-
Level 3				
Financial assets at FVTPL:				
Other investments	202,989	281,390	-	-

\# The fair values of investments in unit trust funds are valued using the net asset value of the investment funds.

^ The fair values of unquoted investment in transferable golf and country club memberships are determined by reference to recent market transactions of identical assets.

40. CORPORATE GUARANTEES

	The Group and the Company	
	2023 RM'000	2022 RM'000
Corporate guarantee given to contractors/suppliers of subsidiary companies	28,535	5,449

	The Company	
	2023 RM'000	2022 RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	605,502	419,503

The total amount of corporate guarantees provided by the Company to financial institutions for the credit facilities granted to subsidiary companies amounted to RM605,502,000 (2022: RM419,503,000). The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies.

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the reconciliation of the opening and closing amounts in the statements of financial position of the Group and the Company for each liability for which cash flows have been, or would be, classified as financing activities in the statements of cash flows of the Group and the Company:

	As at 1.7.2022 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item* RM'000	As at 30.6.2023 RM'000
The Group					
Bank borrowings (Note 31)	499,870	623,720	(449,331)	-	674,259
Hire-purchase payables (Note 32)	908	-	(214)	-	694
Lease liabilities (Note 33)	3,261	-	(2,964)	4,079	4,376

(Forward)

	As at 1.7.2021 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2022 RM'000
The Group					
Bank borrowings (Note 31)	571,269	556,389	(627,788)	-	499,870
Hire-purchase payables (Note 32)	1,849	-	(941)	-	908
Lease liabilities (Note 33)	6,435	-	(3,375)	201	3,261

	As at 1.7.2022 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2023 RM'000
The Company					
Bank borrowings (Note 31)	127,028	240,147	(254,374)	-	112,801
Lease liabilities (Note 33)	200	-	(327)	543	416

	As at 1.7.2021 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2022 RM'000
The Company					
Bank borrowings (Note 31)	117,500	174,076	(164,548)	-	127,028
Lease liabilities (Note 33)	679	-	(467)	12	200

* These represent the additions in property, plant and equipment for motor vehicles acquired under hire-purchase arrangement.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS TO THE END OF THE FINANCIAL YEAR

The following are the significant events of the Group during the financial year ended 30 June 2023:

(a) On 22 November 2022, Regal Path Sdn Bhd ("RPSB") had entered into a Conditional Sale and Purchase Agreement ("CSPA") with MTrustee Berhad, acting as the Trustee of Pavilion Real Estate Investment Trust ("Pavilion REIT"), to dispose of 1 block of 5-storey retail mall with 2 basement car park levels located within Bukit Jalil City, Bukit Jalil, Kuala Lumpur, together with the related assets and rights, known as Pavilion Bukit Jalil Mall to Pavilion REIT, for a total indicative disposal consideration of RM2,200,000,000 to be fully satisfied either by fully in cash, or a combination of new units in Pavilion REIT of up to the equivalent sum of RM600,000,000 and the balance in cash.

On 22 March 2023, the proposed disposal was approved by the shareholders at an extraordinary general meeting.

On 2 May 2023, RPSB and Pavilion REIT had entered into a supplemental agreement ("Supplemental Agreement") to amend certain terms and conditions of the CSPA.

On 15 May 2023, all the conditions precedent of the CSPA have been fulfilled by RPSB. On 1 June 2023, the disposal has been completed following the receipt of the Completion Date Payment in accordance with the terms and conditions of the CSPA.

(b) On 8 July 2022, Ambang Suriamas Sdn Bhd, a wholly-owned indirect subsidiary of the Company, subscribed for 100,000 ordinary shares representing 50% of the enlarged issued and paid-up share capital of Kristaljaya Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM23,400,000.

(c) On 25 July 2022, Khuan Choo Sdn Bhd, a wholly-owned indirect subsidiary of the Company, disposed 45% of the issued and paid-up ordinary share capital of Reliance Star Limited for a total cash consideration of RM45.

The following is the subsequent event of the Group during the financial year ended 30 June 2023:

(d) Followed by the explanatory in the Note 14(c), subsequent to year end, on 6 October 2023, MPSB signed a supplementary agreement with Yayasan WP to agree on the revision of proprietor's entitlement to be reduced from RM160,000,000 to RM91,800,152 based on the revised development order submitted to DBKL on 14 August 2023.

The financial impact on the revision of proprietor's entitlement is disclosed in Note 14 and 34(b).

STATEMENT BY DIRECTORS

The Directors of **MALTON BERHAD** state that, in their opinion, the accompanying financial statements 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 of 30 June 2023 and of their financial performance and their cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

CHUA THIAN TECK

DATUK HONG LAY CHUAN

Kuala Lumpur
27 October 2023

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHUA THIAN TECK**, the Director primarily responsible for the financial management of **MALTON BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, in my opinion, 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.

CHUA THIAN TECK

Subscribed and solemnly declared by
the abovenamed **CHUA THIAN TECK** at
KUALA LUMPUR this 27th day of October 2023.

Before me,

COMMISSIONER FOR OATHS

DEVELOPMENT PROPERTIES

Location	Tenure	Initial gross land area	Balance of net land area for development	Usage	Net book value as at 30 June 2023 RM'000	Date of acquisition/ revaluation*
PN 77546 Lot No. 43001 Pekan Baru Subang Daerah Petaling Selangor	Leasehold expiring on 2.10.2101	12.00 acres	10.60 acres	Proposed commercial development	28,526	24.6.2002
Geran No. 123368 Lot 4193 Geran No. 123369 Lot 4194 Geran No. 123370 Lot 4195 Geran No. 31298 Lot 4293 Geran No. 31299 Lot 4294 Geran No. 31300 Lot 4295 Geran No. 31301 Lot 4296 Mukim Cheras District of Ulu Langat Selangor	Freehold	41.73 acres	38.34 acres	Proposed mixed development	9,459	22.8.2006 24.5.2007 30.6.2007
HS(D) 808 & 809 Lot 19 & 20 Mukim of Hulu Terengganu	Leasehold expiring on 15.9.2061	108.49 acres	108.49 acres	Proposed mixed development	3,432	27.7.2002

GROUP PROPERTIES
(cont'd)

DEVELOPMENT PROPERTIES (cont'd)

Location	Tenure	Initial gross land area	Balance of net land area for development	Usage	Net book value as at 30 June 2023 RM'000	Date of acquisition/ revaluation*
HS(D) No. 83257 to 83259, PT No.5223 to 5225, Mukim Bandar Ulu Kelang Daerah Gombak Selangor	Leasehold expiring on 18.2.2107	55.05 acres	55.05 acres	Proposed mixed development	170,790	10.11.2011
PN 28792 to 28794, Lot No. 65928 to 65930, Mukim Pekan Desa Puchong Daerah Petaling Selangor	Leasehold expiring on 17.4.2104	8.03 acres	8.03 acres	Proposed residential development	5,920	21.5.2007
PN 53357 Lot No. 30138 Mukim Setapak Daerah KualaLumpur WP Kuala Lumpur	Leasehold expiring on 15.1.2107	0.14 acres	0.14 acres	Proposed residential development	1,228	17.2.2022
Geran No. 59763 Lot No. 28815 Mukim Setapak Daerah Kuala Lumpur WP Kuala Lumpur	Freehold	0.40 acres	0.40 acres	Proposed residential development	3,514	17.2.2022

Net book value of the development properties are stated at Group land cost together with the related development expenditure incurred to the ongoing and remaining unsold properties.

INVESTMENT PROPERTIES

Location	Tenure	Approximate age of the building year	Net lettable area Sq. Ft	Usage	Net book value as at 30 June 2023 RM'000	Date of acquisition/ revaluation*
Mezzanine Floor Menara Goldstone (Holiday Inn Express) Jalan Raja Chulan Kuala Lumpur	Freehold	39	7,631.62	Office	5,600	30.6.2023*
Level 6 Menara Goldstone (Holiday Inn Express) Jalan Raja Chulan Kuala Lumpur	Freehold	39	8,976.00	Office	6,560	30.6.2023*
Menara Khuan Choo Lot 20021, PN 52798 Seksyen 57 Bandar Kuala Lumpur WP Kuala Lumpur	Leasehold expiring on 11.11.2113	5	82,524.00	Office	120,000	10.8.2023*
Unit 2-111A 2nd Floor, Endah Parade Shopping Mall, Bukit Jalil Kuala Lumpur	Leasehold expiring on 19.2.2083	24	462.00	Retail	130	1.12.1996
15th Floor, Menara Liberty, 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	22	12,475.00	Office	7,100	30.6.2023*
20th Floor, Menara Liberty, 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	22	9,795.00	Office	7,900	30.6.2023*
21st & 22nd Floor Menara Liberty 1008, Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	22	21,673.00	Office	11,800	30.6.2023*
L12-21, L12-22, L12-23, Wangsa 118 Jalan Wangsa Delima Wangsa Maju Kuala Lumpur	Leasehold expiring on 19.4.2104	8	8,839.00	Office	4,402	30.6.2023*
Ground and Sub-basement Floor Bukit Jalil City Kuala Lumpur	Freehold	-	-	Car Parks	46,213	27.7.2023*

GROUP PROPERTIES
(cont'd)

INVESTMENT PROPERTIES (cont'd)

Location	Tenure	Approximate age of the building year	Net lettable area Sq. Ft	Usage	Net book value as at 30 June 2023 RM'000	Date of acquisition/ revaluation*
Geran No. 50058 Lot No. 168 Seksyen 94A Daerah Kuala Lumpur WP Kuala Lumpur	Freehold	-	11,873.00	Sales Gallery	12,000	27.9.2023*

PROPERTY, PLAND AND EQUIPMENT

Location	Tenure	Approximate age of the building year	Net lettable area Sq. Ft	Usage	Net book value as at 30 June 2023 RM'000	Date of acquisition/ revaluation*
4th Floor, Wisma Tecna, No. 18A Section 51A/223 46100 Petaling Jaya Selangor	Leasehold expiring on 8.9.2067	25	20,342.00	Office	4,300	28.2.2001

** Date of valuation*

STATEMENT OF SHAREHOLDERS

ORDINARY SHARES AS AT 5 OCTOBER 2023

Share Capital	:	RM528,552,632 divided into 528,140,541 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 5 OCTOBER 2023

Size of Shareholdings	No of Holders	Total Holdings	%
Less than 100	66	2,216	#
100 to 1,000	1,400	1,163,278	0.22
1,001 to 10,000	3,645	19,332,475	3.66
10,001 to 100,000	2,095	70,379,334	13.33
100,001 to less than 26,407,027*	398	229,361,749	43.43
26,407,027* and above	4	207,901,489	39.36
	7,608	528,140,541	100.00

Negligible
* 5% of the Share Capital

SUBSTANTIAL SHAREHOLDERS AS AT 5 OCTOBER 2023

	Direct Interest		Deemed Interest	
Names	No of Shares	%	No of Shares	%
Malton Corporation Sdn Bhd	207,901,489	39.36	-	-
Tan Sri Lim Siew Choon	22,681,800	4.29	207,901,489*	39.36
Puan Sri Tan Kewi Yong	-	-	207,901,489*	39.36

DIRECT AND DEEMED INTEREST OF DIRECTORS IN THE ORDINARY SHARES OF MALTON BERHAD AS AT 5 OCTOBER 2023

	Direct Interest		Deemed Interest	
Names	No of Shares	%	No of Shares	%
Tan Sri Lim Siew Choon	22,681,800	4.29	207,901,489*	39.36
Guido Paul Philip Joseph Ravelli	-	-	-	-
Puan Sri Tan Kewi Yong	-	-	207,901,489*	39.36
Chua Thian Teck	-	-	-	-
Datuk Hong Lay Chuan	-	-	-	-
Dato' Siew Mun Wai	-	-	-	-
Arunasalam A/L Muthusamy	-	-	-	-
Baharum Bin Harun	-	-	-	-

* held via Malton Corporation Sdn Bhd

STATEMENT OF SHAREHOLDERS
(cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 5 OCTOBER 2023

	Names	No of Shares	%
1.	Malton Corporation Sdn Bhd	72,917,995	13.81
2.	RHB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Malton Corporation Sdn Bhd)	56,683,494	10.73
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged securities account for Malton Corporation Sdn Bhd)	43,300,000	8.20
4.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Malton Corporation Sdn Bhd)	35,000,000	6.63
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Tan Sri Lim Siew Choon)	22,166,800	4.20
6.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Koh Goh Yuan)	19,246,100	3.64
7.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Prinsip Waras Sdn Bhd)	18,600,000	3.52
8.	LTK (Melaka) Sdn Bhd	5,299,500	1.00
9.	Olive Lim Swee Lian	5,239,100	0.99
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients))	5,066,300	0.96
11.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Toh Hooi Hak)	4,526,100	0.86
12.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lee Kim Hooi)	4,057,000	0.77
13.	Ooi Cheng Sim	3,379,400	0.64
14.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Choo Chuo Siong)	3,008,000	0.57
15.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Chee Chi Vun)	3,005,000	0.57
16.	Cartaban Nominees (Tempatan) Sdn Bhd (Standard Chartered Bank (Singapore) Limited for Toh Hooi Hak)	2,655,300	0.50
17.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for GJH Capital Sdn Bhd)	2,543,200	0.48
18.	Tan Tong Chew	1,926,100	0.36

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 5 OCTOBER 2023 (Cont'd)

	Names	No of Shares	%
19.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lee Kian Jin)	1,905,000	0.36
20.	Ng Seng Beng	1,882,100	0.36
21.	Yeoh Phek Leng	1,773,000	0.34
22.	Tan Ah Heng	1,650,000	0.31
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Khoo Chai Pek)	1,605,000	0.30
24.	HSBC Nominees (Asing) Sdn Bhd (Exempt AN for the HongKong and Shanghai Banking Corporation Limited)	1,595,000	0.30
25.	Tan Kok	1,481,700	0.28
26.	Khoo Chai Pek	1,440,000	0.27
27.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Gan Siong Kang)	1,410,000	0.27
28.	Tan Kok	1,388,000	0.26
29.	Tan Liew Cheun	1,300,000	0.25
30.	Khoo Chai Heng	1,247,100	0.24
	TOTAL	327,296,289	61.97

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting (28th AGM) of MALTON BERHAD (Company) will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, No. 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using Remote Participation and Voting (RPV) facilities via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia on Wednesday, 22 November 2023 at 10.00 a.m. and any adjournment thereof for the following purposes:-

AGENDA

ORDINARY BUSINESS

1.	To lay the Financial Statements of the Company for the year ended 30 June 2023 together with the Directors' Report and Report of the Auditors thereon	For discussion only
2.	To approve the directors' fees, allowances and benefits payable to non-executive directors as set out in the explanatory note for the period from the conclusion of the 28th AGM of the Company until the conclusion of the next Annual General Meeting (AGM) of the Company	Ordinary Resolution 1
3.	To re-elect Datuk Hong Lay Chuan who retires by rotation pursuant to Article 86 of the Constitution of the Company (Constitution) and being eligible, offered himself for re-election	Ordinary Resolution 2
4.	To re-elect Dato' Siew Mun Wai who retires by rotation pursuant to Article 86 of the Constitution and being eligible, offered himself for re-election	Ordinary Resolution 3
5.	To re-elect Mr Arunasalam A/L Muthusamy who retires pursuant to Article 84 of the Constitution and being eligible, offered himself for re-election	Ordinary Resolution 4
6.	To re-elect Encik Baharum Bin Harun who retires pursuant to Article 84 of the Constitution and being eligible, offered himself for re-election	Ordinary Resolution 5
7	To re-appoint Deloitte PLT who have indicated their willingness, as Auditors of the Company, and to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 6

SPECIAL BUSINESS

8. Authority to allot and issue shares — Ordinary Resolution 7

"THAT pursuant to Section 75 and 76 of the Companies Act, 2016 (Act), the Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Main Market Listing Requirements) and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby empowered to allot and issue 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, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% or up to the threshold as approved by Bursa Malaysia Securities Berhad (Bursa Securities) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue.

THAT pursuant to Section 85 of the Act to be read together with Article 10 of the Constitution, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors be and are also empowered to seek the approval from Bursa Securities for the listing of and quotation for the additional shares issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

9. Proposed Renewal of Authority for Share Buy Back — Ordinary Resolution 8

"THAT, subject to the Act, the Constitution, the Main Market Listing Requirements and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to allocate an amount not exceeding the retained earnings of the Company available for the purpose of and to purchase such amount of ordinary shares in the Company (Proposed Renewal of Authority for Share Buy Back) as may be determined by the Directors provided that the aggregate number of shares purchased and/or held as treasury shares pursuant to this resolution does not exceed 10% of the total issued share capital of the Company at the time of purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the said shares in the following manner:-

(a) cancel the shares so purchased; or
(b) retain the shares so purchased as treasury shares; or
(c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
(d) to resell the treasury shares on the Bursa Securities and/or distribute the treasury shares as dividends to the Company's shareholders and/or subsequently cancel the treasury shares or combination of the three;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution until:

(a) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the 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 ordinary resolution passed by the shareholders in a general meeting;

whichever is the earliest and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things deem fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy Back contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

10. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties — Ordinary Resolution 9

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with all classes of related parties in respect of sale of trading stock properties as stated in Section 3.4 of the Circular to Shareholders dated 31 October 2023 which are necessary for the Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the renewal of shareholders' mandate during the financial year based on the following information:-

    (i) the type of the recurrent related party transactions made; and
    (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.

(c) and such approval shall be in force immediately upon passing of this resolution until:

    (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
    (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

11. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Construction Related Services and Project Management Services — Ordinary Resolution 10

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with related parties in respect of construction related services and project management services as stated in Section 3.4 of the Circular to Shareholders dated 31 October 2023 which are necessary for the Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the renewal of shareholders' mandate during the financial year based on the following information:-

    (i) the type of the recurrent related party transactions made; and
    (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.

(c) and such approval shall be in force immediately upon passing of this resolution until:

    (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
    (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

BY ORDER OF THE BOARD

HOR SHIOW JEI
(MAICSA 7023954) (SSM PC No. 202008003615)
Company Secretary

Kuala Lumpur
Dated: 31 October 2023

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

Notes:

1. The 28th AGM of the Company will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, No. 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using RPV facilities via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia. Please follow the procedures provided in the Administrative Guide for the 28th AGM of the Company in order to register, attend, participate and vote remotely via virtual meeting facilities.

2. The conduct of the virtual 28th AGM of the Company is in line with the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022 ("Revised Guidance Note and FAQs"). According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act, 2016 provided that the online platform is located in Malaysia.

3. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in the Notice of the 28th AGM of the Company shall be put to vote by poll. A Poll Administrator and Independent Scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

4. A member of the Company who is entitled to attend, participate and vote at the 28th AGM of the Company is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend, participate and vote in his stead. A member shall not be entitled to appoint more than 2 proxies to attend, participate and vote at the same meeting. Where a member appoints 2 proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be represented by each proxy.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall not be entitled to appoint 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 to attend, participate and vote at the same meeting. Where 2 proxies are appointed, it shall specify the proportion of shareholdings to be represented by each proxy.

6. Where an exempt authorised nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or by a duly authorised attorney.

8. All proxy forms must be deposited at the share registrar of the Company, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting.

9. Only members registered in the Record of Depositors as at 15 November 2023 shall be eligible to attend, participate and vote at the 28th AGM of the Company or appoint a proxy to attend, participate and vote on his/her behalf.

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS AND/OR SPECIAL BUSINESS

FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30 JUNE 2023

The Financial Statements of the Company for the year ended 30 June 2023 tabled for discussion pursuant to the provisions of Section 340 (1) of the Act, do not require approval of the shareholders and hence, will not be put for voting.

ORDINARY RESOLUTION 1

The proposed Ordinary Resolution 1 if passed, will facilitate the payment of Directors' fees, allowances and benefits payable to the non-executive directors of the Company as set out below for the period from the conclusion of the 28th AGM of the Company until the conclusion of the next AGM of the Company.

Type of payment	RM
Directors' fees for each month	36,000
Meeting allowance for each meeting for each director	1,000
Benefits	Claimable expenses incurred in carrying out their duties as directors

ORDINARY RESOLUTIONS 2 AND 3

Datuk Hong Lay Chuan and Dato' Siew Mun Wai are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 28th AGM of the Company. Their profiles are set out under Board of Directors in the Annual Report 2023.

The Nominating Committee has conducted annual assessment for the retiring Directors. Based on the results of the assessment, the Board is satisfied with the performance and contribution of the retiring directors and supports their re-election and recommends the re-election of the retiring directors for approval of the shareholders at the 28th AGM of the Company.

ORDINARY RESOLUTIONS 4 AND 5

Mr Arunasalam A/L Muthusamy and Encik Baharum Bin Harun were appointed Independent Non-Executive Directors of Malton Berhad on 31 May 2023 and 3 July 2023 respectively. In accordance with Article 84 of the Constitution, they shall hold office only until the following annual general meeting of the Company at which they are due to retire. Both Mr Arunasalam A/L Muthusamy and Encik Baharum Bin Harun being eligible, have offered themselves for re-election at the 28th AGM of the Company. Their profiles are set out under Board of Directors in the Annual Report 2023.

ORDINARY RESOLUTION 7

Ordinary Resolution 7 is proposed to give flexibility to the Directors to issue and allot shares at any time in their absolute discretion, without convening a general meeting, for the purpose of raising funds for working capital and/or strategic development of Malton Berhad and/or its subsidiaries. This mandate sought is a renewal of the mandate obtained from the shareholders at the 27th AGM of the Company held on 23 November 2022 which will expire at the conclusion of the 28th AGM of the Company to be held on 22 November 2023.

As at 27 October 2023, the mandate obtained from the shareholders at the 27th AGM of the Company was not utilised, thus no proceeds were raised from this mandate.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS AND/OR SPECIAL BUSINESS (cont'd)

ORDINARY RESOLUTION 8

The proposed Ordinary Resolution 8, if passed, will enable the Company to allocate an amount not exceeding the retained earnings of the Company available for the purchase of ordinary shares in the Company to be determined by the Directors of the Company provided that the aggregate number of shares purchased and/or held as treasury shares pursuant to this resolution does not exceed 10% of the total issued share capital of the Company at the time of purchase. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

ORDINARY RESOLUTIONS 9 AND 10

The proposed Ordinary Resolutions 9 and 10, if passed, will enable the Company and its subsidiaries (Group) to enter into any of the recurrent related party transactions of a revenue or trading nature set out in the Circular to Shareholders of the Company dated 31 October 2023 which are necessary for the Group's day-to-day operations. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

PERSONAL DATA PRIVACY

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate and vote at the 28th AGM of the Company, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 28th AGM of the Company and the preparation and compilation of the attendance lists, minutes and other documents relating to the 28th AGM of the Company, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MALTON BERHAD
[Registration No: 199401035205 (320888-T)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR 28TH ANNUAL GENERAL MEETING ("28TH AGM") OF MALTON BERHAD ("MALTON" OR "COMPANY")

Date	:	**22 November 2023 (Wednesday)**
Time	:	**10.00 a.m.**
Meeting Platform	:	www.swsb.com.my
Broadcast Venue	:	Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur, Malaysia

MODE OF MEETING

- The 28th AGM of the Company ("28th AGM") will be held and conducted on a virtual basis through live streaming and online remote participation and voting ("RPV").
- Please note that it is your responsibility to ensure the stability of your internet connectivity throughout the 28th AGM as the quality of the live webcast and online remote voting are dependent on your internet bandwidth and stability of your internet connection.
- The Broadcast Venue of the 28th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the 28th AGM to be present at the main venue of the 28th AGM.
- NO Members or Proxy(ies)/Corporate Representative(ies)/Attorney(s) from the public shall be physically present at the Broadcast Venue on the day of the 28th AGM.
- All Members of the Company, whether Individual Members, Corporate Members, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the 28th AGM will have to register to attend, participate and vote remotely by using the RPV Facility, the details of which are set out below.
- Kindly check the latest updates via announcements on Bursa Malaysia Berhad's website at www.bursamalaysia.com.

RPV FACILITY

1. Should you wish to attend the 28th AGM, you are required to register yourself by using the RPV Facility in accordance with the instructions as set out under paragraph 5 below.

   With the RPV Facility, you may exercise your rights as a Member to attend, participate (including to pose questions in the form of real-time submission of typed texts) to the Board of the Company) and vote remotely at the 28th AGM.

ADMINISTRATIVE GUIDE AGM2023
(cont'd)

RPV FACILITY

2. **Individual Members** are strongly encouraged to take advantage of the RPV Facility to attend, participate and vote remotely at the 28th AGM. Please refer to the details as set out under RPV Facility for information. If an Individual Member is unable to participate in the online 28th AGM, he/she is encouraged to appoint the Chairperson of the 28th AGM as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

3. **Corporate Members** (through Corporate Representative(s) or appointed proxy(ies)) who wish to participate and vote remotely at the 28th AGM must contact the poll administrator, **ShareWorks Sdn Bhd** ("**ShareWorks**") with the details set out below for assistance and will be required to provide the following documents to the Company **no later than 20 November 2023 at 10.00 a.m.:**

    a. Certificate of Appointment of its Corporate Representative or Form of Proxy under the seal of the corporation or signed by its attorneys or in accordance with the provision of its constitution or by an authorised officer duly authorised on behalf of the corporation. If the Form of Proxy is not executed under the seal of the corporation, please attach a copy of that corporation's constitution for verification;

    b. Copy of the Corporate Representative's or proxy's identity card (MyKad) (front and back)/ Passport; and

    c. Corporate Representative's or proxy's email address and mobile phone number.

    The Corporate Members are encouraged to appoint the Chairman of the 28th AGM as their proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

4. **Nominee Company Members** who wish to attend, participate and vote remotely at the 28th AGM can request their Nominee Companies to appoint their proxy(ies) to attend, participate and vote remotely at the 28th AGM. Please contact the poll administrator, **ShareWorks** with the details set out below for assistance and will be required to provide the following documents to the Company **no later than 20 November 2023 at 10.00 a.m.:**

    a. Form of Proxy under the seal of the Nominee Company or signed by its attorneys or in accordance with the provision of its constitution or by an authorised officer duly authorised on behalf of the corporation. If the Form of Proxy is not executed under the seal of the corporation, please attach a copy of that corporation's constitution for verification;

    b. Copy of the proxy's identity card (MyKad) (front and back)/ Passport; and

    c. Proxy's email address and mobile phone number.

    The Nominee Company Members are encouraged to request their Nominee Companies to appoint the Chairman of the 28th AGM as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

RPV FACILITY (cont'd)

5. The procedures for the RPV in respect of the live streaming and remote voting at the 28th AGM are as follows:

Procedures		Action
Before the 28th AGM		
(i)	Register as a user	• If you have already registered an account on the website, you are not required to register again. • Access website www.swsb.com.my • Click "**Login**" and click "**Register**" to sign up as a user. The registration will be opened from **10.00 a.m. on 1 November 2023** and close at **10.00 a.m.** on **21 November 2023.** • Complete the registration process and upload a softcopy of MyKAD (front and back) (for Malaysian members) or Passport (for non-Malaysian members). • Read and agree to the terms & conditions and thereafter submit your request. • Upon submission, kindly login to the valid email address and verify your user ID within one (1) hour. • Upon verification of the user ID, **ShareWorks** will send an email notification to approve you as a user. • After verification of your registration against the General Meeting Record of Depositors of the Company as of **15 November 2023**, the system will send you an email to notify you if your registration is approved or rejected after **16 November 2023**. • If your registration is rejected, you can contact **ShareWorks** for clarifications or to appeal.
	On the day of the 28th AGM	
(ii)	Login to www.swsb.com.my	• Login with your user ID and password for remote participation at the 28th AGM at any time from **9.30 a.m. (30 minutes before the commencement of the 28th AGM on 22 November 2023 at 10.00 a.m.)**
(iii)	Participate through Live Streaming	• Select "**Virtual Meeting**" from the main menu. • Click the "**Join Meeting**" located next to the event. You are required to provide your full name as per CDS records and your user registered email address. • Kindly click the video link and insert the password given to you in your email notification to join the live video streaming. • If you have any questions for the Board, you may use the Q&A platform to transmit your question. The Board will try to respond to all questions submitted by remote participants during the 28th AGM. If time is a constraint, the responses will be emailed to you at the earliest possible time after the 28th AGM ended. • Please take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(iv)	Online remote voting	• Select "**Voting**" located next to the "**Join Meeting**" and indicate your votes for the resolutions that are tabled for voting. • Voting session will commence once the Chairman of the 28th AGM declare that the voting platform is activated and will end once the Chairman announces the completion of the voting session. • Please cast your vote on all resolutions as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(v)	End of RPV Facilities	• The RPV facilities will end and the Messaging window will be disabled the moment the Chairman of the 28th AGM announces the closure of the 28th AGM.

ADMINISTRATIVE GUIDE AGM2023
(cont'd)

APPOINTMENT OF PROXY

Only Member whose name appears on the General Meeting Record of Depositors on **15 November 2023** shall be eligible to attend, participate and vote at the 28th AGM or appoint Proxy(ies)/Corporate Representative(s)/Attorney(s) to attend, participate and vote on his/her/its behalf.

If a Member appoints his/her/its Proxy(ies)/Corporate Representative(s)/Attorney(s) to attend, participate and vote at the 28th AGM, please ensure the duly executed Form of Proxy or the Certificate of Appointment of its Corporate Representative are submitted to the Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia **not later than 20 November 2023 at 10.00 a.m.**

Please note that if an Individual Member has submitted his/her Form of Proxy prior to the 28th AGM and subsequently decides to personally attend and participate in the 28th AGM via RPV Facilities, the Individual Member shall proceed to contact **ShareWorks** to revoke the appointment of his/her/its proxy **no later than 20 November 2023 at 10.00 a.m.**

POLL VOTING

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 28th AGM shall be put to vote by way of a poll. The Company has appointed **ShareWorks** as Poll Administrator to conduct the poll by way of electronic means and **SharePolls Sdn Bhd** as Independent Scrutineers to verify the poll results.

The Independent Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolution is duly passed.

NO RECORDING OR PHOTOGRAPHY

Strictly NO recording or photography of the proceedings of the 28th AGM is allowed.

NO DOOR GIFTS OR E-VOUCHERS

There will be NO distribution of door gifts or e-vouchers.

DIGITAL COPIES OF DOCUMENTS FOR THE 28TH AGM

The following items are now available at the corporate website at www.malton.com.my or Bursa Malaysia Berhad's website at www.bursamalaysia.com:

i. Notice of the 28th AGM and Proxy Form
ii. Administrative Guide on the 28th AGM
iii. Annual Report 2023
iv. CG Report 2023
v. Circular to Shareholders dated 31 October 2023

ENQUIRY

If you have any enquiry prior to the virtual meeting, please contact Mr. Kou / Mr. Chan during office hours from 8.30 a.m. to 5.30 p.m. on Mondays to Fridays:

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

Telephone Number : 03-6201 1120
Email : ir@shareworks.com.my

PROXY FORM

MALTON

MALTON BERHAD
[Registration No: 199401035205 (320888-T)]
(Incorporated in Malaysia)

I/We, ____
(full name in BLOCK)

CDS Account No ____________________ NRIC No/Passport No/Company No ____________________ of

____
(address)

____
(address)

Email address ____________________ Contact No ____________________

a member of Malton Berhad holding ____________________ Ordinary Shares, hereby appoint:

Name of Proxy (Full Name)	NRIC No/Passport No	% of Shareholding to be represented (Refer to Notes 4 and 5 set out below)
Address	Email Address	Contact No

or failing him/her

Name of Proxy (Full Name)	NRIC No/Passport No	% of Shareholding to be represented (Refer to Notes 4 and 5 set out below)
Address	Email Address	Contact No

or Chairman of the meeting as my/our proxy for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting of Malton Berhad (28th AGM of the Company) to be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, No. 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using Remote Participation and Voting (RPV) facilities via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia on Wednesday, 22 November 2023 at 10.00 and any adjournment thereof and to vote as indicated below.

	RESOLUTIONS	For	Against
Ordinary Resolution 1	To approve the directors' fees, allowances and benefits payable to non-executive directors as set out in the explanatory note for the period from the conclusion of the 28th AGM of the Company until the conclusion of the next Annual General Meeting (AGM) of the Company		
Ordinary Resolution 2	To re-elect Datuk Hong Lay Chuan who retires by rotation pursuant to Article 86 of the Constitution of the Company (Constitution) and being eligible, offered himself for re-election		
Ordinary Resolution 3	To re-elect Dato' Siew Mun Wai who retires by rotation pursuant to Article 86 of the Constitution and being eligible, offered himself for re-election		
Ordinary Resolution 4	To re-elect Mr Arunasalam A/L Muthusamy who retires pursuant to Article 84 of the Constitution and being eligible, offered himself for re-election		
Ordinary Resolution 5	To re-elect Encik Baharum Bin Harun who retires pursuant to Article 84 of the Constitution and being eligible, offered himself for re-election		
Ordinary Resolution 6	To re-appoint Deloitte PLT who have indicated their willingness, as Auditors of the Company, and to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Authority to allot and issue shares		
Ordinary Resolution 8	Proposed Renewal of Authority for Share Buy Back		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties		
Ordinary Resolution 10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Construction Related Services and Project Management Services		

Please indicate with an "X" in the relevant boxes for each resolution. Unless voting instructions are indicated as above, the proxy may abstain from voting as he/she deems fit.

____
Signature(s) /Common Seal of member (s)

Date:

Notes:

1. The 28th AGM of the Company will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, No. 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using RPV facilities via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia. Please follow the procedures provided in the Administrative Guide for the 28th AGM of the Company in order to register, attend, participate and vote remotely via virtual meeting facilities.
2. The conduct of the virtual 28th AGM of the Company is in line with the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022 ("Revised Guidance Note and FAQs"). According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act, 2016 provided that the online platform is located in Malaysia.
3. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in the Notice of the 28th AGM of the Company shall be put to vote by poll. A Poll Administrator and Independent Scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.
4. A member of the Company who is entitled to attend, participate and vote at the 28th AGM of the Company is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend, participate and vote in his stead. A member shall not be entitled to appoint more than 2 proxies to attend, participate and vote at the same meeting. Where a member appoints 2 proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be represented by each proxy.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it shall not be entitled to appoint 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 to attend, participate and vote at the same meeting. Where 2 proxies are appointed, it shall specify the proportion of shareholdings to be represented by each proxy.
6. Where an exempt authorised nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or by a duly authorised attorney.
8. All proxy forms must be deposited at the share registrar of the Company, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting.
9. Only members registered in the Record of Depositors as at 15 November 2023 shall be eligible to attend, participate and vote at the 28th AGM of the Company or appoint a proxy to attend, participate and vote on his/her behalf.

Please fold here

AFFIX
STAMP

The Share Registrar
SHAREWORKS SDN BHD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

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MALTON

www.malton.com.my

Malton Berhad [Registration No: 199401035205 (320888-T)]
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75, Jalan Raja Chulan
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