



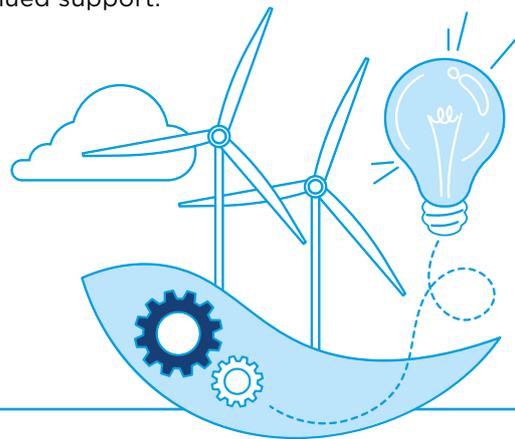


# COVER RATIONALE

**THE ANNUAL REPORT 2023 COVER EXTENDS THE “WHERE PEOPLE MATTER” THEME, HIGHLIGHTING MKH’S UNWAVERING COMMITMENT TO STAKEHOLDERS.**

This year, the narrative emphasizes **the Company’s dedication to professionalism** in handling various challenges. We express our gratitude to our shareholders, directors, management, staff, customers, bankers, business associates, regulatory authorities and stakeholders for their continued support.

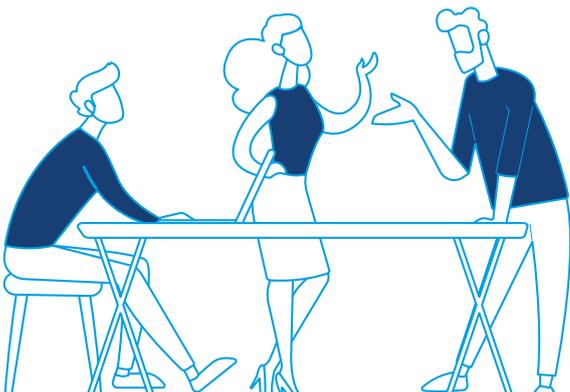
The design maintains continuity, showcasing the Company’s ongoing contributions to communities through **enhanced corporate social responsibility initiatives**. People remain at the forefront of MKH’s mission, **solidifying our position as a responsible and stakeholder-centric organization**.



## 44<sup>th</sup> ANNUAL GENERAL MEETING

Will be held at RHR Hotel @ Kajang and details as follows :

- Date** : 12 March 2024
- Time** : 10.00 a.m.
- Venue** : Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia



## **CORPORATE INFORMATION**

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## **FINANCIAL**

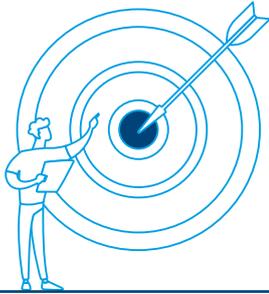
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**Form of Proxy**

# VISION & MISSION

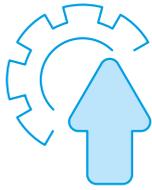


## OUR VISION

To be a leading corporation in delivering sustainable growth.

## OUR MISSION

Who we are, What we do



To lead the market by continually **developing and innovating** quality products and projects that meet and exceed market expectations.



To be **responsive** to market trends and customer needs.



To provide **conductive working environment** that will encourage the application of creative energy that is guided by best industry practices.



To be a **good and responsible** corporate citizen.



To provide **sustainable return** to shareholders.

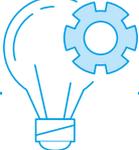
# CORE VALUES

Grounded by the promise of **DELIVERING VALUE**, we take pride in living by a set of shared core values that define our culture and business operations, thus helping us to create value for our clients, our people and our organization.



**STABLE**

We use our expertise, business acumen and financial resources to provide a holistic value to all stakeholders and customers.



**DYNAMIC**

We are always enthusiastic in looking out for new opportunities and delivering innovative products into the market.



**RESPONSIVE**

We proactively engage with the community to understand their needs and concerns with the aim of delivering solutions for betterment of the situations.



**FRIENDLY**

We greet our colleagues, customers and stakeholders in an approachable manner with a smile and are considerate for each other's feeling.



**RELIABLE**

We utilize our experience and financial strength to deliver on our promises and complete all projects on time or earlier.

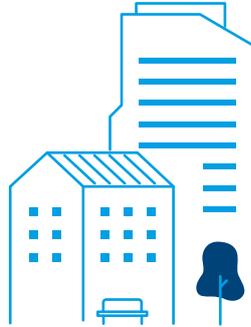


**PROFESSIONAL**

We deal with our stakeholders and customers in an efficient, knowledgeable and responsive manner.



# CORPORATE MILESTONE



## 1979

- Established as private limited company: **Srijang Bena Sdn Bhd**
- Built first landed residential development: **Taman Bukit Indah**

## 1993

- Built first joint venture development with Selangor state government: **Bandar Teknologi Kajang**
- Built first high-rise development in Kajang

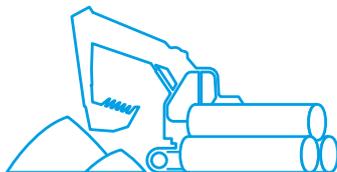
## 1995

- Srijang Bena Sdn Bhd rebranded: **Metro Kajang Holdings Berhad**
- Officially listed on Bursa Malaysia as "MKH" under stock code "6114"

## 1979 - 2000

## 1983

- Established building materials trading division: **Metro Kajang Trading Sdn Bhd**



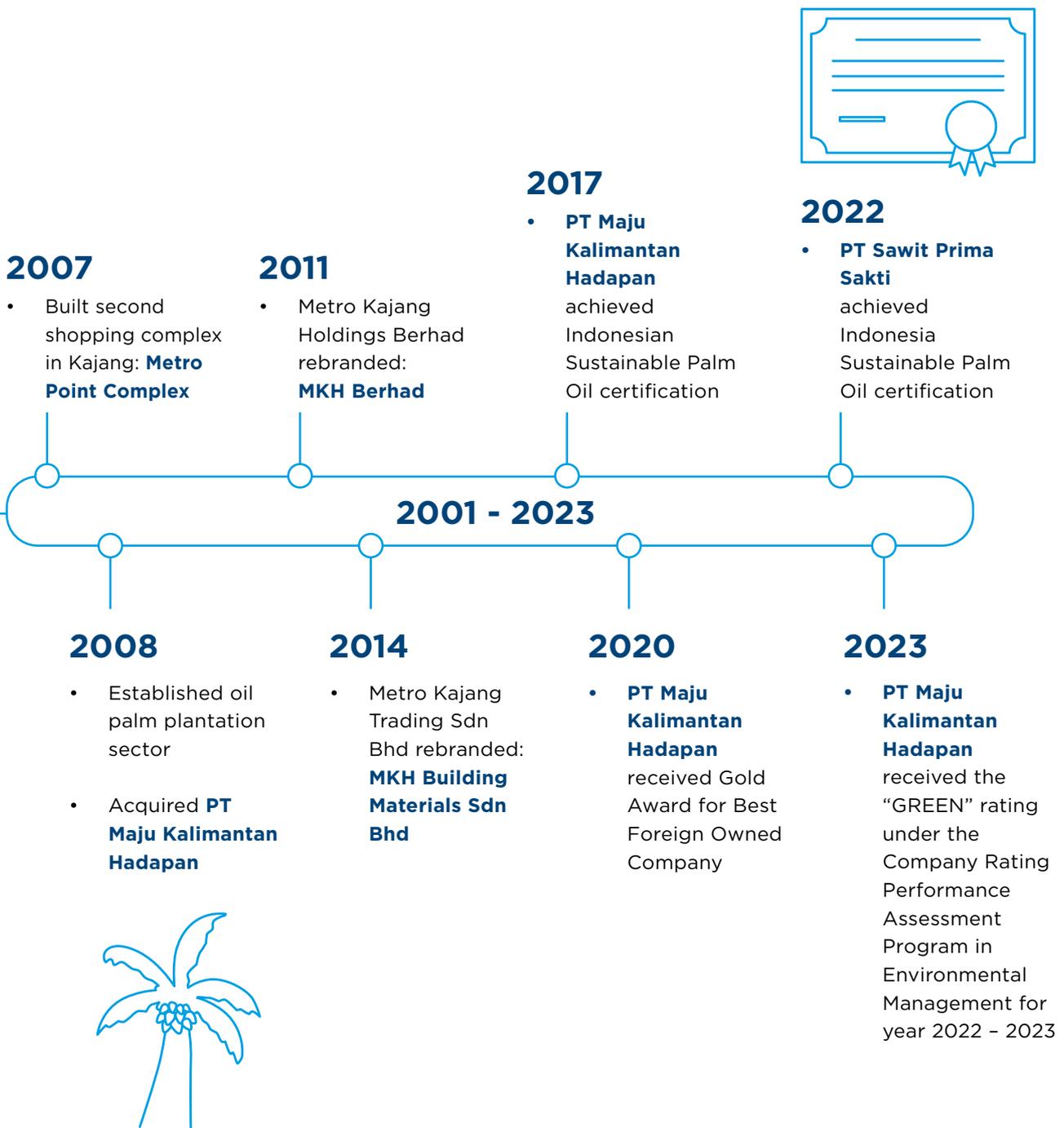
## 1994

- Established property investment sector
- Built first shopping complex in Kajang: **Plaza Metro Kajang**

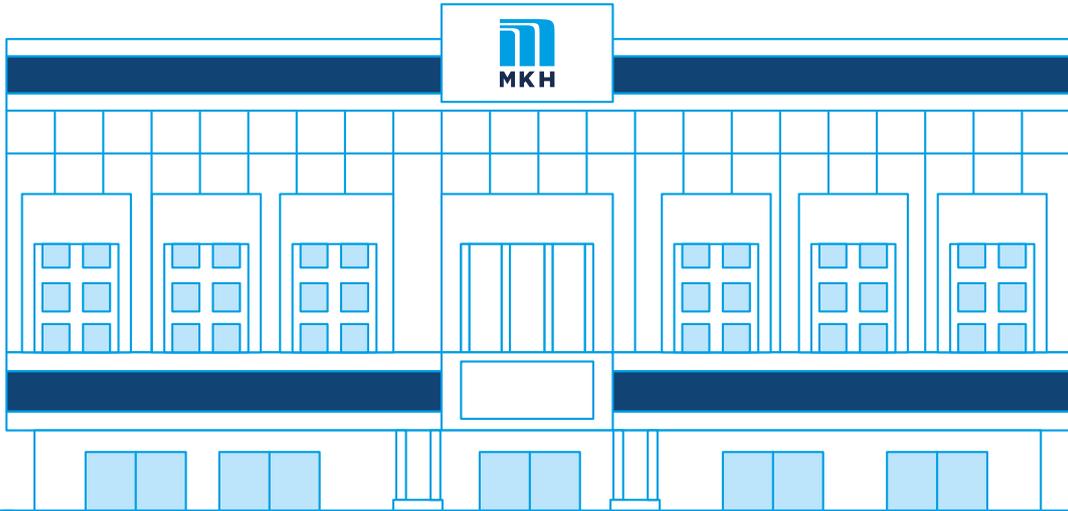
## 2000

- Established Furniture Manufacturing Division in China: **Vast Furniture Manufacturing (Kunshan) Co. Ltd**

## CORPORATE MILESTONE



# COMPANY PROFILE

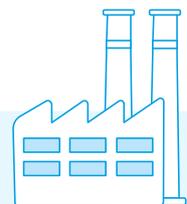


**Founded in 1979, MKH Berhad (“MKH”) is a public listed Malaysian company with its roots in Kajang, Selangor. Over the years, MKH has cultivated a strong and recognizable brand presence in Selangor, Kuala Lumpur and East Kalimantan, Indonesia.**

As a prominent property developer, MKH has played a vital role in the transformation of Kajang, offering a diverse property portfolio that includes meticulously planned Transit Oriented Development (“TOD”), thriving townships, and integrated high-rise buildings across the Klang Valley. Our commitment to growth and creating sustainable value for all stakeholders led us to diversify in 2008, when we ventured into oil palm cultivation in East Kalimantan, Indonesia. Beyond real estate and oil palm cultivation the MKH Group is also involved in property investment, building materials trading, and furniture manufacturing.

In our pursuit of value creation for our homeowners, MKH consistently explores innovative approaches to elevate the standards of living. Our properties incorporate eco-friendly features, and many are strategically situated near KTM commuter or MRT stations for convenience and accessibility. We specialize in crafting homes designed to accommodate multi-generational living, ensuring that families can thrive in comfortable and adaptable spaces.

MKH’s oil palm cultivation efforts extend across two estates in East Kalimantan, managed under PT Maju Kalimantan Hadapan (“PT MKH”) and PT Sawit Prima Sakti (“PT SPS”). These estates collectively cover approximately 18,205 hectares (equivalent to 44,986 acres) and operate a 90 metric tonnes (“MT”) per hour crude palm oil (“CPO”) mill and a jetty. Notably, our estates have consistently demonstrated strong performance, with fresh fruit bunches (“FFB”) yields averaging between 24 MT to 30 MT per hectare annually. For the financial year 2023 (“FY2023”), our CPO production reached a commendable 89,000 MT.



**FFB yields averaging between 24 MT to 30 MT per hectare annually. For the financial year 2023 (“FY2023”), our CPO production reached a commendable 89,000 MT.**

## COMPANY PROFILE

Our property investment division, established in 1996, is anchored by two eco-conscious shopping malls, Plaza Metro Kajang and Metro Point Complex. Nestled in the heart of Kajang town, our shopping malls have taken a forward-looking approach by embracing solar energy. This green initiative holds the promise of not only reducing operational costs but also championing environmental responsibility. The installation of solar panels marks a long-term investment that brings substantial benefits to both our company and the planet. These malls have evolved into dynamic community centres that not only provide shopping, leisure and dining options but also reflect our commitment to a sustainable and eco-conscious future.

In 2023, Metro Point Complex installed Electric Vehicle (“EV”) charging stations for our customers. This move aligns with our commitment to create a more sustainable and environmentally friendly future.

MKH Building Materials Sdn Bhd traces its beginnings back over 40 years ago when it served as a purchasing division for the MKH Group. Its primary purpose is to support in-house and external projects. It has firmly established itself as the key purchasing arm for building materials for the Group. We achieve this by continually developing and innovating quality products that not only meet but exceed market expectations and remain responsive to market trends and customer needs, guided by the best industry practices.

At MKH, we are wholeheartedly committed to nurturing enduring relationships with our stakeholders and the larger community towards a sustainable future.



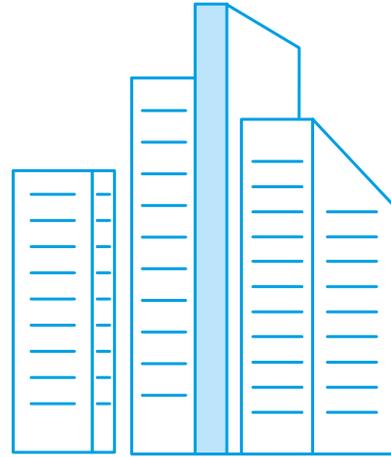
Artist's impression of the playground at Akina @ Kajang 2 Precinct 3

# AWARDS AND ACHIEVEMENTS

## THE **EDGE** MALAYSIA *Top Property Developers Awards 2023*

### Property

In FY2023, MKH ranked 12th among Top 30 Property Developers in Malaysia at The Edge Malaysia Top Property Developers Awards 2023 with high scores in innovation and creativity for development projects that create value for our home buyers and investors.



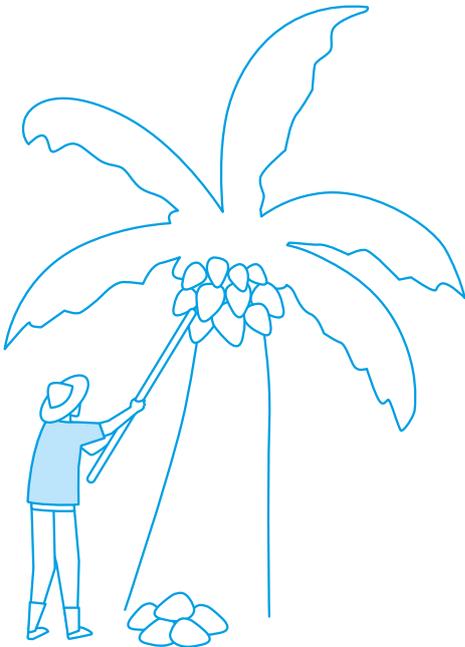
### Notable Awards Received by Plantation Division

1. **PIAGAM BUPATI PT MAJU KALIMANTAN HADAPAN**

For its Commitment in Fulfilling the Obligation to Facilitate Plantation Development for Surrounding Communities in 2023.

2. **PT MAJU KALIMANTAN HADAPAN**

Received the “GREEN” rating under the Company Rating Performance Assessment Program in Environmental Management for the year 2022 - 2023.



# FY2023 HIGHLIGHTS



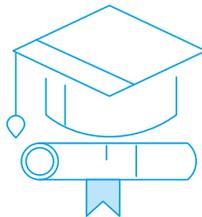
Achieved Group Revenue of **RM1,063.8 million** and Profit Before Tax of **RM117.2 million**.

**THE EDGE** *Top Property Developers Awards 2023*

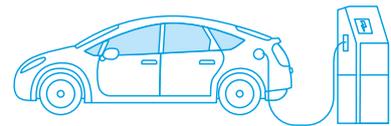
Top 12th Developer in Malaysia During the The Edge Malaysia Top Property Developers Award 2023.



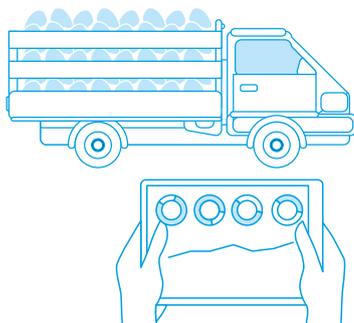
Contributed approximately **RM2,916,802** through community engagement that supported beneficiaries in Malaysia and Indonesia which included education institutions, local communities and non-profit organizations.



185 students from **39 schools** in Hulu Langat district benefited financially to ease their education needs.



Metro Point Complex invested in **EV charging stations** in line with the Group's commitment towards a more environmentally sustainable future.



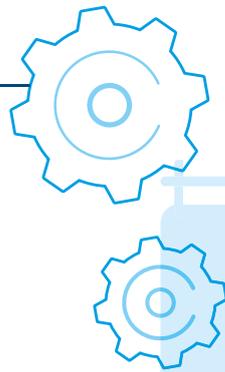
Enhanced the Plantation & Mill Management system ("PMMS") Apps to track evacuation of FFB from field to the mill and Contractor Management System to monitor contractors' trucks for more **efficient FFB crop evacuation**.



PT Maju Kalimantan Hadapan received the "GREEN" rating under the Company Rating Performance Assessment Program in Environmental Management for year 2022 - 2023.

# PROPERTY

## DEVELOPMENT & CONSTRUCTION



**48%**

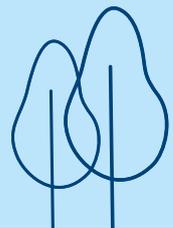
**Total Segment Profit  
Before Tax Contribution**

**55%**

**Contribution To  
Total Group Revenue**

**AS A PROPERTY DEVELOPER THAT STARTED OUT IN KAJANG, WE BUILT OUR FIRST RESIDENTIAL DEVELOPMENT IN 1979, FOLLOWED BY OUR FIRST HIGH-RISE DEVELOPMENT IN 1993 AND KAJANG'S FIRST SHOPPING COMPLEX IN 1994.**

**While our products have evolved over the past few decades to meet the ever-changing needs of the people, our brand promise remained the same - to deliver value to our stakeholders in the aspects of quality, affordability and practicality and it is on the same principle that we stood by in our exploration and establishment of new business opportunities.**



# CHAIRMAN'S STATEMENT

**DEAR SHAREHOLDERS,**



“

On behalf of the Board of Directors and the management, it is my great pleasure to present to you the Annual Report of MKH Berhad (“MKH” or “the Group”) for the financial year ended 30 September 2023 (“FY2023”).

”

We are committed to making a positive impact and we prioritize not only financial achievements but also social and environmental considerations in the decisions that we make. With this approach, we create thriving sustainable businesses that contributes positively to the Group, the society and the planet.

It has been another remarkable year for MKH, characterized by our resilience which is reflected in our financial performance and the trust placed in us by our valued stakeholders.

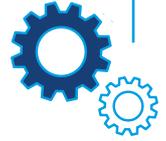
For FY2023, despite a challenging business environment, the Group achieved a commendable revenue of RM1,063.8 million and a profit before tax (“PBT”) of RM117.2 million. These achievements were made possible through strategic alignment of our vision and objectives, a strong commitment to sustainable growth and a steadfast focus on operational excellence.

This success stands as a testament to the unwavering dedication and hard work of our directors, management and staff who have contributed tirelessly to our achievements.



Our Group Executive Chairman, Tan Sri Dato’ Alex Chen (in grey shirt) conducting field visit at our plantation. The harvesting of FFB are carried out in accordance to strict standard operating procedure to ensure optimum FFB quality, in order to achieve high oil extraction rate (“OER”)

## CHAIRMAN'S STATEMENT



For a more in-depth review of the Group's performance, please refer to the "Management Discussion and Analysis Report" in this Annual Report.

Malaysia's gross domestic product ("GDP") is expected to grow by 4% to 5% in 2024 after registering a 3.3% growth in the third quarter of 2023, to be driven by favourable labour market conditions, investment projects, improvement in global technology cycle and tourism.

The Group continue to focus on the strong demand for affordable housing, with emphasis on delivering affordability in prime locations with appropriate product mix. For FY2023, the Property Development and Construction Division achieved notable results, with revenue of RM587.6 million and PBT of RM56.6 million.

In today's ever-evolving real estate landscape, the key to success lies not only in adapting to market challenges but also in envisioning innovative strategies that can transform those challenges into opportunities. One such strategy is Transit-Oriented Development ("TOD").

In response to the strong interest in TOD, MKH has been actively engaged in the development of TOD projects strategically situated along the Klang Valley transit system. Some of our noteworthy service apartment projects in this category include Nexus @ Taman Pertama in Cheras, MKH Boulevard II in Kajang, Nexus @ Kajang Station, MIRAI Residences @ Kajang 2 Precinct 1 and TR2 Residence @ Jalan Tun Razak in Kuala Lumpur.



**The Property Development and Construction Division achieved notable results, with revenue of RM587.6 million and PBT of RM56.6 million.**

Artist's impression of NEXUS @ Taman Pertama with a stunning view of Kuala Lumpur city centre

## CHAIRMAN'S STATEMENT



Metro Point Complex in Kajang town

To extend our market presence and strengthen engagement with prospective buyers, the Group has conducted exciting marketing campaigns across digital and social media platforms. Among these initiatives was the “MKH Smart Up Your Home” campaign from May to September 2023. This campaign offered attractive incentives across 11 projects, including Nexus @ Taman Pertama, TR2 Residence @ Jalan Tun Razak, MIRAI Residences @ Kajang 2 Precinct 1, Nexus @ Kajang Station (Tower B) and Akina @ Kajang 2 Precinct 3. This campaign not only amplifies our reach but also provides attractive incentives for our valued customers. It marks another step in our commitment in delivering exceptional value and experiences.

As at 30 September 2023, the Group has locked-in unbilled sales value of RM841.2 million from which attributable sales revenue and profits will be recognized progressively. These projects include Hillpark Shah Alam, MKH Boulevard II, Nexus @ Kajang Station, Kajang East Avenue Shops, MIRAI Residences @ Kajang 2 Precinct 1, Nexus @ Taman Pertama, TR2 Residence @ Jalan Tun Razak and Akina @ Kajang 2 Precinct 3.

For FY2023, the Plantation Division recorded a revenue of RM338.0 million and PBT of RM37.5 million. Recognizing the importance of innovation in creating value for our businesses, our oil palm plantation in East Kalimantan, Indonesia has embraced mechanical assisted fresh fruit bunches (“FFB”) collection and software apps for monitoring. The Plantation Division has also enhanced the PMMS Apps for tracking FFB evacuation from field to mill and the Contractor Management System for monitoring contractors’ trucks, optimizing FFB crop evacuation efficiency. Drones are utilized to enhance agricultural practices and monitoring, enabling comprehensive field analysis, palm growth assessment, palm census, road access monitoring and water flow management. These measures contribute to efficient estate management and we continue to focus on efforts to maximize CPO production and operational efficiency.



**The Group has locked-in unbilled sales value of RM841.2 million from which attributable sales revenue and profits will be recognized progressively.**

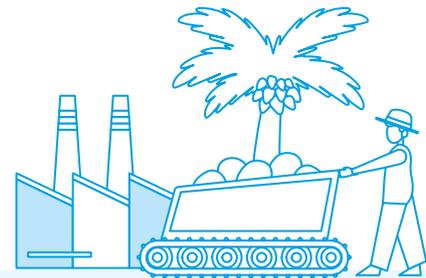
## CHAIRMAN'S STATEMENT



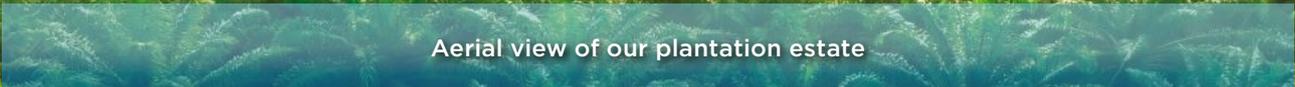
Estate Managers and Assistant Managers

The Indonesia's new administrative capital, Nusantara, in East Kalimantan signifies a positive development for the region where our plantation is located. Businesses are well positioned to benefit from the increased economic activities, job creation and improved infrastructure associated with this new capital.

Our Building Materials Trading Division has introduced two trademarked product lines, EGON ironmongeries and CASCADA sanitary fittings, designed to meet the aesthetic requirements of modern residential and commercial projects, enhancing the overall prestige of the property. This division also produces ready-mix concrete to our MKH Boulevard II and MIRAI Residences @ Kajang 2 Precinct 1 projects. Up to date, it has surpassed 100,000m<sup>3</sup> of ready-mix concrete production. This financial year also marks a remarkable year for this division as it has attained its record RM100 million annual sales revenue which further reinforce its success in the trading industry.



**The Plantation Division recorded a revenue of RM338.0 million and PBT of RM37.5 million.**



Aerial view of our plantation estate

## CHAIRMAN'S STATEMENT

As a responsible corporate citizen, MKH places a strong emphasis on Corporate Social Responsibility (“CSR”). For FY2023, the Group contributed approximately RM2,916,802 in community engagement initiatives in Malaysia and Indonesia benefiting educational institutions, local communities and charitable organizations.

For a comprehensive overview of MKH's sustainability efforts, please refer to the “Sustainability Report” in this Annual Report, from page 38 to page 79.

For FY2023, a first interim dividend of 4 sen per ordinary share, totaling approximately RM23.1 million, was declared on 29 November 2023, and paid on 10 January 2024. This dividend distribution represents around 30.97% of the Group's net profit attributable to owners of the parent.

We are confident in our ability to maintain sustainable development with our TOD model. We are optimistic that our strategy of offering affordable housing in prime locations with TOD concept will continue to receive strong demand.

We are optimistic that CPO price will remain well supported in 2024 with the current CPO price trading at approximately RM3,600 per MT (net of export levy and duty) in Indonesia which augurs well for our Plantation Division. This positive projection can be attributed to the ongoing strong demand for palm oil and tighter global supply.

Our shareholders have on 28 November 2023 approved the proposed listing of and quotation for the entire enlarged issued share capital of MKH Oil Palm (East Kalimantan) Berhad on the Main Market of Bursa Malaysia Securities Berhad (“Proposed Listing”) and the Proposed Listing is expected to be completed by the 2nd quarter of 2024.

On behalf of the Board of Directors, I wish to express our sincere appreciation and gratitude to our esteemed shareholders, loyal customers, dedicated bankers, valued business associates and the authorities for their unwavering support of the Group.



We provide education facilities for the children of our plantation workers



**We are optimistic that CPO price will remain well supported in 2024 with the current CPO price trading at approximately RM3,600 per MT (net of export levy and duty) in Indonesia which augurs well for our Plantation Division.**



**For FY2023, the Group contributed approximately RM2,916,802 in community engagement initiatives benefiting educational institutions, local communities and charitable organizations.**

## CHAIRMAN'S STATEMENT

I also extend my heartfelt appreciation to my fellow Board members, the dedicated management team and all our employees, whose unwavering commitment and collaborative efforts have been instrumental to the Group's success.

I firmly believe that MKH Berhad is well-positioned to achieve even greater success in 2024, thanks to the continued support and collaboration of all our stakeholders, management and staff. Together, we look forward to another year of growth and prosperity.

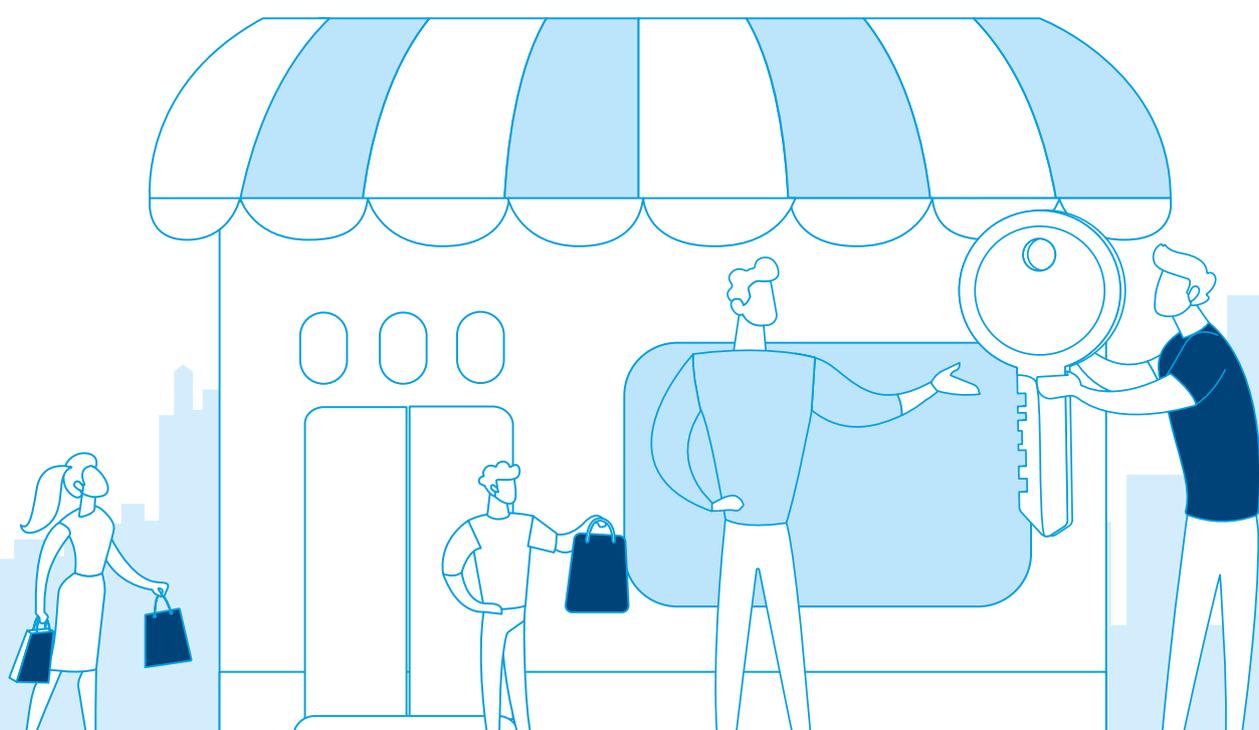
Thank you.

**Tan Sri Dato' Alex Chen Kooi Chiew**  
Group Executive Chairman



Artist's impression of NEXUS @ Kajang, strategically located adjacent to Kajang MRT & KTM station

# PROPERTY INVESTMENT



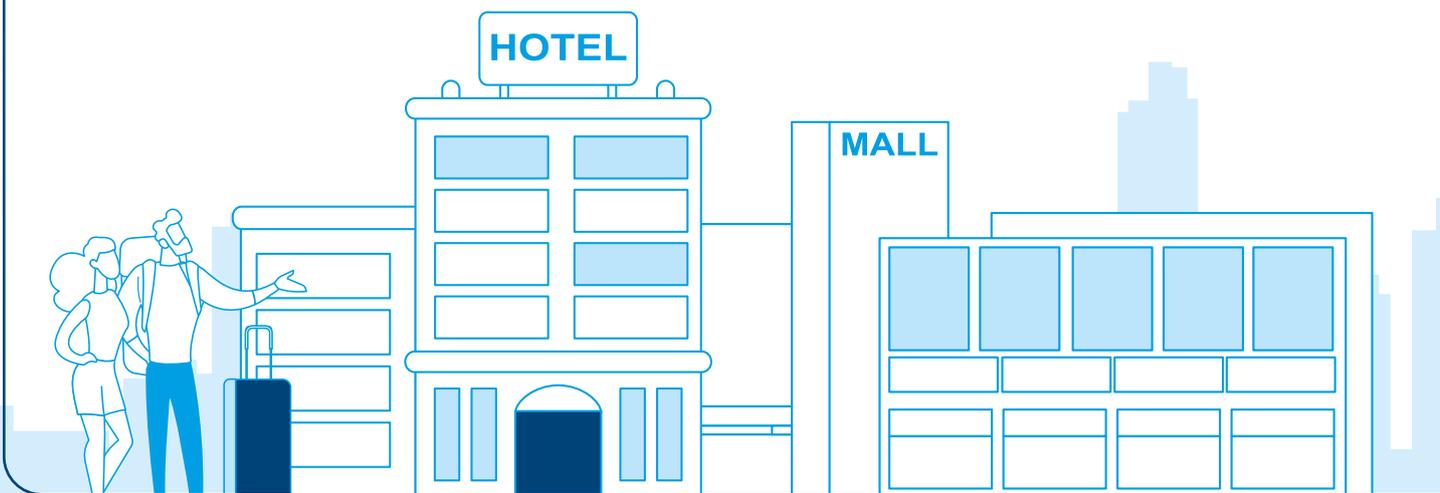
**9.0%**

**Total Segment Profit  
Before Tax Contribution**

**3.0%**

**Contribution To  
Total Group Revenue**

**SINCE 1996, THIS DIVISION REPRESENTS ONE OF THE GROUP'S CONTRIBUTORS THAT MAINTAIN AN AVERAGE ANNUAL RENTAL YIELD OF 3% TO 4% FROM VARIOUS COMMERCIAL PROPERTIES LOCATED IN KAJANG AND ACROSS THE KLANG VALLEY.**

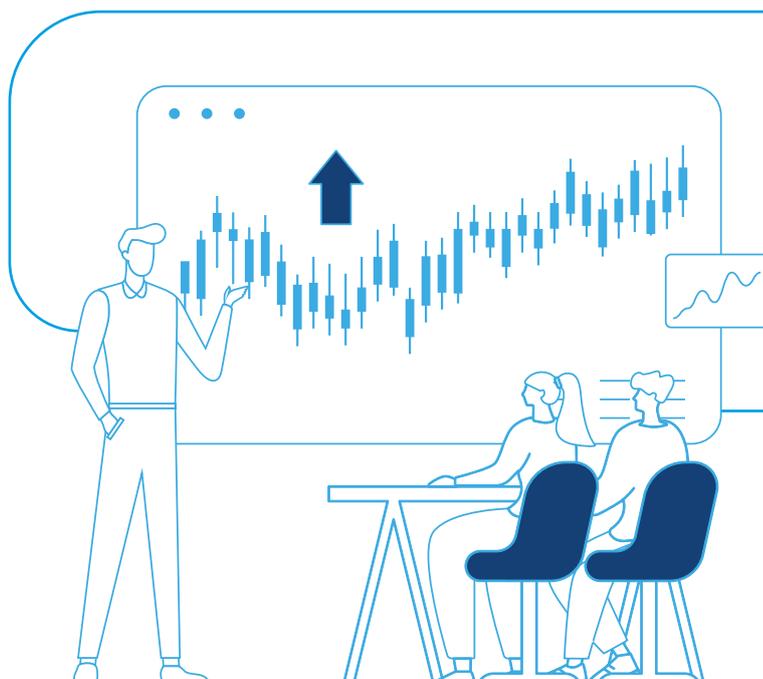


**Our two shopping complexes located in the Kajang town centre, Plaza Metro Kajang and Metro Point Complex offer an extensive range of leisure and eatery conveniences to over 100,000 households in the Kajang community.**

**Besides retail outlets, shop-offices, parking spaces and a 6-storey hotel, we also own factory building in China which are currently used for furniture manufacturing and rental. Other properties include commercial lands in Kajang and Semenyih that are leased to hypermarket and fast food restaurants and commercial land together with building leased to Rafflesia International School.**

**We have a total net lettable area of approximately 430,000 sq. ft. with a good tenancy rate of more than 90%.**

## 5 YEARS GROUP FINANCIAL HIGHLIGHTS

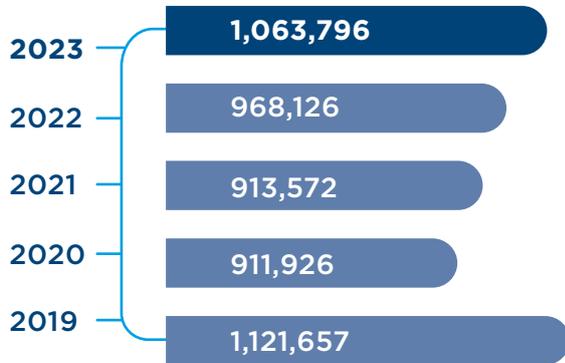


	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
<b>INCOME STATEMENT</b>					
Revenue	1,063,796	968,126	913,572	911,926	1,121,657
Profit Before Taxation	117,197	171,254	161,054	116,476	158,373
Profit After Taxation	81,278	128,747	102,708	66,267	97,477
Profit Attributable to the Shareholders of the Company	74,596	112,413	80,435	41,737	82,561
<b>BALANCE SHEET</b>					
Issued and Paid up Capital	654,459	654,459	654,459	654,459	654,459
Shareholders' Equity	1,860,686	1,807,541	1,706,069	1,632,609	1,615,885
<b>RATIOS</b>					
Single Tier Dividend Per Share (sen)	4.00	4.00	3.50	3.00	4.00
@ Net Earnings Per Share (sen)	12.92	19.47	13.93	7.22	14.25
Net Assets Per Share (RM)	3.22	3.13	2.95	2.83	2.79
Debt/Equity ratio (%)	20.4	23.3	32.2	40.0	42.4
Return on Shareholders' Equity (%)	4.0	6.2	4.7	2.6	5.1

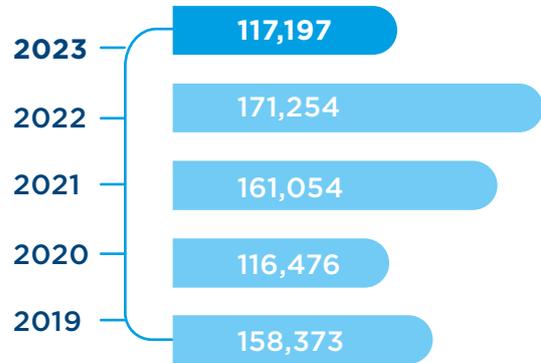
@ Attributable to the equity holders of the Company

## 5 YEARS GROUP FINANCIAL HIGHLIGHTS

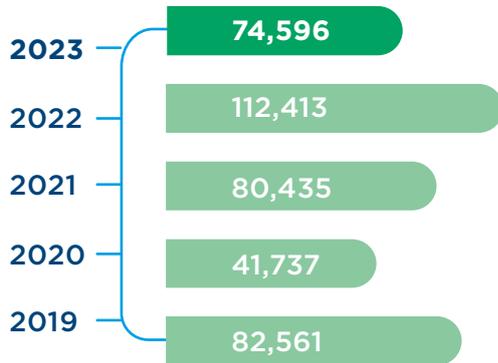
### Revenue (RM'000)



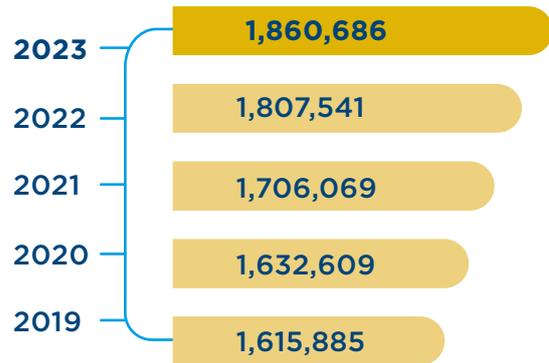
### Profit Before Taxation (RM'000)



### Profit Attributable to the Shareholders of the Company (RM'000)



### Total equity attributable to shareholders of the Company (RM'000)



# CORPORATE INFORMATION

**Y. Bhg. Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngai Chong**

Group Executive Chairman

**Y. Bhg. Tan Sri Datuk Chen Lok Loi**

Group Managing Director

**Y. Bhg. Datuk Chen Fook Wah**

Deputy Managing Director

**Y. Bhg. Dato' Lim Hong Shuan**

Senior Independent Non-Executive Director

**Ms. Hoon Shat Mei**

Independent Non-Executive Director

**Ms. Lee Pei Yee**

Independent Non-Executive Director

**En. Jeffrey bin Bosra**

Non-Independent Non-Executive Director



**Audit Committee**

- Ms. Hoon Shat Mei (*Chairperson*)
- Y. Bhg. Dato' Lim Hong Shuan (*Member*)
- Ms. Lee Pei Yee (*Member*)
- En. Jeffrey bin Bosra (*Member*)

**Nomination Committee**

- Y. Bhg. Dato' Lim Hong Shuan (*Chairman*)
- Ms. Hoon Shat Mei (*Member*)

**Remuneration Committee**

- Y. Bhg. Dato' Lim Hong Shuan (*Chairman*)
- Ms. Lee Pei Yee (*Member*)

**Chief Financial Officer**

Kok Siew Yin (MIA 15343)

**Group Company Secretary**

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

**External Auditors**

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

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

## CORPORATE INFORMATION

### Panel Solicitors

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

### Principal Bankers

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

### Registrar

Tricor Investor & Issuing House Services Sdn Bhd  
 Unit 32-01, Level 32, Tower A  
 Vertical Business Suite  
 Avenue 3, Bangsar South  
 No. 8, Jalan Kerinchi  
 59200 Kuala Lumpur  
 Tel No : (603) 2783 9299  
 Fax No: (603) 2783 9222

### Registered Office

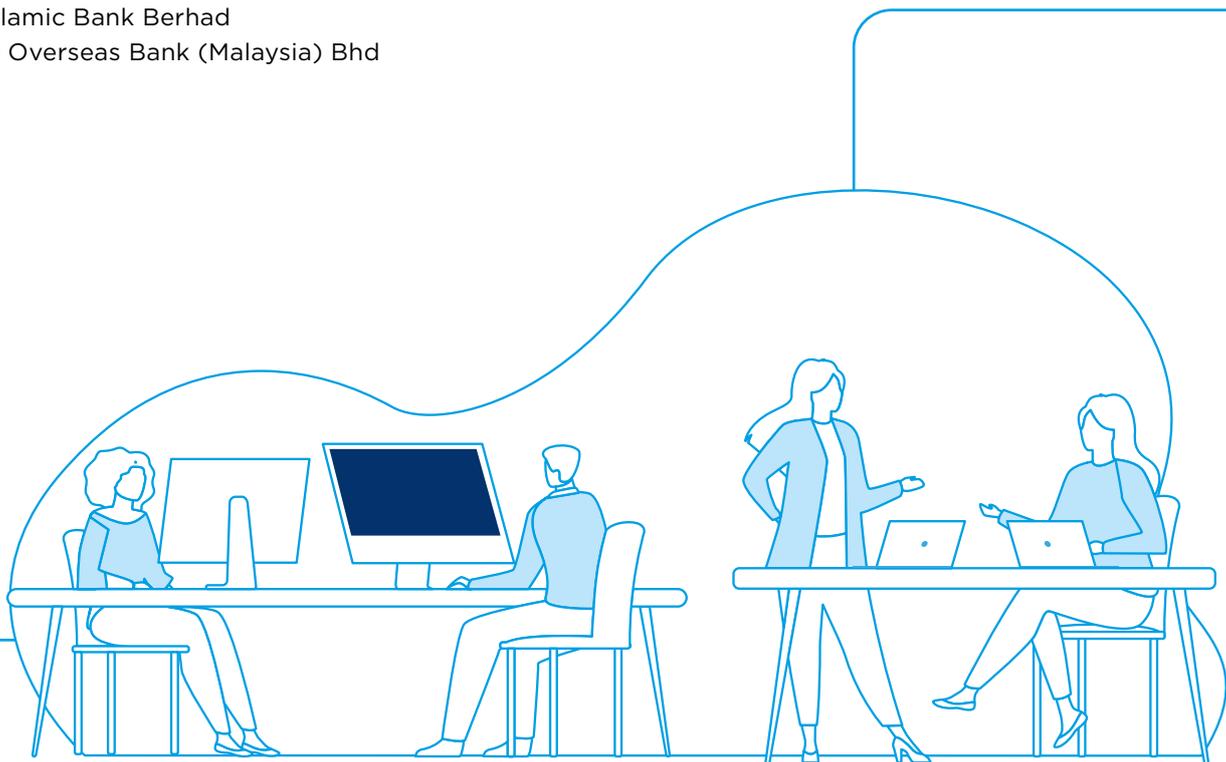
Suite 1, 5th Floor  
 Wisma MKH, Jalan Semenyih  
 43000 Kajang  
 Selangor Darul Ehsan  
 Tel No : (603) 8737 8228  
 Fax No: (603) 8736 5436

### Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad  
 Stock Code : MKH  
 Stock No : 6114

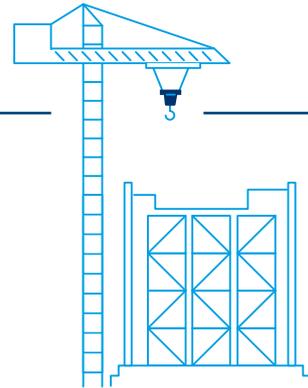
### Corporate Website

[www.mkhberhad.com](http://www.mkhberhad.com)



# CORPORATE STRUCTURE

AS AT 15 JANUARY 2024



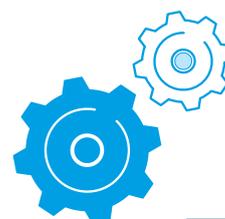
## PROPERTY AND CONSTRUCTION DIVISION

- Achieve Acres S/B (85%)
- Aliran Perkasa S/B (100%)
- Amona MKH Ventures S/B (50.00001%)
- Budi Bidara S/B (100%)
- Dapat Jaya Builder S/B (100%)
  - ↳ Rimbunan Melati S/B (45%)
- Everland Asia Development S/B (100%)
- Gabung Wajib S/B (100%)
  - ↳ Alif Mesra S/B (65%)
  - ↳ Amona Metro Development S/B (60%)
    - ↳ Temara Pekeliling S/B (84%)
  - ↳ Danau Saujana S/B (65%)
- Gerak Teguh S/B (100%)
- GK Resort Berhad (100%)
  - ↳ PNSB-GK Resort S/B (70%)
- Intelek Kekal (M) S/B (100%)
- Intra Tegas (M) S/B (100%)
  - ↳ Knowledge Builder S/B (60%)
- Kajang Resources Corporation S/B (100%)
  - ↳ MKH Property Ventures S/B (51%)
  - ↳ Panasonic Homes MKH Malaysia S/B (49%)

- Kumpulan Indah Bersatu S/B (100%)
  - ↳ Palga S/B (100%)
    - ↳ Hiliran Juara S/B (100%)
- Metro K.L. City S/B (100%)
- Metro Kajang Construction S/B (100%)
- MKH Development S/B (100%)
- MKH Land (Aust) Pty Ltd (100%)
- Nexus Starship S/B (100%)
  - ↳ Quantum Density S/B (50.0004%)
- Pelangi Binaraya S/B (50.0002%)
- Pelangi Semenyih S/B (100%)
- Pelangi Seri Alam Development S/B (100%)
  - ↳ Hillpark Resources S/B (100%)
- Perkasa Bernas (M) S/B (100%)
  - ↳ Daksina Harta S/B (40%)
- Petik Mekar S/B (100%)
- Serba Sentosa S/B (100%)
- Serentak Maju Corporation S/B (100%)
- Srijang Kemajuan S/B (99.99%)
- Stand Allied Corporation S/B (100%)
- Sumber Lengkap S/B (100%)
- Suria Villa S/B (100%)
- Vista Haruman Development S/B (55%)

## CORPORATE STRUCTURE

### AS AT 15 JANUARY 2024



# NON-PROPERTY DIVISION

#### MKH Oil Palm (East Kalimantan) Berhad (94.43%)

- PT Maju Kalimantan Hadapan (100%)
- PT Sawit Prima Sakti (100%)
- Hala Maju S/B (100%)

#### Metro Kajang (Oversea) S/B (100%)

- PT Nusantara Makmur Jaya (100%)
- Restu Mesra S/B (100%)
- Vast Furniture Manufacturing (Kunshan) Co. Ltd. (100%)

#### Global Landscape Creation S/B (100%)

#### MKH Plantation S/B (100%)

#### Intelek Murni (M) Berhad (100%)

#### Metro Nusantara S/B (100%)

#### Metro Readymix S/B (100%)

#### Metro Tiara (M) S/B (100%)

#### MKH Building Materials S/B (100%)

- Sunway MKH Marketing S/B (49%)

#### MKH Credit Corporation S/B (100%)

#### MKH Food S/B (100%)

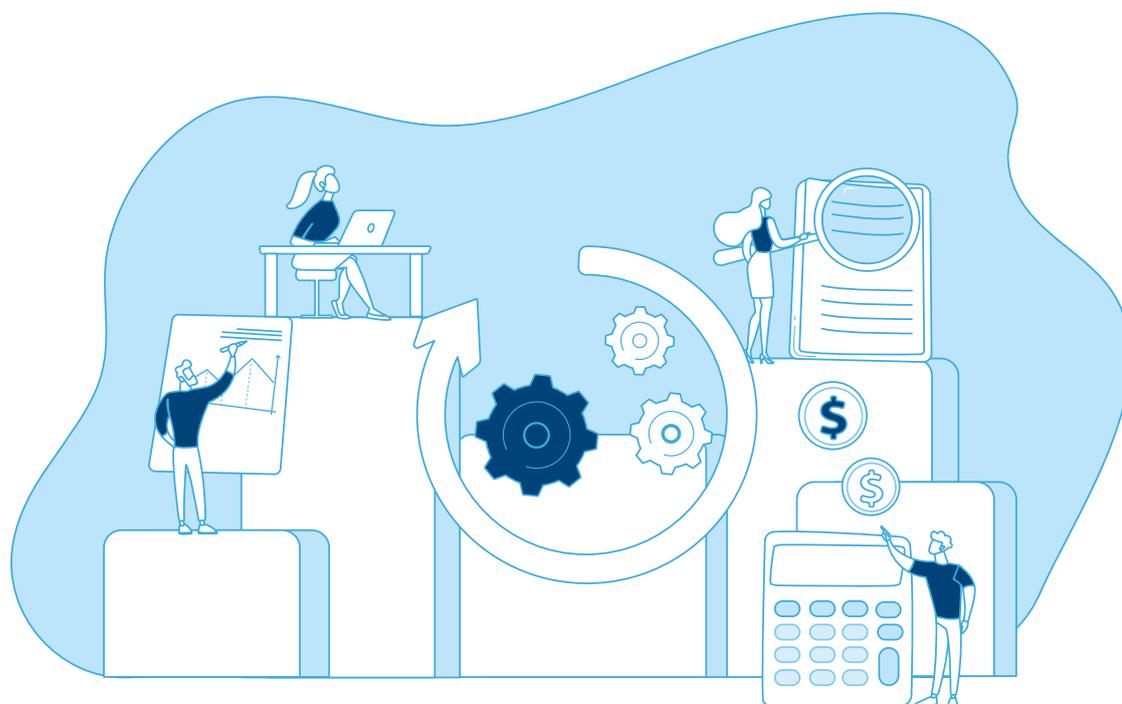
#### MKH Management S/B (100%)

#### MKH Resources S/B (100%)

#### Srijang Indah S/B (100%)

- Laju Jaya S/B (100%)
- Maha Usaha S/B (100%)

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT



This Report provides a discussion and analysis of the Group's financial performance for the financial year ended 30 September 2023 ("FY2023"), including explanations for substantial fluctuations over the previous financial year.

The Group's principal business segments, which remained unchanged from the preceding year, comprise Property Development and Construction; Plantation; Hotel and Property Investment; and Others. The segment "Others" comprises Trading, Manufacturing, Investment Holding and other non-reportable operations.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### FY2023 FINANCIAL HIGHLIGHTS

The Group's revenue and PBT for the financial year under review and the preceding year are summarised as follows:

	2023 RM'000	2022 RM'000	Changes (%)
<b>Group Revenue</b>	<b>1,063,796</b>	<b>968,126</b>	<b>9.9</b>
<b>Segments</b>			
• Property Development and Construction	587,648	538,450	9.1
• Plantation	337,981	315,817	7.0
• Hotel and Property Investment	32,518	30,034	8.3
• Others	105,649	83,825	26.0
<b>Group PBT</b>	<b>117,197</b>	<b>171,254</b>	<b>(31.6)</b>
<b>Segments</b>			
• Property Development and Construction	56,585	64,723	(12.6)
• Plantation	37,469	76,623	(51.1)
• Hotel and Property Investment	10,470	10,472	(0.02)
• Others	12,673	19,436	(34.8)

For the financial year ended on 30 September 2023, despite the Group experience a growth in revenue by 9.9% amounting to RM1,063.8 million (FY2022: RM968.1 million), the Group recorded lower PBT by 31.6% amounting to RM117.2 million (FY2022: RM171.3 million) mainly due to absent of sale of land held for property development from Property Development and Construction Division and lower gross profit from Plantation Division as a result of lower average selling price of CPO and palm kernel and higher production cost.

The Group recorded unrealised foreign exchange losses of RM0.5 million, as compared to the preceding year's unrealised foreign exchange gains of RM4.7 million primarily from the Plantation Division, which resulted from the weakening of the Indonesian Rupiah ("IDR") against Ringgit Malaysia ("RM"). As at 30 September 2023, the exchange rate stood at RM1:IDR3,300, as compared to RM1:IDR3,281 as at 30 September 2022.

Excluding the unrealised foreign exchange losses of RM0.5 million (FY2022: gain of RM4.7 million), the decreased by 29.4% to RM117.7 million (FY2022: RM166.6 million) mainly due to absent of sale of land held for property development from Property Development and Construction Division, lower gross profit from the Plantation Division due to the decrease in average CPO selling price to RM3,348/MT (FY2022: RM3,847/MT) and palm kernel selling price to RM1,589/MT (FY2022: RM2,627/MT) and increase in production costs, net changes in fair value loss on investment properties of RM0.9 million (FY2022: net changes in fair value gain on investment properties of RM2.4 million). The result was mitigated by higher CPO sales volume of 92,607MT (FY2022: 71,636MT) and higher palm kernel sales volume of 17,603MT (FY2022: 15,305MT).

The segment below discusses further details of the Group's financial performance.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### LIQUIDITY AND CAPITAL RESOURCES

For FY2023, the cash and cash equivalents of the Group decreased by RM42.1 million to RM349.9 million as at 30 September 2023 (FY2022: decreased by RM24.9 million to RM390.0 million as at 30 September 2022), which was culminated from the following cash flows activities:

Net cash generated from/ (used in)	2023 RM'000	2022 RM'000	Changes (%)
Operating activities	143,690	239,419	(40.0)
Investing activities	(69,443)	(99,927)	30.5
Financing activities	(116,359)	(164,352)	29.2
(Decrease)/Increase in cash and cash equivalents	(42,112)	(24,860)	(69.4)

For FY2023, the Group recorded lower cashflows generated from operating activities following the lower profit contribution from the Plantation Division and ongoing project developments.

The cash flows used in financing activities decreased following a net repayment of bank borrowings totalling RM52.2 million in FY2023 (FY2022: RM130.3 million) and the set off of payment made to non-controlling interests for capital reduction, redemption of redeemable preference shares and dividend totalling RM49.9 million (FY2022: RM27.9 million).

The Group's capital resources comprise primary cash flows generated from operating activities, cash and cash equivalents, term deposits, fixed-income funds and available lines of credit. As at 30 September 2023, the Group's net gearing improved to 0.01 times (FY2022: 0.02 times). The Group continues to uphold a prudent approach towards managing its capital resources to ensure adequacy in meeting operational requirements and capital expenditure from time to time.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### SEGMENT RESULTS AND ANALYSIS

#### Property Development and Construction

Despite the higher revenue of RM587.6 million (FY2022: RM538.5 million), this division recorded a lower PBT of RM56.6 million (FY2022: RM64.7 million) mainly due to absent of sale of land held for property development and absent of fair value gains from transfer of inventories to investment properties (FY2022: fair value gain of RM3.0 million).



Artist's impression of basketball court, part of facilities at MIRAI Residences @ Kajang 2 Precinct 1

As at 30 September 2023, the Group has locked-in unbilled sales value of RM841.2 million from which attributed sales revenue and profits will be recognized progressively as their development percentage of completion progresses and were mainly contributed from the ongoing development projects namely Hill Park Shah Alam (RM50.3 million), Nexus @ Kajang Station (RM17.3 million), MIRAI Residences @ Kajang 2 Precinct 1 (RM182.7 million), Nexus @ Taman Pertama (RM84.7 million), TR2 Residence @ Jalan Tun Razak (RM363.1 million), Akina @ Kajang 2 Precinct 3, Phase 1 (RM80.6 million), Kajang East Avenue 2 shops (RM42.7 million) and Akina @ Kajang 2 Precinct 3 Phase 2 (RM19.8 million).

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

MIRAI Residences @ Kajang 2 Precinct 1 Phase 1 and 2, launched in September 2020 and February 2021 with a GDV of approximately RM471.4 million has achieved a take-up rate of approximately 80%. Nexus @ Taman Pertama



Artist's impression of NEXUS @ Kajang Station with swimming pool view

with a GDV of approximately RM258.4 million launched in November 2020, achieved a take-up rate of approximately 45%. Iris @ Hillpark Shah Alam with GDV of approximately RM127.1 million launched in September 2021 has achieved a 100% take-up rate. TR2 Residence @ Jalan Tun Razak with GDV of approximately RM507.3 million launched in November 2021 (Phase 1) (Block A - 454 units of apartments) and June 2022 (Phase 2) (Block B - 464 units of apartments) has achieved a take-up rate of approximately 85%. Akina @ Kajang 2 Precinct 3 Phase 1 with GDV of approximately RM198.5 million launched in September 2022 achieved a take-up rate of approximately 70%. Kajang East Avenue 2 with GDV of approximately RM46.3 million launched in March 2023 achieved a take-up rate of approximately 92%. Akina @ Kajang 2 Precinct 3 Phase 2 with GDV of RM129.1 million launched in July 2023 achieved a take-up rate of approximately 15%. Paired with good product design and strategic location with lifestyle facilities, our ongoing projects recorded a good average take-up rate of 76%.



**MIRAI Residences @ Kajang 2 Precinct 1 Phase 1 and 2, launched in September 2020 and February 2021 with a GDV of approximately RM471.4 million has achieved a take-up rate of approximately 80%.**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Plantation

The following table summarises the performance of the division for the past three (3) years:

Production for Estate	FY2023	FY2022	FY2021
FFB – PT Maju Kalimantan Hadapan (MT)	388,000*	363,000*	419,000*
FFB – PT Sawit Prima Sakti (MT)	22,000*	20,000*	22,000*
FFB – GROUP (MT)	410,000*	383,000*	441,000*
CPO production (MT)	89,000*	75,000*	89,000*
Average CPO Price per MT	RM3,348	RM3,847	RM2,945
Oil Extraction Rate (“OER”)	20.56%	18.51%	19.45%
FFB Yield/hectare per year (Overall)	24 MT/ha	23 MT/ha	27 MT/ha

*Note: Figures exclude CPO purchased from outside parties for resale.  
\*rounded up to nearest thousand*

For FY2023, the Plantation Division recorded a higher 7.0% growth in revenue, generating RM338.0 million compared to RM315.8 million in the previous FY2022. This growth can be attributed to an increased sales volume of CPO, driven by increase in FFB production and higher OER extraction rate. However, the division’s PBT experienced a decline of 51.1% to RM37.5 million (FY2022: RM76.6 million), primarily due to a lower average selling price of CPO of RM3,348/MT (FY2022: RM3,847/MT) and palm kernel of RM1,589/MT (FY2022: RM2,627/MT) and increase in average production cost mainly due to the following:-

- higher fertilizer costs and labour due to more fertilizer application during favourable weather during FY2023;
- increase in diesel costs; and
- increase in maintenance due to post-monsoon deepening and widening of drains for better discharge of water.

Additionally, in FY2023, the Plantation Division incurred unrealised foreign exchange losses amounting to RM0.5 million as compared to the previous financial year FY2022 which recorded unrealised foreign exchange gains of RM4.7 million due to the weakening of the IDR against RM.

Weather conditions play a crucial role in agricultural production. In the Kalimantan region of Indonesia, specifically in East Kalimantan where our oil palm plantation is located, there has been above-average rainfall during FY2021, FY2022 and first half of

FY2023. This wet weather condition has resulted in lower crop production in FY2022. The weather has since normalized since March 2023 and our FFB production has increased.

One of the measures implemented is the enhancement of our water management system. This ensures that adequate water supply is maintained for the oil palm trees, especially during periods of dry weather and release of excess water during the wet season. Additionally, our division has fine-tuned the Standard Operating Procedures (“SOP’s”) for harvesting. This allows us to optimize the timing and methods of harvesting, taking into account the specific weather conditions. By implementing these measures, we are able to minimize the effects of weather changes and maintain a sustainable level of production.



Ripe fresh fruit bunches ready for harvesting

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Plantation (Cont'd)



Field training with Estate Managers and Assistant Managers on the harvesting standards of FFB

These efforts have contributed to an increase in FFB production and OER for FY2023, enabling our Plantation Division to record a 7% growth in revenue for FY2023. As the weather normalizes, we expect further increases in FFB production and OER, which will positively contribute to our revenue and profit.

As at 30 September 2023, the total area planted for this division was approximately 17,009 hectares and all of these plantations have reached the mature age for harvest. Specifically, PT MKH has 15,013 hectares of oil palm trees planted aged between 12 to 15 years old, while PT SPS has 1,996 hectares of oil palm trees planted between 3 to 12 years old.

### Hotel and Property Investment

For FY2023, this division recorded a higher revenue of RM32.5 million (FY2022: RM30.0 million) and PBT of RM10.5 million (FY2022: RM10.5 million) mainly due to inclusion of fair value gain on transfer from property, plant and equipment to investment properties of RM2.8 million and net changes in fair value loss on investment properties of RM0.9 million in the current year (FY2022: net changes in fair value gain on investment properties of RM2.4 million).



Convenience and comfort at RHR Hotel @ Kajang, situated in the heart of Kajang town



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### PROSPECTS

The Board is optimistic and expects to achieve satisfactory results for the financial year ending 30 September 2024 (“FYE2024”).

#### Property Development and Construction



Artist's impression of Akina @ Kajang 2 Precinct 3 Phase 1A & 1B

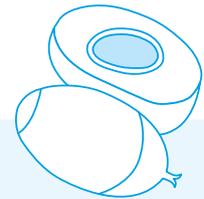
With the locked-in unbilled sales of RM841.2 million (FY2022: RM906.2 million), the Group is well positioned for FYE2024 with new and ongoing developments such as MIRAI Residences @ Kajang 2 Precinct 1, Nexus @ Taman Pertama, TR2 Residence @ Jalan Tun Razak, Hill Park Shah Alam, Nexus @ Kajang Station, Kajang East Avenue 2 Shops, Akina @ Kajang 2 Precinct 2 Phase 1 and Phase 2. These sales will ensure sustainable income recognition for the next two years, with additional contributions from strategically located new projects in Kuala Lumpur, Cheras and Kajang.

The Group's planned launches in FYE2024 comprising of high rise service apartments and retail commercial shops development known as Gaya Residency @ Kajang 2 Precinct 2 (Phase 2), Residensi Naluri @ Mahkota Cheras (Phase 1) and Kajang 2 Precinct 3 (RSKU), landed retail shops development known as Kajang 2 Precinct 3 (Phase 4), landed residential development known as Anya @ Kajang 2 Precinct 3 (Phase 3) and Kajang East Precinct 1 (Phase 3B) with a total GDV of approximately RM640.0 million will be phased according to prevailing market sentiments.

### Plantation

The CPO prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM3,600/MT (net of export levy and duty) in Indonesia which augurs well for our Plantation Division. With the anticipated higher CPO production in FYE2024 due to the weather normalization and enhancement of our production efficiencies, we expect our plantation division to deliver better results for FYE2024.

The Group will continue to expand on the use of mechanical assisted collection of FFB to increase production efficiencies and to maximize oil extraction at our CPO mill to take advantage of the favourable CPO price.



**The CPO prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM3,600/MT (net of export levy and duty) in Indonesia which augurs well for our Plantation Division.**



Our harvesters loading freshly harvested fruit bunches

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Plantation (Cont'd)



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Plantation (Cont'd)



### Property Investment

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

Metro Point Complex is showcased through its investment in EV charging station. This proactive step supports sustainable environmental objectives and reflect a forward-thinking approach to urban planning and environmental responsibility.

This division is also expected to sustain an average occupancy rate of above 90% and maintaining an average rental yield approximately 3% to 4% for FYE2024 based on fair values of the properties as of 30 September 2023.



EV charging station at Metro Point Complex



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

# PLANTATION

## OIL PALM PLANTATION



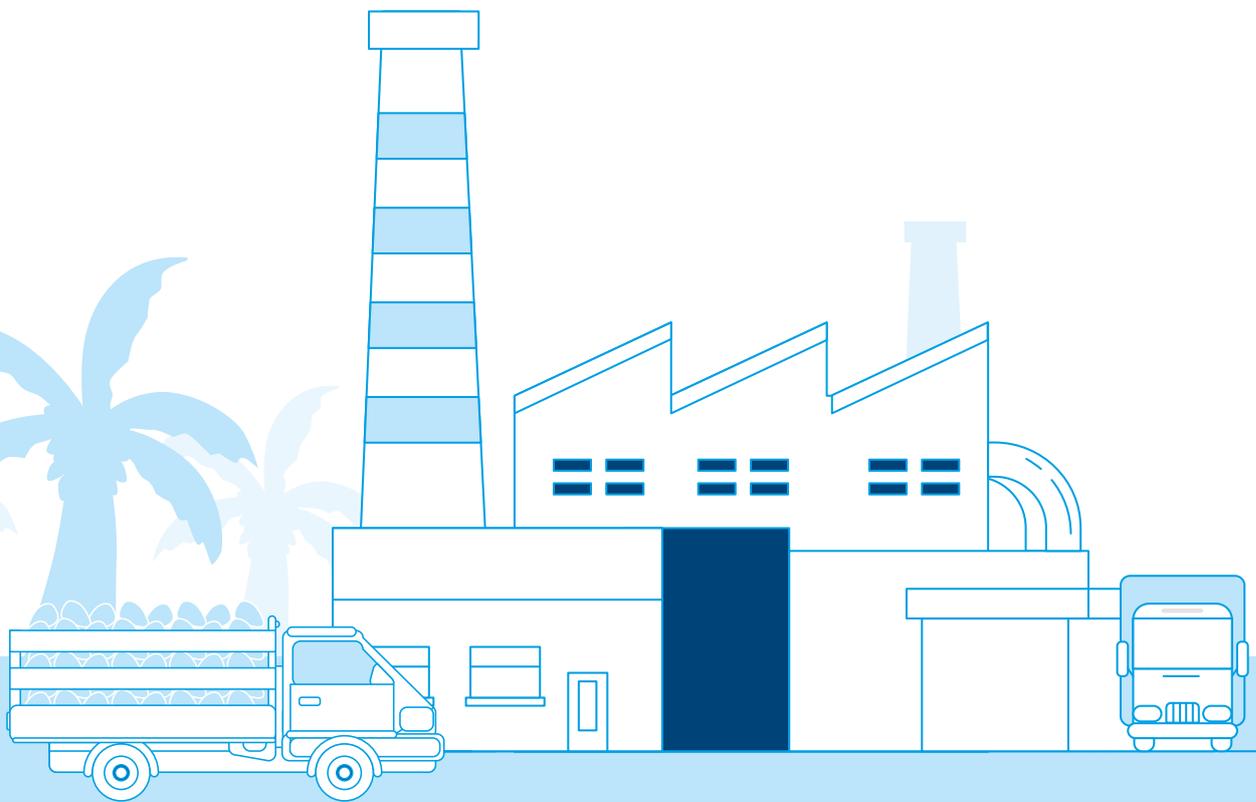
**32%**

**Total Segment Profit  
Before Tax Contribution**

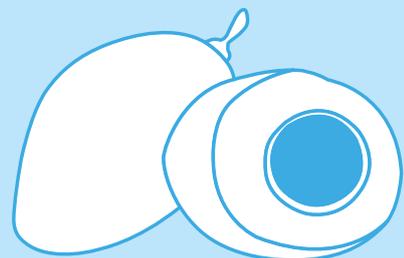
**32%**

**Contribution To  
Total Group Revenue**

**ESTABLISHED IN 2008, THIS DIVISION IS ONE OF THE MAIN CONTRIBUTORS TO THE GROUP'S EARNINGS.**



**The Group has 18,205 hectares (44,986 acres) of plantation land in East Kalimantan, about 75km from Kota Samarinda, Indonesia.**



# SUSTAINABILITY REPORT

This Sustainability Report (“Report”) narrates MKH’s sustainability efforts from 1st October 2022 to 30th September 2023, with future strategies and target moving forward. It offers insights into the Company’s holistic approach towards Economic, Environmental and Social (“EES”) aspects of our business operation in Malaysia and Indonesia, where our key businesses are located. The report provides an overview of MKH’s initiatives and accomplishments in promoting sustainable practices across these regions.

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

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



Bursa Malaysia Sustainability Reporting Guide (3rd Edition)



Global Reporting Initiative (“GRI”) Standards



Task Force on Climate-related Financial Disclosures (“TCFD”) framework



United Nations Sustainable Development Goals (“UN SDGs”)



Greenhouse Gas (“GHG”) Protocol

## SUSTAINABILITY REPORT

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

### Economic



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

*Note: These may include the organization's procurement practices, or community investment.*

### Environmental



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

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

### Social



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

*Note: These may include the organization's relationships with communities, employees, consumers, etc.*

## SUSTAINABILITY GOVERNANCE

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

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

We have an internal Audit Division to undertake an independent and systematic assessment of the Group's system of risk management and internal controls as established by management in addressing the principal business risks faced by the Group.

Full disclosure on our Corporate Governance Report is available for reference on [www.mkhberhad.com](http://www.mkhberhad.com)

## SUSTAINABILITY REPORT

### ORGANIZATIONAL STRUCTURE FOR SUSTAINABILITY COMMITTEE

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

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

MKH Berhad’s Sustainability Committee comprises:

- Group Managing Director
- Key Senior Management



## SUSTAINABILITY REPORT

### MKH'S SUSTAINABILITY GOALS

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

This commitment is demonstrated through the implementation of sustainable practices.



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



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



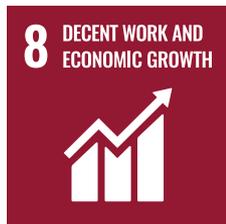
- We provide financial aid to 185 students from 39 schools in Hulu Langat district through an education foundation.
- We provide educational benefit for 60 students with the initiation of the MKH Pandai @ Schools Program, collaborate with Pandai Education.
- Our Plantation Division in East Kalimantan, Indonesia provide a pre-school, a primary school and a junior secondary school (from Grade 7 to Grade 9) to provide education to the children of our estate workers.

## SUSTAINABILITY REPORT

### MKH'S SUSTAINABILITY GOALS (CONT'D)



- We ensure women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities.
- We dedicate designated parking space for pregnant employees.
- We provide cozy nursing room for nursing mothers.
- We have extended our maternity leave duration, now ranging from 60 to 98 days. This policy ensures that female employees have a longer period for recovery after childbirth and ample time to bond with their newborns.



- Our TOD projects and Plantation Division create economic multipliers and provide numerous employment opportunities which contribute to the economy.
- We support local suppliers for our development projects and plantation operations by sourcing products substantially from local suppliers.
- We provide business opportunities for local smallholders in our Plantation Division supply chain.



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



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

## SUSTAINABILITY REPORT

### MKH'S SUSTAINABILITY GOALS (CONT'D)



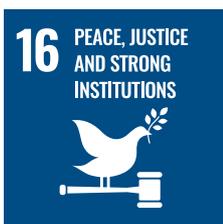
- We contribute by connecting communities and businesses, reducing GHG emissions in cities and promoting sustainable lifestyles by encouraging people to use public transport through the integration of our developments with TOD.
- We are involved in the construction of green buildings and housing that reduces carbon emissions, connects communities and provides opportunities for the general public to live comfortably and affordably in thriving cities.
- Our TR2 Residence @ Jalan Tun Razak project incorporates green features such as rain water collection and natural ventilation in the building.
- Our Plantation Division use by-products from palm oil milling, namely palm kernel shells and mesocarp fibre, as fuel for the boilers at our palm oil mill to produce steam for electricity generation by turbines.



- We track water and energy usage and the waste generated at our project sites and palm oil milling and implement strategies to improve efficiency and reduce the waste produced.
- We are committed to educating our employees about responsible consumption, encouraging them to make informed choices that promote sustainability.
- We prioritize sustainable practices throughout our supply chain, from sourcing raw materials to the manufacturing and distribution of our products.



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



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

## SUSTAINABILITY REPORT

### MKH'S MATERIALITY MATRIX

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

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

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

Theme	Materiality	Description
 Environment	(1) Climate Change Related Risk	Understanding the potential vulnerabilities, implementing measures to adapt to changes and contributing to mitigating the overall impact of climate change through responsible environmental practices. This evaluation is crucial for long-term resilience, stakeholder trust and sustainable business practices.
	(2) Energy Consumption	Understand and manage energy consumption in a way that minimizes negative effects on the environment and contributes to long-term sustainable practices. Renewable energy sources like solar panel is part of our energy adoption.
	(3) Waste & by Product Management	Implementation of a systematic approach to identify, manage, reduce and responsibly dispose off or recycle waste throughout the organization's business operations.
	(4) Green Development	Incorporating green principles into development strategies, organizations and communities can contribute to a healthier planet and ensure a more resilient and sustainable future.
 Social	(5) Community Investment	Strategic efforts to contribute positively to the well-being and development of the communities in which it operates. Implementation of social programs and projects that address specific community needs, such as education, job training or infrastructure development.
	(6) Occupational Health & Safety	Company's commitment and practices related to ensuring the health, safety and well-being of its employees in the workplace. This entails providing training, benefits and a healthy work environment.

## SUSTAINABILITY REPORT

## MKH'S MATERIALITY MATRIX (CONT'D)

Theme	Materiality	Description
 Social (Cont'd)	(7) <b>Risk Management</b>	A systematic identification, assessment and mitigation of potential social risks that may impact a company's operations, reputation and stakeholder relationships. Social risks encompass a range of issues related to social responsibility, ethics and the company's impact on various societal groups.
	(8) <b>Stakeholders Engagement</b>	A process through which a company communicates and collaborates with various stakeholders. Engaging with stakeholders is essential for understanding their concerns, perspectives and expectations.
	(9) <b>Customer Satisfaction</b>	Systematic evaluation and improvement of a company's products, services and customer interactions to meet or exceed customer expectations. Establishing effective mechanisms to collect feedback from customers regarding their experiences with the company's products or services.
	(10) <b>Employee Engagement &amp; Retention</b>	Providing opportunities for skill development, training and career advancement shows a commitment to employees' growth, enhancing their engagement and increasing their likelihood of staying with the organization.
	(11) <b>Responsible Marketing</b>	Adopting ethical and socially conscious practices in promotional activities. This includes honest advertising, transparent communication, consideration of environmental impact and engagement in social initiatives. It is aimed to empower consumers with accurate information.
	(12) <b>Traceability &amp; Sustainable Procurement</b>	Creating a transparent and accountable supply chain system that allows businesses and consumers to trace the journey of products, ensuring ethical sourcing and promoting environmental and social responsibility.
	(13) <b>Assurance &amp; Certification</b>	The implementation of structured procedures and inspection measures allows the business to attain recognition through a regulation system and quality assurance certification.

## SUSTAINABILITY REPORT

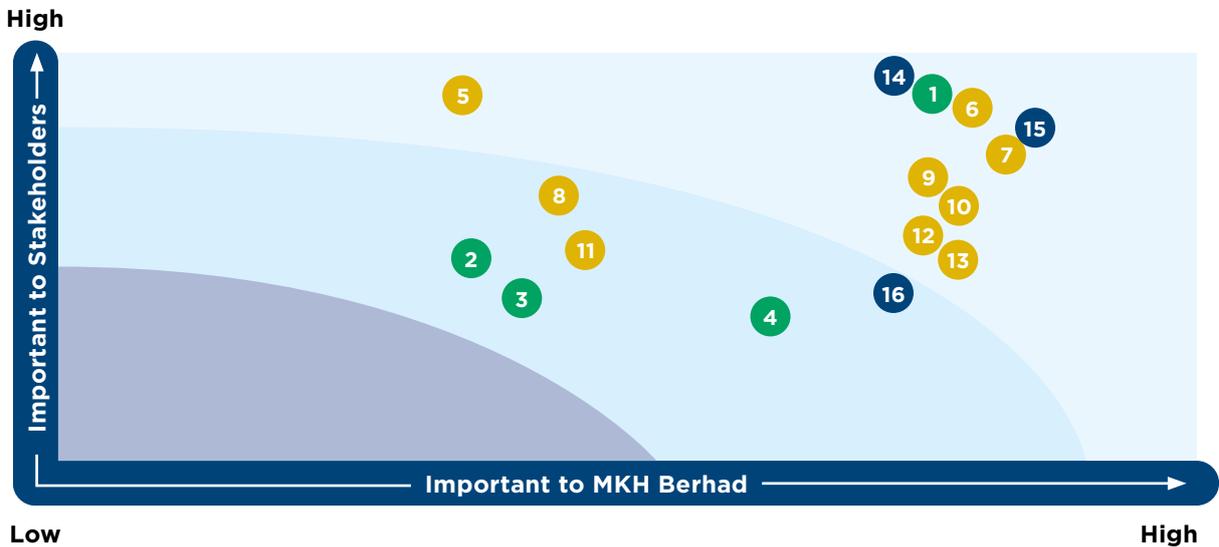
### MKH'S MATERIALITY MATRIX (CONT'D)

Theme	Materiality	Description
 <p data-bbox="183 790 335 819">Governance</p>	<p data-bbox="491 533 544 562">(14)</p> <p data-bbox="384 566 646 629"><b>Economic &amp; Business Performance</b></p>	<p data-bbox="675 488 1437 674">Fair business practices, adherence to regulations, job creation and overall economic contribution. Organization committed to sustainability recognize that their economic success should align with ethical conduct, responsible governance and positive economic outcomes for stakeholders and the communities in which they operate.</p>
	<p data-bbox="491 741 544 770">(15)</p> <p data-bbox="384 775 646 837"><b>Governance, Ethics &amp; Integrity</b></p>	<p data-bbox="675 712 1437 864">An organization's values, principles, standards and practices to act ethically as a sustainable business. This includes anti-bribery and anti-corruption within its operations, protection of data privacy and professional conduct with others such as suppliers and customers.</p>
	<p data-bbox="491 949 544 978">(16)</p> <p data-bbox="448 983 587 1012"><b>Innovation</b></p>	<p data-bbox="675 907 1437 1059">Implementation of new ideas, processes, products or technologies that contribute positively to social and environmental goals. Sustainable innovation aims to address societal challenges, reduce environmental impact and enhance overall well-being.</p>



# SUSTAINABILITY REPORT

## MKH'S MATERIALITY MATRIX (CONT'D)



- |  |   |  |
|--|---|--|
| <b>1</b> Climate Change Related Risk   | <b>7</b> Risk Management                  | <b>12</b> Traceability & Sustainable Procurement |
| <b>2</b> Energy Consumption            | <b>8</b> Stakeholders Engagement          | <b>13</b> Assurance & Certification              |
| <b>3</b> Waste & By-product Management | <b>9</b> Customer Satisfaction            | <b>14</b> Economic & Business Performance        |
| <b>4</b> Green Development             | <b>10</b> Employee Engagement & Retention | <b>15</b> Governance, Ethics & Integrity         |
| <b>5</b> Community Investment          | <b>11</b> Responsible Marketing           | <b>16</b> Innovation                             |
| <b>6</b> Occupational Health & Safety  |   |  |

For FY2023, we integrated our material matters based on their relativity. This effectively reduced the number of material matters from seventeen (17) in FY2022 to sixteen (16) in 2023, with the objective to provide better focus and scoping for the matters. Summary of the key updates are:



This year we have made a distinction between material matters that are fundamental for us, but shared across multiple business sectors and strategic matters that have consequences for the Group’s transformation and its business model.



Environmental and social related matters remain as a key strategic focus for MKH.



Climate change and emission data represent a novel reporting focus for MKH, recognizing the increasing importance of these aspects to our stakeholders, we are actively working to capture relevant data.

## SUSTAINABILITY REPORT

### STAKEHOLDER ENGAGEMENT

Our stakeholders are regularly engaged to foster a better understanding of how their needs can be addressed while advancing our corporate mission. The maintenance of strong relationships, along with the recognition and appreciation of each stakeholder, including our business partners, plays a crucial role in guaranteeing the success of our business. Understanding their interests and requirements is paramount in this regard.

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

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

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

No.	STAKEHOLDERS	TYPE OF ENGAGEMENT	FRUEQUENCY OF ENGAGEMENT
1	Customers 	<ul style="list-style-type: none"> <li>• Written, Social Media &amp; Email Communication</li> <li>• Centralised Sales Galleries</li> <li>• Customer Feedback Management</li> <li>• Outreach Events/Roadshow/Open Day</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Daily</li> <li>• Daily</li> <li>• Ad hoc</li> </ul>
2	Employees 	<ul style="list-style-type: none"> <li>• Employee Engagement Activities</li> <li>• Written Communications</li> <li>• Departmental Meetings/Virtual Meetings</li> <li>• Employee Development Trainings, Workshops &amp; Webinars</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> <li>• Regular</li> <li>• Regular</li> </ul>
3	Government Agencies/ Local Authorities 	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Written Communications</li> <li>• Formal Meetings/Virtual Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> <li>• Ad hoc</li> </ul>
4	Industry Group 	<ul style="list-style-type: none"> <li>• Formal Meetings/Virtual Meetings</li> <li>• Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> </ul>

## SUSTAINABILITY REPORT

### STAKEHOLDER ENGAGEMENT (CONT'D)

No.	STAKEHOLDERS	TYPE OF ENGAGEMENT	FRUEQUENCY OF ENGAGEMENT
5	Investors/Analysts/ Fund Managers/ Private Equity Firms 	<ul style="list-style-type: none"> <li>Formal Meetings/Briefing/Virtual Meetings</li> <li>Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc</li> <li>Ad hoc</li> </ul>
6	Financial Institutions 	<ul style="list-style-type: none"> <li>Formal Meetings/Virtual Meetings</li> <li>Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Regular</li> </ul>
7	JV Partners/Business Associates 	<ul style="list-style-type: none"> <li>Formal Meetings/Virtual Meetings</li> <li>Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Regular</li> </ul>
8	Local Communities/ Residents' Associations/ Joint Management Bodies 	<ul style="list-style-type: none"> <li>Formal Meetings/Virtual Meetings</li> <li>Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Regular</li> </ul>
9	Media 	<ul style="list-style-type: none"> <li>Press Releases</li> <li>Written Communications</li> <li>Networking Sessions</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Regular</li> <li>Ad hoc</li> </ul>
10	Shareholders 	<ul style="list-style-type: none"> <li>Written Communications</li> <li>Quarterly Financial Report</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Quarterly</li> <li>Annual</li> </ul>
11	Vendors/Suppliers/ Contractors/Consultants 	<ul style="list-style-type: none"> <li>Formal Meetings/Virtual Meetings/ Hybrids</li> <li>Project Tender</li> <li>Written Communications</li> </ul>	<ul style="list-style-type: none"> <li>Regular</li> <li>Regular</li> <li>Regular</li> </ul>

## SUSTAINABILITY REPORT

### SUSTAINABILITY EFFORTS

At MKH, our business operations are guided by the best industry practices to ensure the production and delivery of high-quality products to our customers, while also being cognisant of the EES aspect of our community.

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



## SUSTAINABILITY REPORT

### SUSTAINABILITY EFFORT (CONT'D)

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

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

### Anti-Corruption

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

The Anti-Bribery and Corruption Policy addresses:



Gift, entertainment  
& hospitality



Facilitation  
payments



Sponsorship  
& donations



Offer of  
business incentive



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

The Group continues to educate our suppliers on our zero tolerance with regard to bribery and corruption and our employee undergo training on Anti-Bribery and Corruption.

## SUSTAINABILITY REPORT

### Anti-Corruption (Cont'd)

Percentage of employees who have received training on Anti-Bribery and Corruption by employee category.

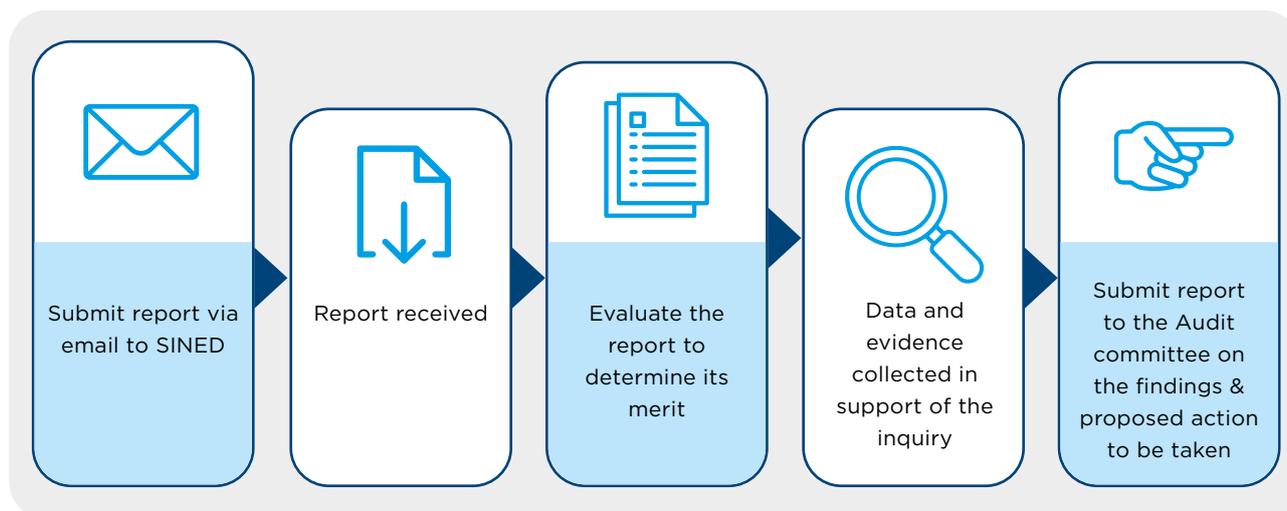
Category	FY2023	FY2022
Heads of Department*	100%	100%
Manager	100%	100%
Executive	100%	100%
Staff	100%	100%

\* Including senior management

### Whistleblowing Mechanism

MKH has established a Whistle-Blowing Policy and mechanism to facilitate the reporting of possible irregularities within the Group’s operations. This framework encourages and assists employees and members of the public in disclosing genuine concerns regarding improper conduct within the Group, with a commitment to safeguarding the individual making such disclosures from any reprisal. Whistleblowing reports can be submitted to Dato’ Lim Hong Shuan, Senior Independent Non-Executive Director (“SINED”) via email at [limhsg10514@gmail.com](mailto:limhsg10514@gmail.com).

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



Number of case reported for whistleblowing, bribery and corruption.

Year	FY2023	FY2022
Bribery & Corruption Case Reported	0	0
Whistleblowing Case Reported	0	0

## SUSTAINABILITY REPORT

### Whistleblowing Mechanism (Cont'd)



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

### Data Privacy and Security

Ensuring the confidentiality and security of consumer data is our top priority. Hence, the Company adhere to the Personal Data Protection Act 2010 (“PDPA”).

We have made our Privacy Notice easily accessible online to provide external stakeholders, including our valued customers, with comprehensive information about how we utilize their data. For FY2023 and FY2022, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	FY2023	FY2022
Breach of Data Privacy and Security Case Reported	0	0



0 there were **no reported complaints** regarding breaches of customer privacy or losses of customer data.

## SUSTAINABILITY REPORT

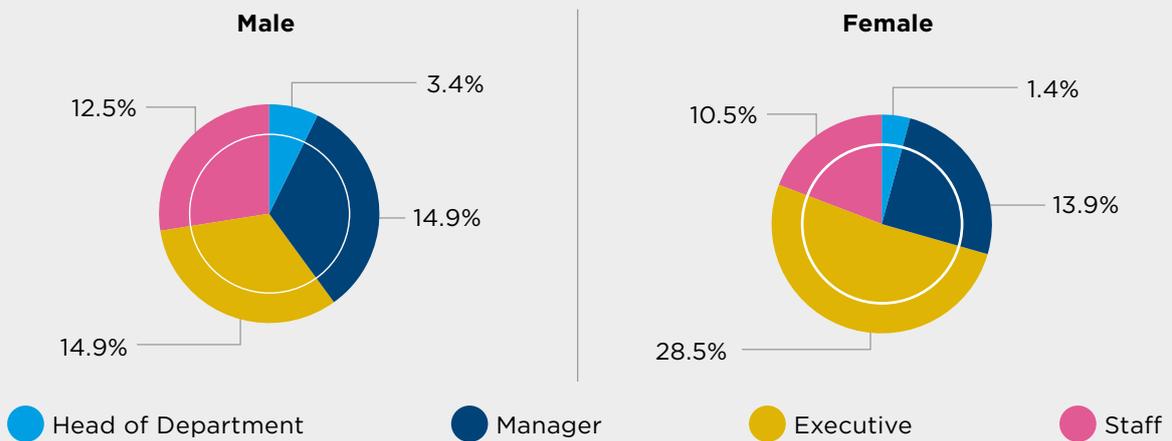
### Diversity and Inclusion

In MKH, our commitment to diversity and inclusion is articulate through fostering workplace culture that thrives on mutual trust and respect, promoting diversity as a catalyst for creativity and innovation. By tapping into a broad talent pool, we ensure diverse workforce, recognizing the value of different backgrounds and expertise.

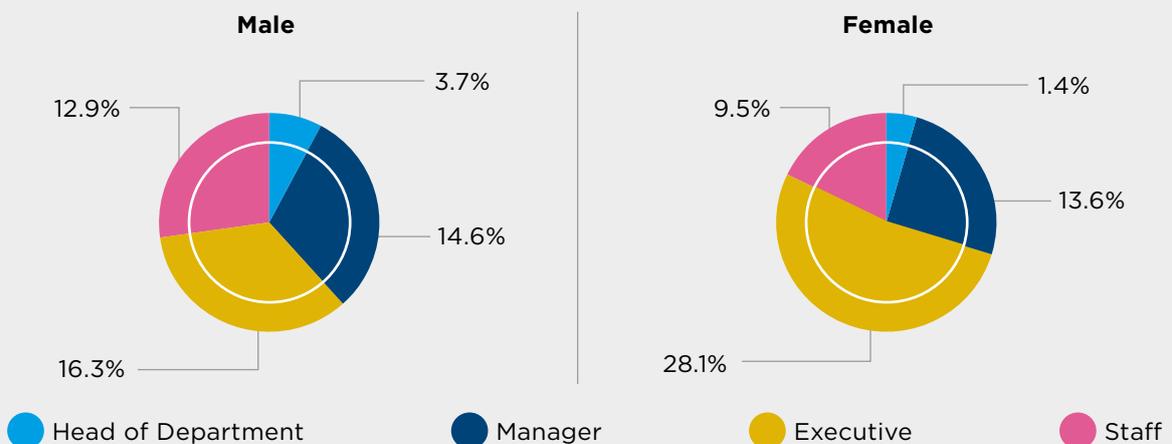
We steadfastly oppose any practices or policies that discriminate based on gender, marital status, race, nationality, ethnicity or age. This commitment to diversity and inclusion aligns with our organizational goals, fostering sustainable growth through the establishment of a healthy, harmonious and professional workplace.

#### MKH Group, excluding MKH Oil Palm (“MKH Group”)

##### By Gender, as at 30 September 2023



##### By Gender, as at 30 September 2022



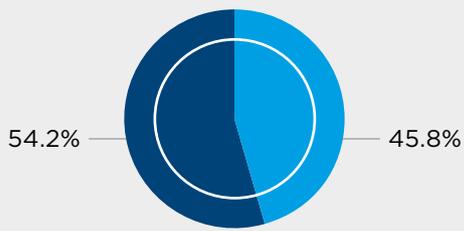
# SUSTAINABILITY REPORT

## Diversity and Inclusion (Cont'd)

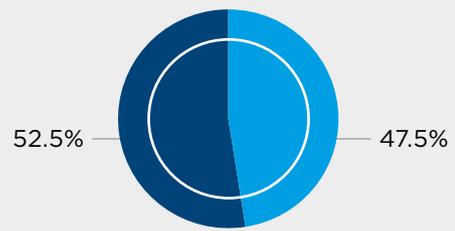
### MKH Group

#### By Total Gender

As at 30 Sep 2023



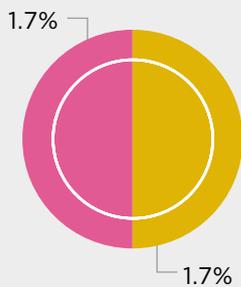
As at 30 Sep 2022



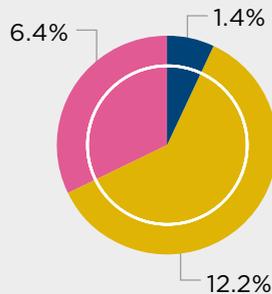
● Male ● Female

#### By Age Group, as at 30 September 2023

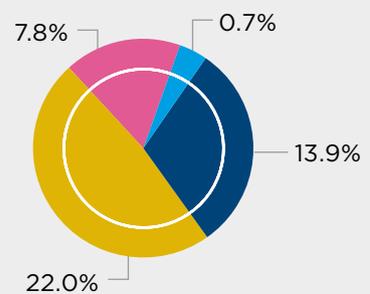
18-25



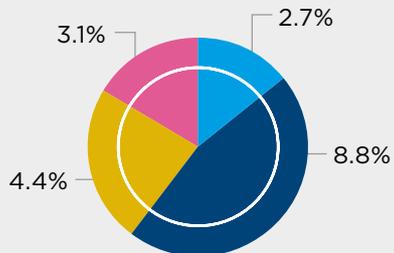
26-35



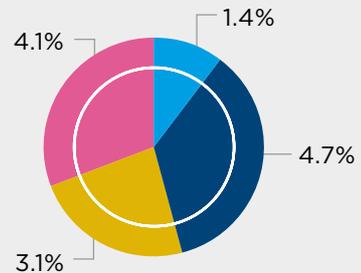
36-45



46-55



>55



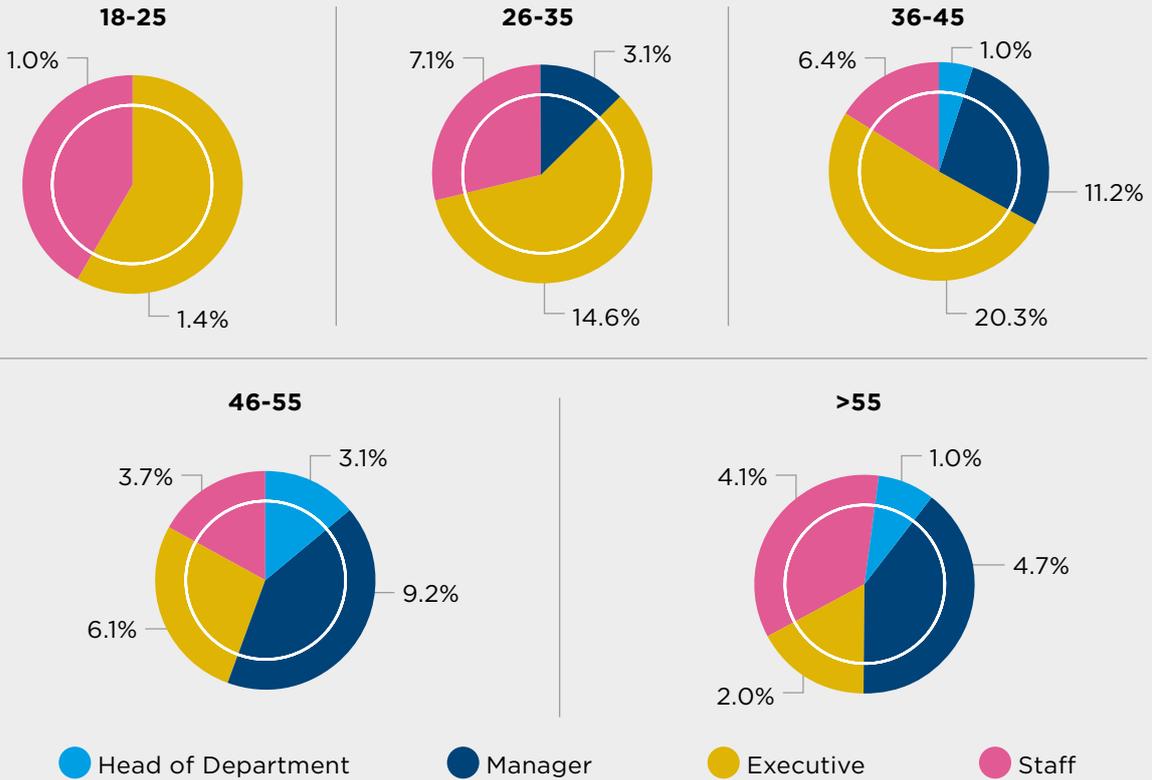
● Head of Department ● Manager ● Executive ● Staff

# SUSTAINABILITY REPORT

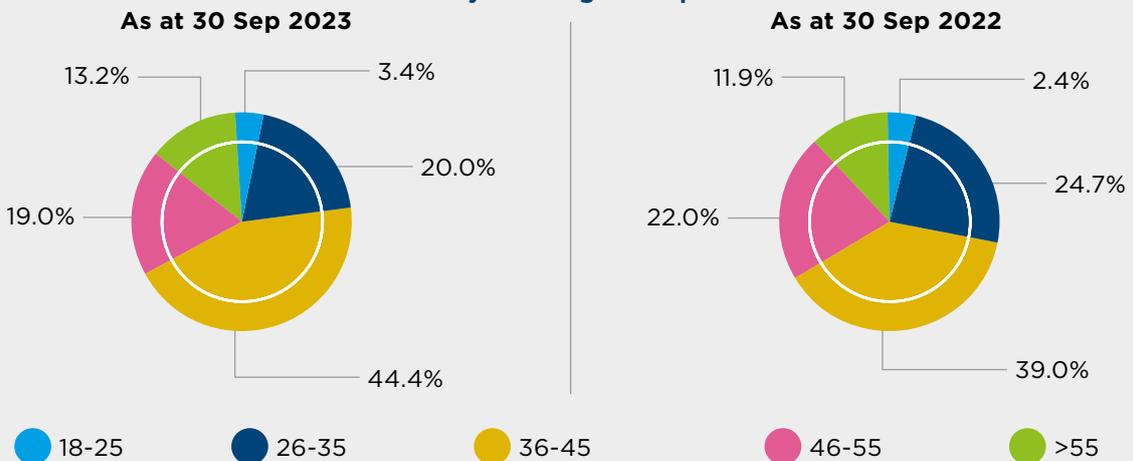
## Diversity and Inclusion (Cont'd)

### MKH Group

#### By Age Group, as at 30 September 2022



#### By Total Age Group

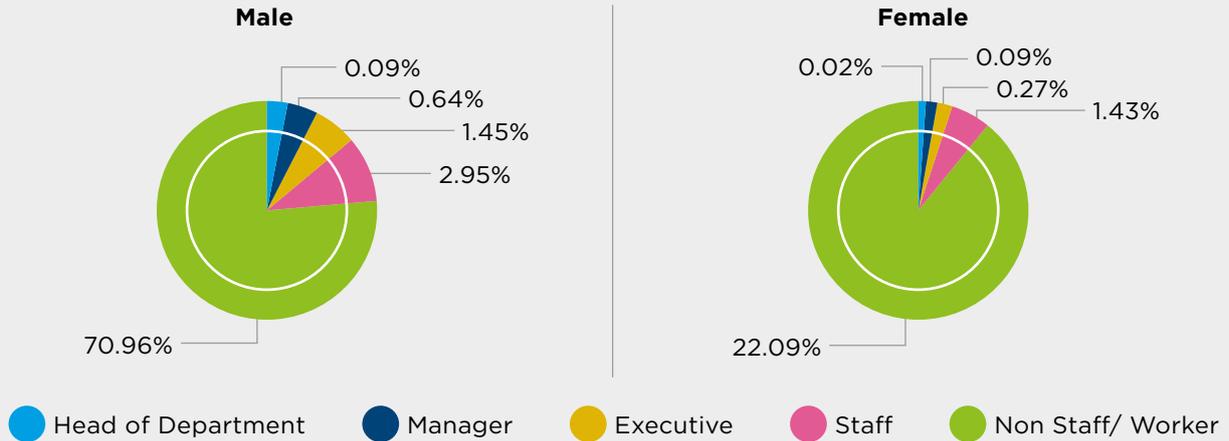


# SUSTAINABILITY REPORT

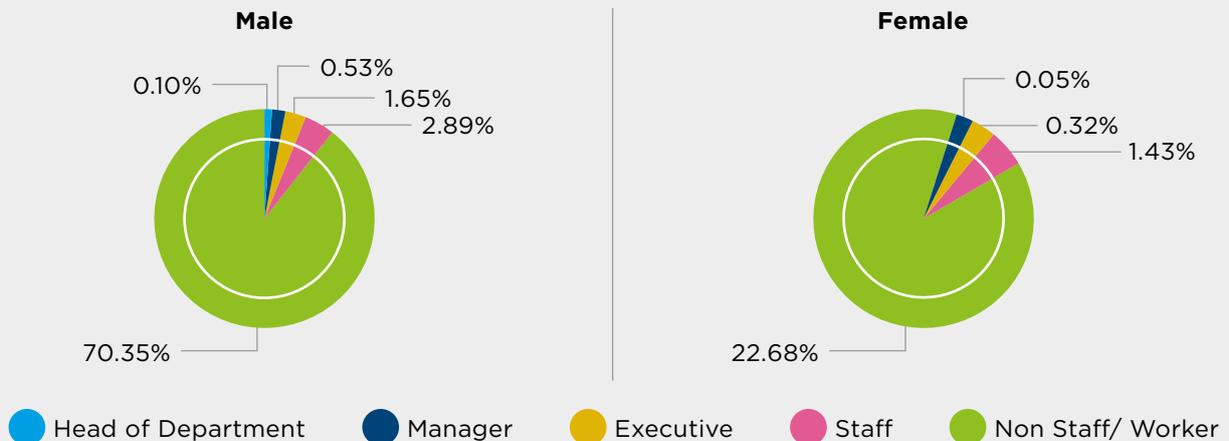
## Diversity and Inclusion (Cont'd)

### MKH Oil Palm (East Kalimantan) Berhad Group ("MKH Oil Palm")

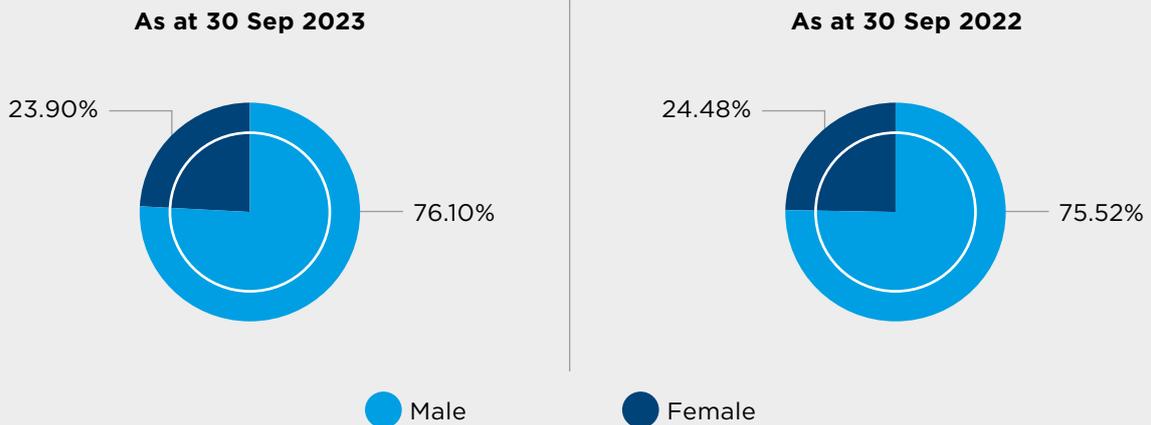
By Gender, as at 30 September 2023



By Gender, as at 30 September 2022



By Total Gender

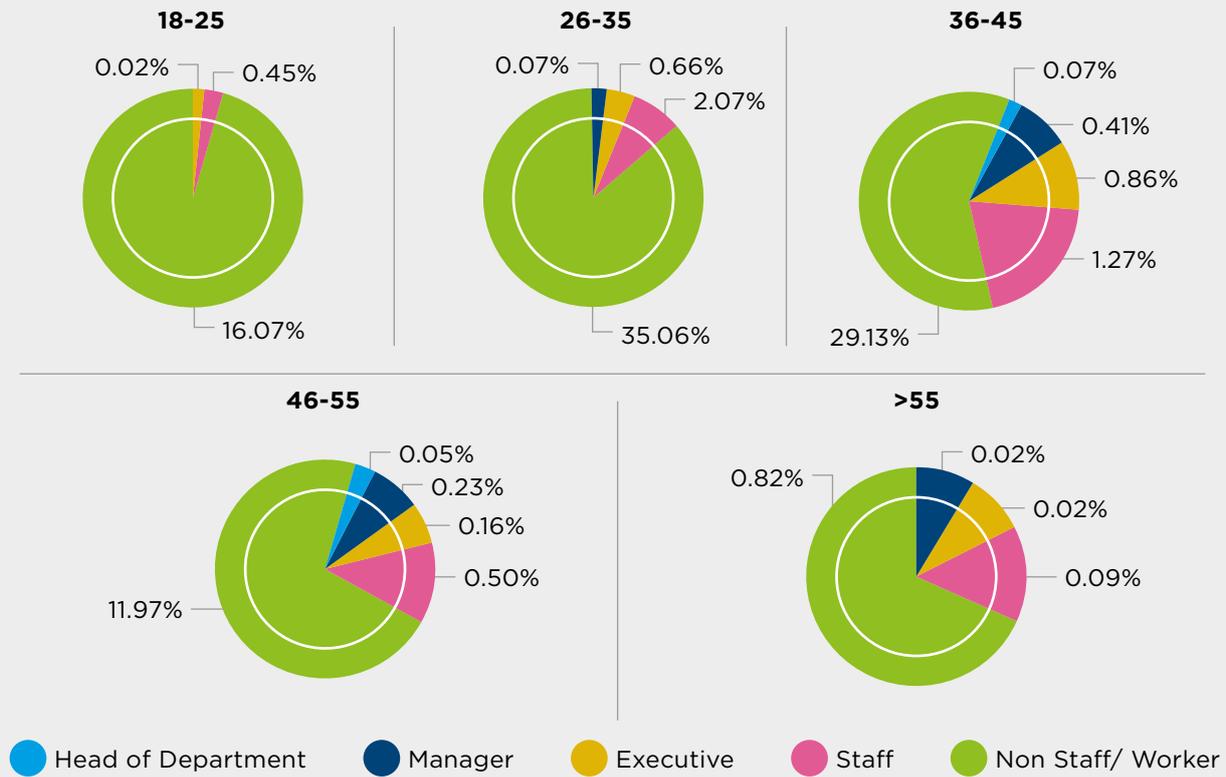


# SUSTAINABILITY REPORT

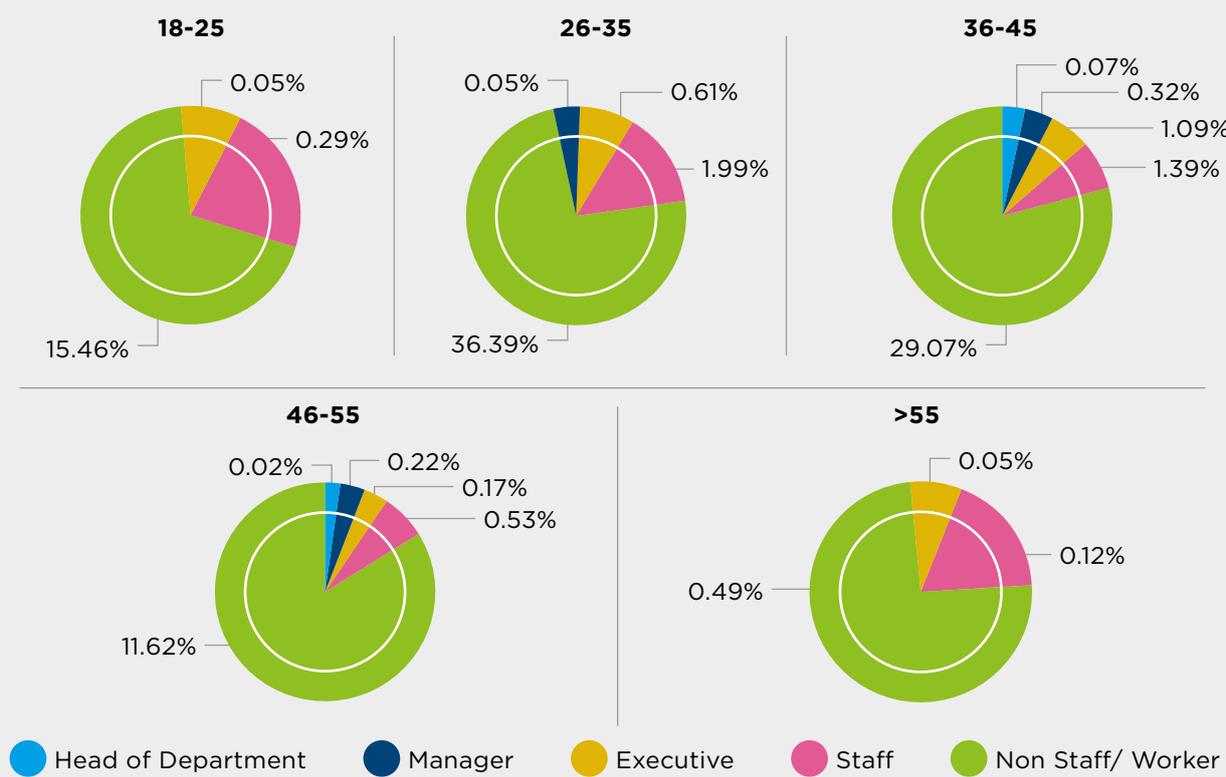
## Diversity and Inclusion (Cont'd)

### MKH Oil Palm

By Age Group, as at 30 September 2023



By Age Group, as at 30 September 2022

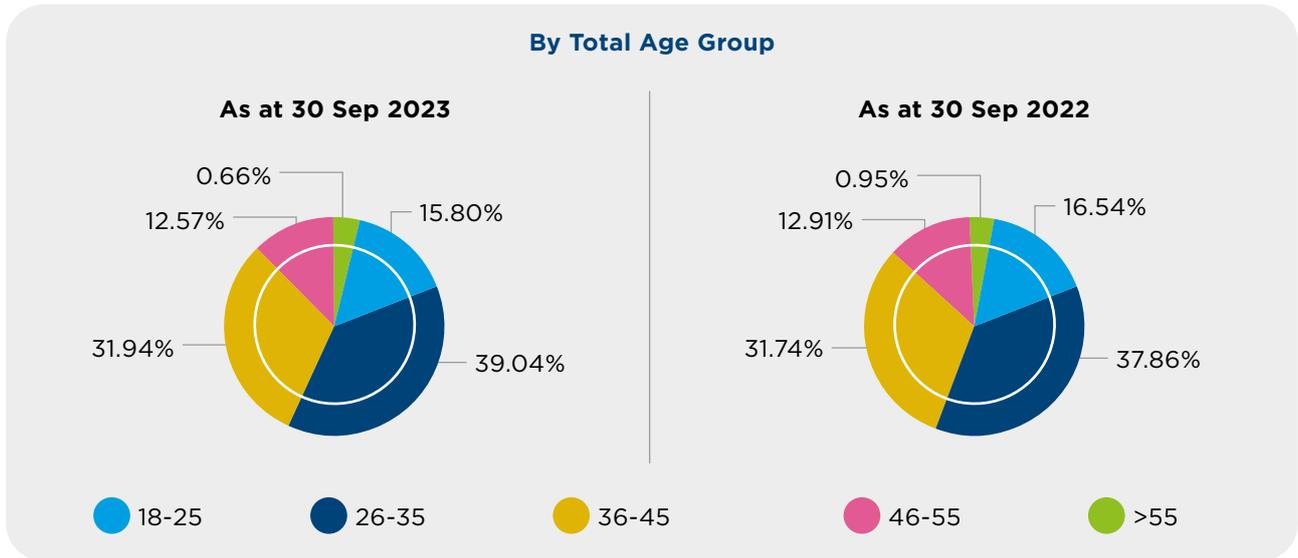


# SUSTAINABILITY REPORT

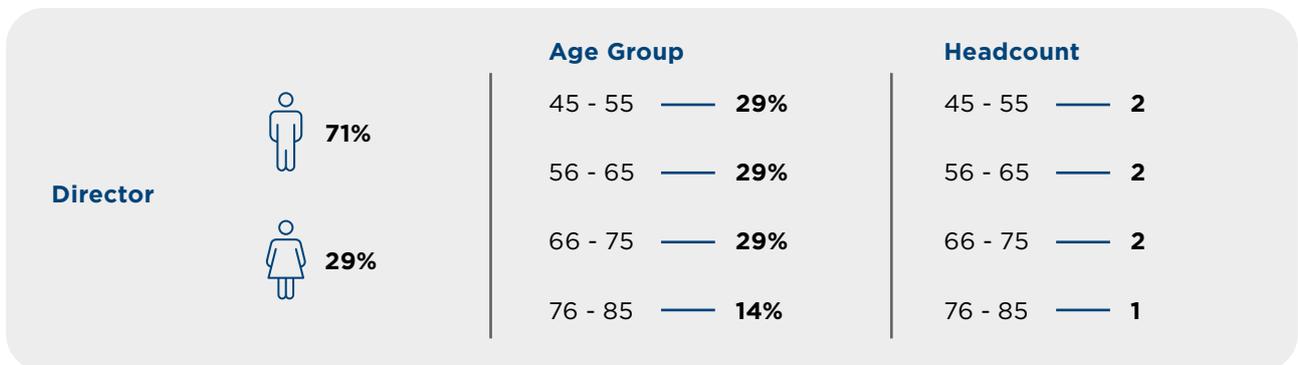
## Diversity and Inclusion (Cont'd)

### MKH Oil Palm

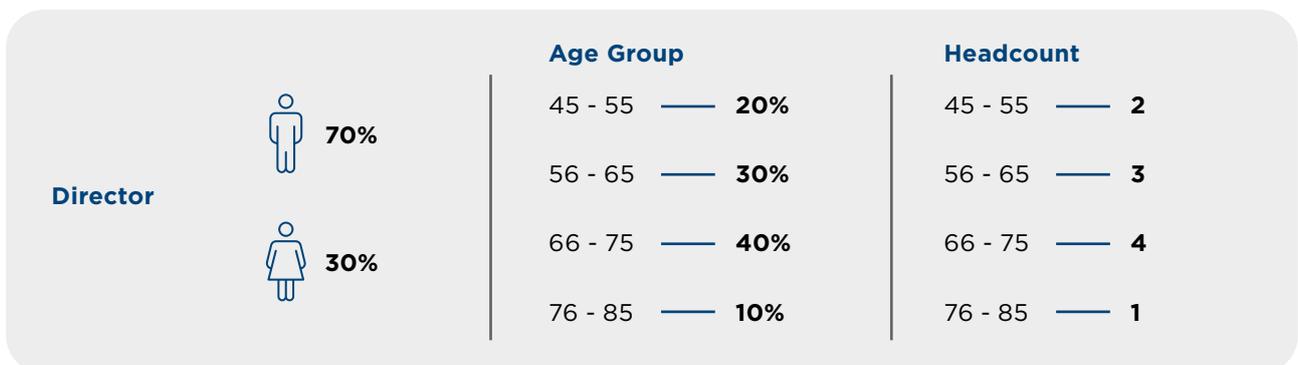
#### By Total Age Group



#### Percentage of MKH Berhad’s directors by gender and age



#### Percentage of MKH Oil Palm’s directors by gender and age



## SUSTAINABILITY REPORT

### Energy Management

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

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

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

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



Our shopping malls in Kajang feature **solar photovoltaic panels**, a testament to our commitment to sustainable energy solutions. The successful integration of these panels has resulted in a commendable **reduction of utility bills** by up to

**25%**, showcasing both our environmental responsibility and fiscal prudence.

We have taken a significant step towards a more sustainable future by installing EV charging station at Metro Point Complex. By offering EV parking, Metro Point Complex not only encourages a greener lifestyle but also provides tangible financial advantages, highlighting our progressive urban planning and unwavering dedication to environmental responsibility.

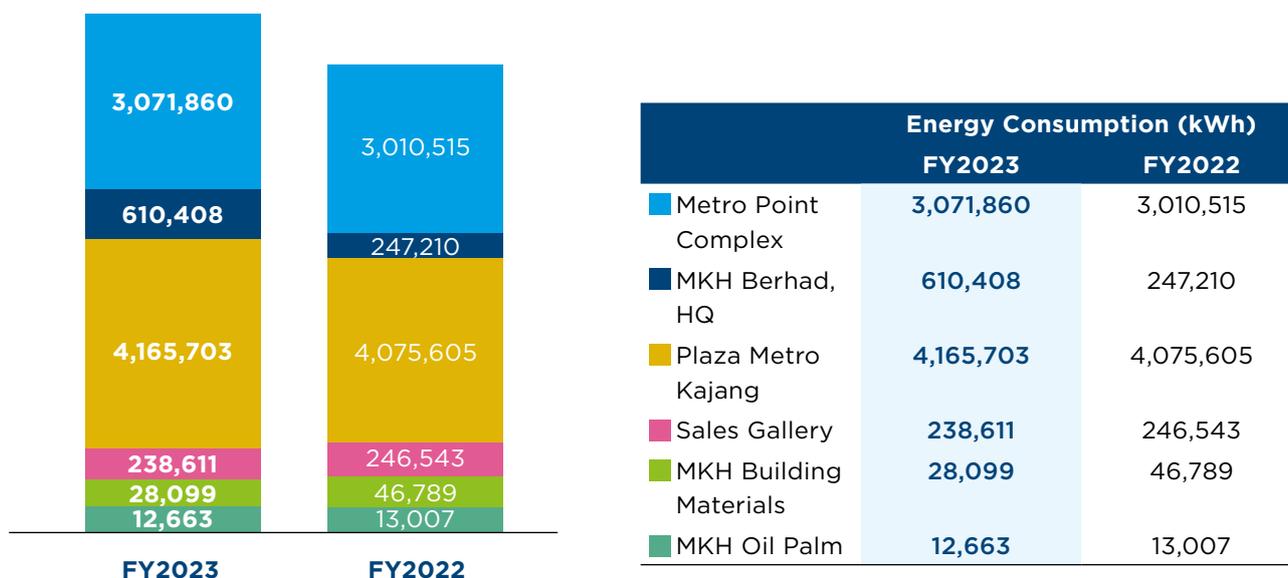


**By offering EV charging station, Metro Point Complex promotes sustainability.**

## SUSTAINABILITY REPORT

### Energy Management (Cont'd)

For FY2023 and FY2022, the energy consumption for our Group:



### Supply Chain Management

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

By implementing this, we are able to achieve several benefits. It enables us to enhance our overall efficiency and productivity as well as promoting sustainability. We support local businesses and more than 97% of the products and services that we use are sourced locally.

Percentage of products and services sourced locally	FY2023	FY2022
MKH Group	97%	97%
MKH Oil Palm	98%	98%

## SUSTAINABILITY REPORT

### Health and Safety Policy and Commitment

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

Our Safety and Health Committee (“SHC”) is responsible towards developing internal safety and health guidelines and ensuring a safe working environment for all employees at our headquarters based on the safety and health protocols aligned with the Occupational Safety and Health Act.

### MKH Group

#### Number of employees and external construction worker from our subcontractors trained on health and safety standards.

	FY2023	FY2022
	4,101	1,979

Description	FY2023	FY2022
Work related fatalities	0	0

### MKH Oil Palm

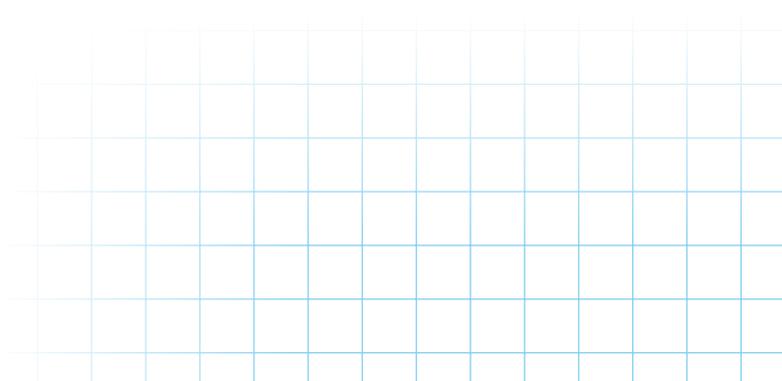
#### Number of employees trained on health and safety standards.

	FY2023	FY2022
	3,150	415

Description	FY2023	FY2022
Work related fatalities	0	0



0 Work related fatalities



## SUSTAINABILITY REPORT

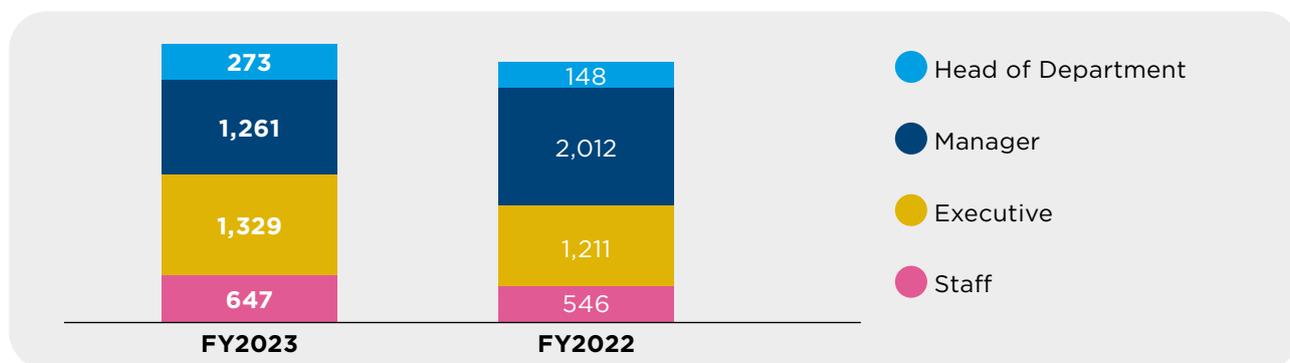
### Labour Practices and Standards

#### Training Hours

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

The trainings / seminars / conferences attended by the employees for FY2023 and FY2022, are set out below:

#### Total hours of training by employee category - MKH Group



Category	FY2023 Total Hours	FY2022 Total Hours
HOD	273	148
Manager	1,261	2,012
Executive	1,329	1,211
Staff	647	546

#### Total hours of training by employee category - MKH Oil Palm



Category	FY2023 Total Hours	FY2022 Total Hours
HOD	21	25
Manager	104	190
Executive	61	82
Staff	96	198

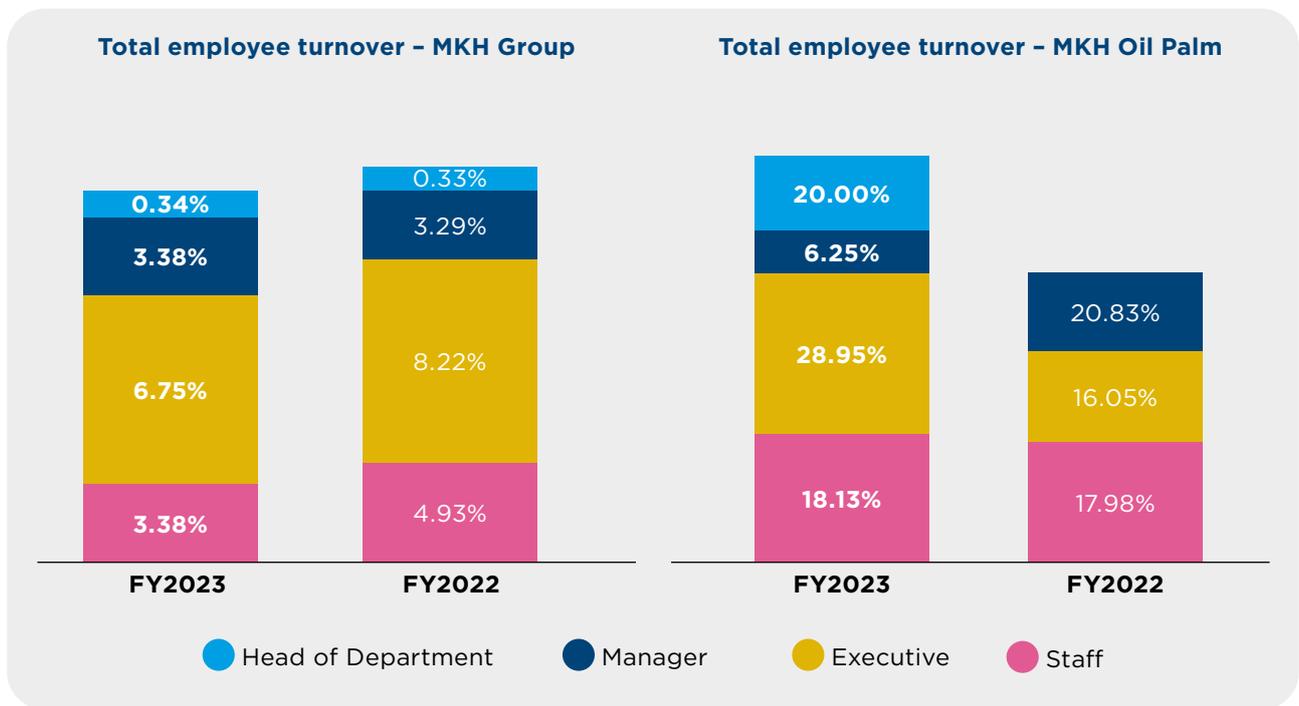
## SUSTAINABILITY REPORT

### Labour Practices and Standards (Cont'd)

#### Employee Turnover Rate

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

#### Total percentage of turnover rate by employee category.



Category	FY2023	FY2022
HOD	0.34%	0.33%
Manager	3.38%	3.29%
Executive	6.75%	8.22%
Staff	3.38%	4.93%

Category	FY2023	FY2022
HOD	20.00%	0.00%
Manager	6.25%	20.83%
Executive	28.95%	16.05%
Staff	18.13%	17.98%

#### Human Rights

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

## SUSTAINABILITY REPORT

### Labour Practices and Standards (Cont'd)

Number of substantiated complaints concerning human rights violation



**0** number of substantiated complaints received concerning human rights violation.

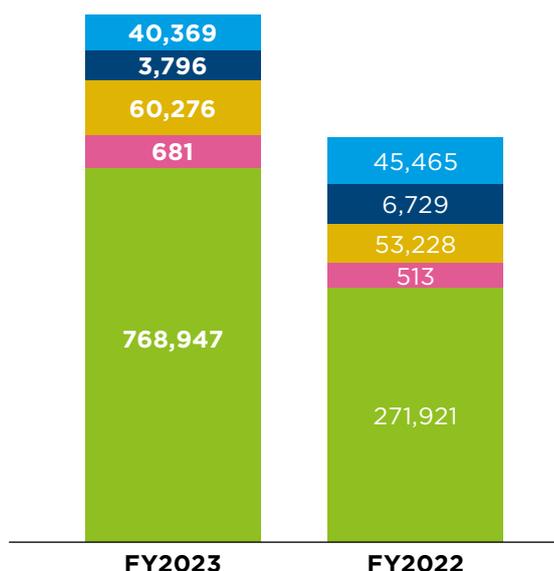
MKH Group		
YEAR	FY2023	FY2022
Human Rights violation case reported	0	0

MKH Oil Palm		
YEAR	FY2023	FY2022
Human Rights violation case reported	0	0

### Water Consumption

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

FY2023 and FY2022 water consumption for our Group:



Company	FY2023 Water Consumption m³	FY2022 Water Consumption m³
Metro Point Complex	40,369	45,465
MKH Berhad, HQ	3,796	6,729
Plaza Metro Kajang	60,276	53,228
Sales Gallery	681	513
MKH Oil Palm	768,947*	271,921

\* The increase in water consumption for MKH Oil Palm was mainly due to the increase in the FFB tonnage processed by our CPO mill.

## SUSTAINABILITY REPORT

### Waste Management

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



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



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



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



Dedicated recyclable waste storage in our basement car park.

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

### MKH Group



### Total construction waste generated

Description	Total waste generated	
	FY2023	FY2022
Total waste diverted from disposal	476 MT	105 MT
Total waste directed to disposal	1,252 MT	380 MT

For MKH Group, there has been a significant increase in the total waste recycled, from 105 MT in FY2022 to 476 MT in FY2023 as well as waste diverted to disposal of 380 MT in FY2022 to 1,252 MT in FY2023. This increase was attributed to the increase in the number of ongoing projects in FY2023 as compared to FY2022. We have implemented proactive recycling with the systematic collection of recyclable waste at project sites, which is then send to recycling centres. Our commitment extends to the integration and maximization of recycling practices throughout our business operations, aiming to minimize overall waste production.

## SUSTAINABILITY REPORT

### Waste Management (Cont'd)

#### MKH Oil Palm



Description	FY2023	FY2022
Total waste diverted from disposal	177,966 MT	166,413 MT
Total waste directed to disposal	46 MT	38 MT

MKH Oil Palm recorded a substantial increase in waste recycling in FY2023, driven mainly by the increase in FFB processed. We have implemented effective waste management strategies, recycling our crop waste into fertilizers and adopting a comprehensive approach to reuse materials wherever feasible. Our waste plays a crucial role in energy generation, contributing to sustainable electricity production in our plantation. Our Plantation Division actively promotes sustainability through the use of renewable energy sources for power generation and use by-products from palm oil milling, namely palm kernel shells and mesocarp fibre, as fuel for the boilers at our palm oil mill to produce steam for electricity generation by turbines. This aligns with our commitment to environmentally responsible practices, ensuring that our operations not only meet production demands but also contribute positively to our ecological footprint.

#### Emission

The rising CO<sub>2</sub> level leads to a variety of effects, including rising sea levels, changes in precipitation patterns, an increase in extreme weather events such as droughts and floods.

As a corporation, we are committed to supporting the national agenda in reducing the GHG emissions, recognizing our responsibility in minimizing carbon emission within our business operations. This is reflected in the identification of climate change as a key-risks identified in our MKH's Materiality Matrix. Our goal is to minimize carbon emissions, a commitment reinforced by our focus on Scope 1, with plans for Scope 2 and Scope 3 emissions for future implementation. We believe that by establishing a benchmark baseline, MKH will be able to effectively monitor our emissions profile and take steps to minimize carbon emissions, contributing to a sustainable and environmentally conscious business approach.

## SUSTAINABILITY REPORT

### Emission (Cont'd)

MKH have started on emissions data gathering. The table below shows the recent data collection which also includes estimated data from our recent financial years.

Emissions are those emitted directly from our Company-owned generator sets and vehicles.

#### MKH Group

##### Estimated MT of carbon dioxide equivalent (tCO<sub>2</sub>e)

Description	FY2023	FY2022
Scope 1	179	156

#### MKH Oil Palm

##### Estimated MT of carbon dioxide equivalent (tCO<sub>2</sub>e)

Description	FY2023	FY2022
Scope 1	10,702	10,334

Our oil palm trees absorb substantial CO<sub>2</sub>. The above estimated CO<sub>2</sub> emission has not been net off with the CO<sub>2</sub> absorbed by our oil palm trees.

In line with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), we will be reporting Scope 2 and 3 GHG emissions, which will include Category 6 (Business Travel) and Category 7 (Employee Commuting) in the future.

### Towards the Economy

With expertise spanning more than 40 years in the property industry, our Group consistently engages in fruitful collaborations with landowners through joint ventures.

A wide range of successful property launches have been carried out by our Property Development and Construction Division. These launches include integrated townships, TOD and affordable homes.

In FY2023, the Group conducted marketing campaign across digital and social media platforms. One of the initiative was the "MKH Smart Up Your Home" campaign, which was conducted from May to September 2023. During the campaign, the purchasers were entitled to lucky draw prizes for the 11 projects including Nexus @ Taman Pertama, TR2 Residence @ Jalan Tun Razak, MIRAI Residences, Nexus @ Kajang Station (Tower B) and Akina @ Kajang 2 Precinct 3. This campaign signifies another stride in our commitment in delivering exceptional value and experiences by providing attractive incentives for our valued customers.

We offer a diverse selection of housing option to homebuyers. The incorporation of the Industrialised Building Systems ("IBS") in our construction further emphasizes our environmentally friendly approach in property development.

We constantly explore joint-venture opportunities to expand our land bank which enable the Group to carry out development with relatively lower upfront financial commitment.

## SUSTAINABILITY REPORT

### Towards the Economy (Cont'd)



**The incorporation of the Industrialised Building Systems (“IBS”) in our construction further emphasizes our environmentally friendly approach in property development.**

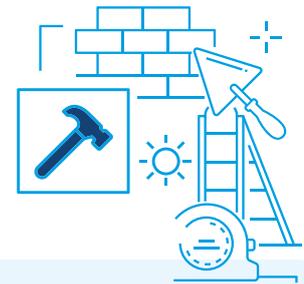
Our joint venture project with Panasonic, known as MIRAI Residences @ Kajang 2 Precinct 1, is a source of pride for us. It stands as one of Malaysia’s first residential property in Kajang 2 to feature the Panasonic Energy Recovery Ventilator (“ERV”) system, inspired by Japanese living. With this system, healthy indoor air circulation is ensured, creating a serene and enjoyable living environment for our residents.

By keeping up with the latest trends, we innovate sustainable homes for multi-generational living. Our on-going projects Nexus @ Kajang is conveniently located near MRT-KTM Kajang Station and MIRAI Residences located in Kajang 2 Precinct 1 near to SILK Highway and KTM 2 station, cater to urbanite’s need for greater mobility and access.

Our Building Materials Trading Division, introduced two trademarked product lines, EGON ironmongeries and CASCADA sanitary fittings, designed to meet the aesthetic requirements of modern residential and commercial projects, enhancing the overall prestige of the property. This division also produces ready-mix concrete to our MKH Boulevard II and MIRAI Residences projects. Up to date, it has surpassed its 100,000m<sup>3</sup> ready-mix concrete production. This year marks a remarkable year for this division as it has attained its record RM100 million annual sales revenue which further reinforcing its success in the trading industry.



**Our joint venture project with Panasonic, known as MIRAI Residences @ Kajang 2 Precinct 1, is a source of pride for us. It stands as one of Malaysia’s first residential property in Kajang 2 to feature the Panasonic Energy Recovery Ventilator (“ERV”) system, inspired by Japanese living.**



**Building Materials Trading Division introduced two trademarked product lines, EGON ironmongeries and CASCADA sanitary fittings, designed to meet the aesthetic requirements of modern residential and commercial projects, enhancing the overall prestige of the property.**

## SUSTAINABILITY REPORT

### Towards the Economy (Cont'd)

The RondaApp, a software application, has been developed and refined to cater to our specific plantation needs. Its implementation has enabled our plantation management team to have real-time monitoring capabilities, enabling them to promptly address road maintenance and repairs promptly. Moving forward, our Group will continue on the expansion in the utilization of farm ATVs, power barrows and bin trucks to efficiently collect and transport FFB from the fields to our CPO mill.

In addition, our Plantation Division has bolstered its mechanisation initiatives by implementing the latest iteration of the Plantation & Mill Management System ("PMMS") to enhance the efficiency and effectiveness of FFB crop evacuation through the monitoring of contractor's trucks.

In our operational activities, we place a strong emphasis on credibility and traceability. This involves prioritizing responsible sourcing from our supply chain and taking proactive measures to understand the practices of our suppliers. We also make it a point to regularly review and renegotiate terms of trade, aiming to foster a sustainable and enduring business relationship. At our plantation estate, we pay significant attention to the traceability of external crops procured under the Indonesian Plasma Programme.

Our Plantation Division continuously adhere to health and safety procedures to mitigate the Covid-19 risks. The initiative has enabled our Plantation Division to carry out its daily operations as usual albeit with enhanced biosecurity measures. This is further complimented with our ongoing mechanisation of FFB collection. The consistent crop evacuation in a timely manner enabled our production and sales of CPO to be well managed.

Our Building Materials Trading Division supply high-quality ironmongery aimed at meeting the current demands of our customers and fostering a sustainable trading business within the industry.

Our framework adheres to the QLASSIC, a standard established by the Construction Industry Development Board ("CIDB"). By implementing QLASSIC, the construction project's workmanship quality can be benchmarked, enabling the use of a standardized quality assessment system to monitor the construction workmanship. This system helps strengthen the quality control of our construction works. During the year, our property development project Boulevard II and Kajang East shop manage to obtain a good score of more than 70% for QLASSIC. It is evident that our group effectively manages and provides highly skilled workmanship.



In FY2023, we were ranked 12th among the Top 30 Property Developers in Malaysia at The Edge Malaysia's Property Excellence Awards 2023 with high score in Innovation and Creativity for Development projects that create value for our homebuyers.

Our Plantation Division is well-recognized as one of the most efficient plantations in East Kalimantan for its good estate management practices and innovations, as evidenced by our multiple highly-coveted awards.

## SUSTAINABILITY REPORT

### Towards the Economy (Cont'd)

Amongst the awards, PT MKH, our subsidiary received the 'Green Rating' for Company Rating Performance Assessment Program In The Environmental Management ("PROPER") in year 2023. On top of that, our subsidiary, PT SPS was granted with a 5-year certification of ISPO from PT. Global Inspeksi Sertifikasi, an accredited certification body of ISPO on 27 July 2022. These achievements is a testament of our Plantation Division's commitment in sustainable practices.

**THE EDGE** MALAYSIA *Top Property Developers Awards 2023*



**PT Maju Kalimantan Hadapan ("PT MKH"), our subsidiary received the 'Green Rating' in Company Rating Performance Assessment Program in the Environmental Management.**

### Towards the Environment

A sustainable approach is ingrained in the values and practices of the Property Development and Construction Division in MKH. With a strong commitment to environmental responsibility, we prioritize the implementation of innovative concepts and designs that not only enhance the aesthetic appeal of our residential developments but also aim at sustainability. In line with this, we take great care to preserve the existing topsoil at our construction sites, recognizing its potential for future landscape purposes.

Where possible, our buildings are thoughtfully constructed in a north-south orientation, to allow natural light and ventilation and at the same time, reducing the direct sunlight. Furthermore, we are dedicated to the proper management of waste generated during construction, adhering to recycling practices and ensuring that any non-recyclable waste is responsibly transported to designated disposal sites. Our unwavering commitment to sustainability is evident in every aspect of our operations, as we strive to make a positive impact on the environment and contribute to a greener future for all.

Green spaces at Akina, a 2-storey terrace house project located in Kajang 2 Precinct 3, will include a central green space known as Akina Park. This park will feature a range of outdoor facilities, including jogging and cycling track, alongside other sports amenities. The intention provisions is to foster and promote a healthy and enjoyable lifestyle within the community. Additionally, our eco-themed township development, Hillpark @ Shah Alam North, has dedicated approximately 60 acres of land to a forest park and central lake park.

Our TR2 Residence @ Jalan Tun Razak project will apply eco-concept development with rain water collection and natural ventilation in the building design. TR2 Residence @ Jalan Tun Razak is also a TOD adjacent to existing Light Rail Transit ("LRT"), Monorail and the under-construction Mass Rapid Transit 2 ("MRT2").

In recognizing the importance for sustainable living environment, we practise energy saving and also incorporate the use of natural renewable energy. Solar photovoltaic panels installed at our shopping malls in Kajang has successfully reduced utility bills by up to 25%. Certified green building materials and fittings are also part of our Building Materials Trading Division's product offering to contractors.

## SUSTAINABILITY REPORT

### Towards the Environment (Cont'd)



Minister of Transport, Anthony Loke Siew Fook with MKH's Managing Director, Tan Sri Datuk Chen Lok Loi during the launching of KTM Kajang 2 station

The installation of EV charging stations at Metro Point Complex reflects the complex's forward-thinking approach to urban planning and environmental responsibility.

Our employees' health and safety is our priority. Air purifiers have been installed and hand sanitizers are provided at our premises.

Adherence to energy-saving practices is observed by our employees at the workplace. When not in use, lights and appliances are switched off and paper printing is minimized.

Preserving a healthy ecosystem at our plantation estates is exemplified through the implementation of good estate management practices. This encompasses the adoption of a zero-burning policy for planting of oil palm trees and the display of various signboards pertaining to environmental preservation and wildlife protection. These signboards serve as constant reminders for in-field workers as they perform their daily duties.

To ensure that our estates are responsibly managed, we work closely with the Indonesia Department of Environment. Drainage and irrigation systems are built to ensure optimum water levels to promote growth of oil palm trees and we also reduce application of agrochemicals through the use of natural alternatives such as planting of beneficial plant and barn owls to combat pests.



Participate in Hijau Lestari programme at Bandar Hillpark, Puncak Alam

## SUSTAINABILITY REPORT

### Towards the Environment (Cont'd)



Our Chairman, Tan Sri Dato' Chen Kooi Chiew sharing his experience with plantation staff

Along with that, we apply our fertilizer in accordance to good agricultural practices to prevent the fertilizer from being washed away by rain.

Effluents from our CPO mills are treated using anaerobic, aerobic and facultative ponding system and subsequently used as natural soil fertilizer.

The Plantation Division consistently takes proactive measures to adapt to the latest environmental conditions in the estate. This includes improving the water management system and fine-tuning harvesting operations. In alignment with these proactive steps, the plantation frequently updates the current Standard Operating Procedures ("SOP") to address the impact of increased average rainfall and field operation conditions. The primary objective of these updated SOP is to optimize both the quantity and quality of the FFB produced.

The implementation of the reduce, reuse and recycle practice is evident in our high-rise residences and workplace, where recycle bins are provided. At our headquarters, waste paper and plastic materials are also periodically gathered from the headquarters and sent to dedicated recycling service providers for subsequent processing.



**This encompasses the adoption of a zero-burning policy for planting of oil palm trees and the display of various signboards pertaining to environmental preservation and wildlife protection.**

## SUSTAINABILITY REPORT

### Towards the Environment (Cont'd)

In order to support the reduction of carbon footprints and promote the use of public transportation, our Property Development and Construction Division has been actively involved in the development of TOD projects. These projects are strategically located within walking distance of public transit points. One such project is Nexus @ Taman Pertama, a 43-storey serviced apartment that offers excellent TOD amenities to its residents, thanks to its close proximity to the Taman Pertama MRT station (approximately 150m away). Another TOD project of ours, MKH Boulevard II, is situated adjacent to the Kajang MRT-KTM Integrated Station, which provides both MRT and train services.

Besides that, water-saving habits are actively promoted and encouraged among our employees, with a strong emphasis on the importance of minimizing water wastage in washrooms and pantries. We firmly believe in responsible water usage, not only within our organization but also in our investment properties. To ensure this, we have designated specific areas where notices and posters are prominently displayed, serving as constant reminders for tenants, customers and guests to adopt water-saving practices.



MKH Oil Palm collaborate with Palang Merah Indonesia for blood donation campaign at our plantation in East Kalimantan

## SUSTAINABILITY REPORT

### Towards the Society

In FY2023, we engage the welfare of our employees, workers and community members through activities within the environment where our businesses operate.

Safety awareness is instilled among our employees through the provision of safety training and regular safety reviews. The Safety and Health Committee formulate internal safety and health regulations, assess policies for a safe working environment for our employees at our headquarters.

A total of 297 trainings and workshops amounting to 3,510 training hours were organized within the reporting year to educate and enhance employees' knowledge and skills. For the year ended 30 September 2023, a total of 2,603 training hours were conducted virtually either is in self-learning mode or organized by training providers while 907 training hours were carried out in the headquarters.

Additionally, employees who have consistently demonstrated a high level of commitment and achievement throughout the year are greatly appreciated by the Group. In order to ensure fair compensation for our employees, their annual performance is evaluated based on Key Performance Indicators ("KPI") and internal promotions are implemented for eligible employees to take on greater responsibilities.

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

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

Our residential developments are thoughtfully designed to accommodate multi-generational living. This includes the incorporation of universal designs that cater to people of all ages and abilities, as well as the creation of recreational and landscaped areas that promote a sense of community. Additionally, we provide a range of outdoor exercise facilities to encourage a healthy and active lifestyle among residents. Through these initiatives, we strive to create a harmonious and sustainable environment for everyone involved.

MKH prioritizes the living experience of the residents; therefore, we have established online portals, a mobile app pilot program that has evolved to include a website platform, serving as a communication medium for building management, particularly for resident services like monthly maintenance payments and booking common facilities.



**A total of 2,603 training hours were conducted virtually either is in self-learning mode or organized by training providers while 907 training hours were carried out in the headquarters.**

**Towards the Society (Cont'd)**



It is widely recognized that the journey towards a sustainable future begins from within and we embrace this notion. As a responsible corporate entity, our priority is to foster long-lasting growth for our Group, while ensuring that we generate value for the communities we are privileged to serve.

To achieve this, we actively support and contribute to the well-being of the underserved local communities where our our business operates.

The Group is committed to community-based programs and sustainable initiatives that aim to enhance the well-being of disadvantaged individuals and mitigate socio-economic disparities. Through various CSR activities, including charity donation drives, provision of financial aid, sponsorship for students and assistance for schools, MKH supports initiatives that make a positive impact on the community.

## SUSTAINABILITY REPORT

### Towards the Society (Cont'd)

MKH collaborates with the Race Walkers' Association of Malaysia ("RWAM") for the Junior Development Programme ("JDP"). The first leg of JDP took place at Stadium MSN Bukit Jalil, Kuala Lumpur, witnessing a high turnout of 148 walkers from various states.

Organized by the Race Walker Associations of Malaysia, the JDP event marked a significant collaboration between MKH and RWAM. Both entities joined forces to support and nurture the future stars of Malaysian athletics. JDP, evolving since 2006, serves as a professional platform for grassroots junior athletes, providing an opportunity to enhance their skills, improve timing and prepare for upcoming competitions, including the 2024 MSSM, SUKMA and international events.



Supporting Junior Development Program held in Bukit Jalil, Kuala Lumpur

In addition to our commitment to sports initiatives, we firmly believe in the importance of education for children. Therefore, MKH initiated the MKH Pandai @ Schools Program in partnership with Pandai Education Sdn Bhd. This program aims to support and help students improve their academic performance through online learning. Notably, in FY2023, approximately 60 students have benefited from the program, demonstrating an improvement in their academic achievements. MKH believes that technology can play a pivotal role in elevating educational standards for the betterment of our society.



**We actively support and contribute to the well-being of underserved communities where our business operates.**

## SUSTAINABILITY REPORT

### Towards the Society (Cont'd)

As education is a priority for our CSR, we distributed scholarships totaling RM80,600 to 185 less fortunate students across 12 secondary schools and 27 primary schools. The foundation is committed to providing financial assistance to talented yet disadvantaged students, facilitating their educational pursuits.

Throughout the scholarship awarding process, we foundation engaged with schools in the Hulu Langat district, including SMJK Yu Hua, SMK Bandar Baru Bangi, SMK Convent, SMK Tinggi Kajang, SJK (C) Yu Hua, SJK (T) West Country, SK Alam Damai, SK Cheras Jaya, SK Taman Cuepacs and others. These engagements provided valuable opportunities to connect with both teachers and students, revealing inspiring stories that underscore the profound impact of the foundation’s funding on individuals, families and the broader community.

Open annually to local students in the Hulu Langat district, regardless of age, religion, or field of study, the foundation invites applications for primary and secondary school scholarships from March to May each year. For higher education levels, application periods align with the intake schedules of respective courses of study.

For FY2023, MKH Group contributed approximately RM429,776 in the community engagement. This support was directed towards fostering collaboration with education institutions, aiding local communities and assisting non-profit organizations. Our dedication to CSR reflects our belief in making a positive impact on the communities where our business operates, aligning with our core values and commitment to sustainability.

Our Plantation Division in East Kalimantan, Indonesia is operating as usual albeit with added biosecurity measures to mitigate Covid-19 risks. To-date, our plantation is able to ensure an uninterrupted process workflow for continued sustainability and revenue generation.



Our plantation carried out three blood donation campaigns for FY2023 in collaboration with Palang Merah Indonesia. This initiative is designed to advance community well-being and to foster a culture of health and unity.

For FY2023, MKH Oil Palm contributed approximately RM2,487,026 in community engagement through various CSR activities involving social, health and sports initiatives.

We continue to enhance the infrastructure in our plantation. Our new staff quarters will be constructed and upgraded using a combination of bricks, concrete and wood.



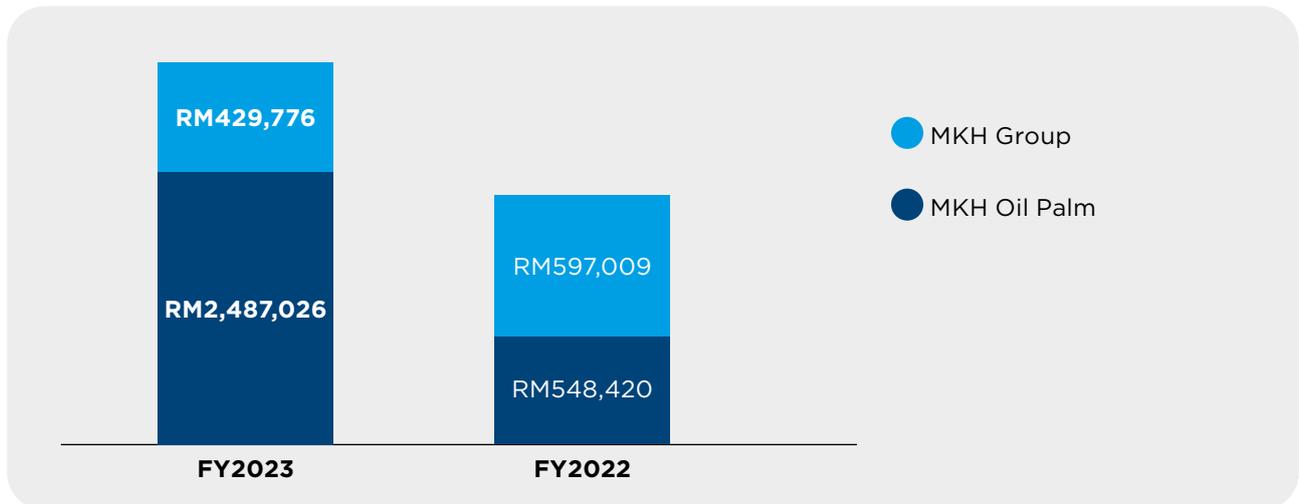
**MKH Group contributed approximately RM429,776 in the community engagement. This support was directed towards fostering collaboration with education institutions, aiding local communities and assisting non-profit organizations.**

## SUSTAINABILITY REPORT

### Towards the Society (Cont'd)

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

### Total CSR contribution by MKH Group and MKH Oil Palm



## DIRECTOR'S PROFILE

### TAN SRI DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG | Group Executive Chairman



Age: 80



Malaysian



Male

**Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong** serves as the Group Executive Chairman since 30 October 2006. He was appointed to the Board on 27 September 1979 and is also a member of the Executive Committee as well as a Director of MKH Oil Palm (East Kalimantan) Berhad and Intelek Murni (M) Berhad, both of which are subsidiaries of MKH Berhad.

Other than real estate and property development, he has successfully led the Group to establish and develop oil palm plantation as one of MKH's present core businesses. To-date, he has been involved in business for about 63 years, of which 45 years were in property development and construction industry and 31 years were in plantation sector.

In recognition of his vast knowledge and experience in the business industry, he was the recipient of "World Chinese Economic Summit Lifetime Achievement Award 2017" and "The International Real Estate Federation (FIABCI) Malaysia Property Man of the Year 2013". Since July 2022, he has been the Honorary President of the Malaysia-China Chamber of Commerce.

He is generous in supporting community and educational causes. He holds the positions of Chairman for Hulu Langat Chinese Industry & Commerce Association, Chairman for School Board of SMJK Yu Hua and Chairman for School Building Committee SMJK Yu Hua Kajang (2).

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong is the brother of Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah. He has no conflict of interest with the Company.

### TAN SRI DATUK CHEN LOK LOI | Group Managing Director



Age: 71



Malaysian



Male

**Tan Sri Datuk Chen Lok Loi** holds a Bachelor of Business (Marketing) from Monash University, Australia. He was appointed to the Board on 31 July 1984 and holding the present position as Group Managing Director since 19 January 2005. He is also a member of the Executive Committee and a Director of MKH Oil Palm (East Kalimantan) Berhad, GK Resort Berhad and Intelek Murni (M) Berhad, all of which are subsidiaries of MKH Berhad.

He is the recipient of "The Edge Malaysia Outstanding Property CEO Award 2018", "CIDB's Malaysian Construction Industry Excellence Awards CEO of The Year Award 2015", Greentech Malaysia Top 30 Green Catalysts Award 2014 and "Real Estate and Housing Developers' Association ("REHDA") Personality Award 2013". He has 42 years of experience in property development and construction related businesses and is the past Chairman of Perbadanan PRIMA Malaysia. He is a patron of REHDA Malaysia and the industry advisor for Master of Business Administration (Building Management) Programme in Universiti Tunku Abdul Rahman and also the President of Building Management Association of Malaysia (2021-2022), EXCO member of the Malaysia Crime Prevention Foundation as well as the Board Advisors for Malaysia Shopping Malls Association (2018-2022). As an advocate of healthy living, he is also the President of the Race Walkers' Association of Malaysia and past Captain of the Royal Selangor Golf Club.

He was an active committee member in various government-private sector organizations that formulate policies governing the housing and real estate industry such as Advisory Council Member of Construction Labour Exchange Centre Berhad, PEMUDAH Special Task Force on Kuala Lumpur City Hall and CIDB Pemandu Pembangunan Pelan Induk Industri Pembinaan 2 (2016-2020).

Tan Sri Datuk Chen Lok Loi is the brother of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Datuk Chen Fook Wah. He has no conflict of interest with the Company.

## DIRECTOR'S PROFILE

### DATUK CHEN FOOK WAH | Deputy Managing Director



Age: 67



Malaysian



Male

**Datuk Chen Fook Wah** holds a Master of Business Administration from University of Wales, United Kingdom. He was appointed to the Board on 25 November 1999 and holding the present position as Deputy Managing Director since 19 January 2005. He is currently a member of the Executive Committee and also a Director of GK Resort Berhad, a subsidiary of MKH Berhad. He was admitted to the Board of Valuers and Real Estate Agent of Malaysia in 1986. Prior to joining the Group, he was with Guthrie Trading Sdn. Bhd. from 1973 to 1974 and Hilton Realty from 1975 to 1978.

He is the brother of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Tan Sri Datuk Chen Lok Loi. He has no conflict of interest with the Company.

### DATO' LIM HONG SHUAN | Senior Independent Non-Executive Director



Age: 64



Malaysian



Male

**Dato' Lim Hong Shuan** was appointed to the Board on 21 May 2021 and re-designated as the Senior Independent Non-Executive Director to the Board on 26 May 2023. He is also the Chairman of the Nomination Committee and Remuneration Committee as well as a member of the Audit Committee. He holds a Bachelor of Arts (Hons) from University of Malaya; Masters of Arts in Criminology from University of Hull, England; Bachelor of Law (LLB) Hons from University of London and has obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia. He started his career in 1985 with the Royal Malaysia Police and has 35 years of working experience with Royal Malaysia Police and was later promoted as the Deputy Chief Police Officer of Perak with the rank of Deputy Commissioner of Police ("DCP") in 2019 until his retirement in January 2020. He is currently a Senior Associate of a legal firm and the Security Advisor for another public listed company in Malaysia.

He also participates actively in community and sport causes. Among others, Committee Member of Malaysia-China Friendship And Mutual Aid Association ("MCFMAA"), Council Member of Majlis Sukan Wilayah Persekutuan ("MSWP") and Deputy President of Federation of Wushu Kuala Lumpur.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

## DIRECTOR'S PROFILE

### MS. HOON SHAT MEI | Independent Non-Executive Director



Age: 57



Malaysian



Female

**Ms. Hoon Shat Mei** was appointed to the Board on 1 June 2022. She is also the Chairperson of the Audit Committee and a member of the Nomination Committee. She holds a Bachelor of Arts (Hons) in Accounting and Finance from Oxford Brookes University, United Kingdom. She is currently a member of the Association of Chartered Certified Accountants (“ACCA”). She has more than 27 years of working experience in financial roles. She started her career with Leighton Contractors (M) Sdn Bhd as an Accounting Manager in 1996 and later joined Baker Hughes (M) Sdn Bhd as Senior Finance Manager in 2001. In 2007, she joined Smith International Sdn Bhd as an Entity Controller, responsible in overseeing the preparation and timely submission of all financial and management reports.

She joined Spie Oil & Gas ASP Sdn Bhd in 2010 as the Financial Controller for the Asia Pacific Region, responsible for providing financial support, internal and external audit compliance and advice, perform analysis of results and financial reporting function of the group. In 2016, she joined Serimax Welding Services (M) Sdn Bhd as the Regional Financial Controller, heading the financial and accounting team based in Malaysia with operation across three countries namely in Malaysia, Australia and Singapore. In 2019, she joined S&J Global Management Services as the Director and Financial Planner providing financial plans to clients.

She does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

### MS. LEE PEI YEE | Independent Non-Executive Director



Age: 48



Malaysian



Female

**Ms. Lee Pei Yee** was appointed to the Board on 1 June 2023. She is a member of the Audit Committee and Remuneration Committee. She has more than 25 years of experience in financial reporting and regulatory compliance and she has been involved in various financial related activities such as merger & acquisition, restructuring and group tax optimisation.

She began her career in Ernst & Young (Public Accountant) more than two decades ago and she has held senior financial position in regional roles for corporations across Asia. She is currently the Regional Financial Controller of Fave Asia Sdn. Bhd., which is principally involved in the business providing smart payment app to consumers.

She is a Fellow Member of the Association of Chartered Certified Accountants (“FCCA”) and also a member of The Malaysian Institute of Accountants (“MIA”).

She does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

## DIRECTOR'S PROFILE

### EN. JEFFREY BIN BOSRA | Non-Independent Non-Executive Director



Age: 55



Malaysian



Male

**En. Jeffrey bin Bosra** was appointed to the Board on 1 August 2008. On 9 March 2022, he was re-designated as Non-Independent Non-Executive Director to the Board. He is also a member of the Audit Committee. He is currently a member of The Malaysian Institute of Certified Public Accountants ("MICPA") and The Malaysian Institute of Accountants ("MIA"). He started his professional career with Arthur Andersen & Co. focusing on external audits and business advisory works. He later joined an established commercial group as the Finance Manager from 1996 to 2000. He then joined Ernst & Young as the Senior Manager specialising in corporate governance, risk management, internal audits, special investigation and turnaround management related service. He left Ernst & Young in 2004 and started his own audit firm.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

#### Additional Information:

1. Save as disclosed in the profile of Directors, Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah have no other directorship in public companies and listed issuers.
2. Save for Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.
3. None of the Directors have:
  - (i) any conflict of interest with the Company;
  - (ii) been convicted of any offence (other than traffic offences, if any) within the past 5 years; and
  - (iii) been imposed with any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 94.

## PROFILE OF KEY SENIOR MANAGEMENT

### DATO' CHONG YONG HAN | Property Director



Age: 52



Malaysian



Male

He was appointed as a Property Manager in Property Development Department of MKH Berhad and was later promoted to General Manager of Property Department in December 2002, Group Senior General Manager in April 2007 and Property Director in March 2013.

He graduated from Lincoln University, New Zealand with Bachelor of Commerce (Valuation and Property Management) in year 1994 and obtained his MBA (Real Estate) in year 2000 from University of Western Sydney, Australia.

He has more than 22 years of experience in property development and construction related businesses. He specialises in development planning and marketing.

### DATO' CHEN WAY KIAN | Deputy Property Director



Age: 39



Malaysian



Male

He holds a Bachelor of Business from University of Technology, Sydney. He joined MKH Berhad in 2005 and has been appointed as the Deputy Property Director of MKH Berhad on March 2015. Prior to his appointment to the present position, he was Special Assistant to the Group Executive Chairman since 2011. He has been in the property development and construction related businesses as well as agricultural sectors for more than 16 years.

He is the son of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and the nephew of Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah who are members of the Board of the Company.

### MS. KOK SIEW YIN | Chief Financial Officer



Age: 51



Malaysian



Female

She is a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA").

She is the Chief Financial Officer for MKH Berhad group of companies. She has more than 19 years of accounting and audit experience in property development, construction, hotels, retail, manufacturing and timber plantation industry. She was also involved in corporate advisory and has experience in financial valuation and financial due diligence for companies. She joined MKH Group in 2004 as a Corporate Finance Manager and was promoted to Financial Controller in 2008 and Chief Financial Officer in 2015.

## PROFILE OF KEY SENIOR MANAGEMENT

### MR. TAN WAN SAN | Treasury Director / Group Company Secretary



Age: 55



Malaysian



Male

He is the Treasury Director and Group Company Secretary for MKH Berhad group of companies. Prior to joining MKH Berhad Group in 1996, he was with a bank. He graduated from Universiti Utara Malaysia with a Bachelor Degree in Accountancy (Honours) and is a Chartered Accountant registered with the Malaysian Institute of Accountants (“MIA”) and is a member of Certified Practising Accountant (“CPA”), Australia. He was promoted to Chief Treasury Officer in 2015 and subsequently to Treasury Director in 2023.

He has more than 30 years of senior-level management experience in company secretarial, legal and treasury matters.

### EN. AHMAD YANI SULAIMAN | General Manager



Age: 57



Malaysian



Male

He was appointed as a Senior Manager in Property Development Department of MKH Berhad in 2007 and was promoted to General Manager in 2016.

He started his career as an auditor in 1991 upon graduating from ITM in Accounting Studies.

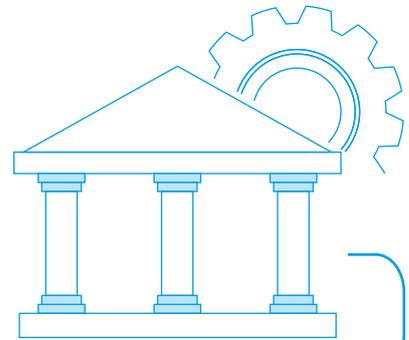
In 2001, he joined a property developer and was overseeing the Sales and Marketing portfolio and was later re-designated to be a Project Manager overseeing property development.

Save as disclosed, none of the Key Senior Management have:-

- any directorship in public companies and listed issuers;
- any family relationship with any Directors and/or major shareholders of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years other than traffic offences, if any; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of MKH Berhad recognize the importance of promoting good corporate governance to ensure long term sustainability, growth and delivering value.



The Board is pleased to present the Corporate Governance Overview Statement (“CG Overview Statement”), which is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) to the shareholders on the manner MKH Berhad (“MKH” or “the Company”) and its subsidiaries (“the Group”) have applied the key Principles and Practices in accordance with the Malaysian Code on Corporate Governance 2021 (“the Code”) during the financial year ended 30 September 2023.

This overview statement is to be read together with the Corporate Governance Report (“CG Report”), made pursuant to Paragraph 15.25(2) of the MMLR of Bursa Securities which articulates the application of the Company’s corporate governance practices as set out in the CG Report. The CG Report is available on the Company’s website at [www.mkhberhad.com](http://www.mkhberhad.com) and Bursa Malaysia’s website.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### 1. Board Duties and Responsibilities

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 1. Board Duties and Responsibilities (Cont'd)

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

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

##### 2. Chairman of the Board

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

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

##### 3. Separation of Position of Chairman and Chief Executive Officer (“CEO”)

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

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

##### 4. Qualified and Competent Company Secretary

The Board is supported by a qualified and competent Company Secretary under the Companies Act 2016 in carrying out the roles and responsibilities and ensuring that Board meeting procedures are followed. The Board has direct access to the professional advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and MMLR of Bursa Securities. The profile of the Company Secretary is provided on page 85.

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 5. Access to Information and Advice

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

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

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

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

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

##### 6. Board Charter

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 7. Code of Ethics and Conduct

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

The Ethics Conduct covers the areas of conflict of interest, confidential information, insider information and securities trading, protection of Group’s assets and etc. The details of the Ethics Conduct are available for reference at the Company’s website at [www.mkhberhad.com](http://www.mkhberhad.com).

##### 8. Fit and Proper Policy

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

##### 9. Whistleblowing Policy

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

##### 10. Anti Bribery and Corruption Policy

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

This Policy which was approved by the Board will be reviewed at least once every year taking into consideration changes in the law and regulatory requirements. The Anti Bribery and Corruption Policy is posted on the Company’s website at [www.mkhberhad.com](http://www.mkhberhad.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION

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

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

The Board had on 1 June 2023 appointed Ms. Lee Pei Yee on board as Independent Non-Executive Director in compliance with MMLR of Bursa Securities.

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

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

#### 1. Independence

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

#### 2. Tenure of Independent Directors

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 2. Tenure of Independent Directors (Cont'd)

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

##### 3. Board Diversity

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 4. Gender Diversity

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

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

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

##### 5. Nomination Committee

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

Name	Designation	Attendance	Percentage
Dato' Lim Hong Shuan (Re-designated as Chairman on 26 May 2023)	Chairman	2/2	100%
Datuk Mohammad bin Maidon (Retired on 16 March 2023)	Chairman	1/1	100%
Ms. Hoon Shat Mei (Appointed on 26 May 2023)	Member	1/1	100%

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

- i) reviewed the Directors who were due for re-election by rotation and/or re-appointment;
- ii) reviewed the Board's required mix of skills, current size and composition, experience and other qualities including the core competencies which Independent Non-Executive Directors should bring to the Board;
- iii) evaluated the independence of the Independent Non-Executive Directors based on the criteria of "Independence" as prescribed in the MMLR of Bursa Securities and the Corporate Governance Guide issued by Bursa Securities;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 5. Nomination Committee (Cont'd)

- iv) assessed and evaluated the effectiveness of the Board based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance;
- v) assessed and evaluated the individual Directors' performance and the effectiveness of the Board as a whole together with the Audit Committees' performance;
- vi) reviewed the proposed criteria and considerations that underpin the Fit and Proper Policy in relation to appointment and re-appointment of Directors;
- vii) identified suitable training programmes for the Directors and Audit Committee; and
- viii) deliberated on the findings of the assessments and reported the findings to the Board.

The terms of reference of the Nomination Committee are available for reference at [www.mkhberhad.com](http://www.mkhberhad.com).

##### 6. Board and Board Committee Evaluation

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

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 7. Board Meetings

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

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

The attendance record of each Director is as follows:

Name	No. of Meetings Attended	Percentage
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	5/5	100%
Tan Sri Datuk Chen Lok Loi	5/5	100%
Datuk Chen Fook Wah	5/5	100%
Dato' Lim Hong Shuan	5/5	100%
Ms. Hoon Shat Mei	5/5	100%
Ms. Lee Pei Yee (Appointed on 1 June 2023)	1/1	100%
En. Jeffrey bin Bosra	5/5	100%
Datuk Mohammad bin Maidon (Retired on 16 March 2023)	3/3	100%

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 7. Board Meetings (Cont'd)

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

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

##### 8. Retirement and Re-election

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

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

The Directors due for re-election by rotation pursuant to Clause 112(1) of the Company's Constitution at the forthcoming AGM are Dato' Lim Hong Shuan and En. Jeffrey bin Bosra. Whereas, the Director due for re-election pursuant to Clause 119 of the Company's Constitution at the forthcoming AGM is Ms. Lee Pei Yee.

##### 9. Directors' Training

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 9. Directors' Training (Cont'd)

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

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

Director	Training/Seminars/Conferences
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	<ul style="list-style-type: none"> <li>In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>Conference on "Business Visit to the New Capital of Indonesia, Nusantara" organized by Embassy of the Republic of Indonesia</li> </ul>
Tan Sri Datuk Chen Lok Loi	<ul style="list-style-type: none"> <li>In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>Moderator for Fireside Chat on "Sustainable Affordable Housing in Asia Pacific" and Masterclass for "Asia Real Estate Leaders (AREL) Business Delegation &amp; Regional Study Trip" organized by REHDA Institute</li> <li>Microsoft Teams Meeting on "IHA - Housing Affordability Working Group Webcast" organized by REHDA Malaysia</li> <li>Speaker and Panelist for "Regional Housing Conference 2023" organized by REHDA Institute</li> <li>"Asia Real Estate Leaders : Masterclass &amp; Tour, Singapore" study tour organized by REHDA Institute</li> <li>"Jakarta &amp; Nusantara (Briefing on New Indonesian Capital) Asia Real Estate Leaders (AREL)" trip organized by REHDA Institute</li> <li>Conference on "Reinventing Shopping Malls   The Paradigm Shift" organized by PPK Malaysia</li> <li>2023 IHA Interim Virtual Meeting organized by REHDA Malaysia</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 9. Directors' Training (Cont'd)

Director	Training/Seminars/Conferences
Datuk Chen Fook Wah	<ul style="list-style-type: none"> <li>• In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>• Webinar on “Enhancing Property Value by Good Property Management Practices” organized by Hartamas Academy Resources Sdn. Bhd.</li> </ul>
Dato' Lim Hong Shuan	<ul style="list-style-type: none"> <li>• In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>• Seminar on “Related Party Transactions (‘RPTs’) and Conflict of Interest, including the “Arms-Length” Definition on Transactions” organized by Malaysian Institute of Corporate Governance (“MICG”)</li> <li>• Webinar on “Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers” organized by Bursa Malaysia Berhad</li> <li>• “What Amounts to a Conflict of Interest by Directors” organized by Asia School of Business</li> </ul>
Ms. Hoon Shat Mei	<ul style="list-style-type: none"> <li>• In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>• Seminar on “Related Party Transactions (‘RPTs’) and Conflict of Interest, including the “Arms-Length” Definition on Transactions” organized by MICG</li> <li>• Webinar on “Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers” organized by Bursa Malaysia Berhad</li> <li>• “What Amounts to a Conflict of Interest by Directors” organized by Asia School of Business</li> <li>• Anti-Money Laundering Act 2023 by Public Mutual Berhad</li> <li>• Cyber Security Awareness 2023 by Public Mutual Berhad</li> <li>• Public e-Ataraxia Mixed Asset Fund by Public Mutual Berhad</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

##### 9. Directors' Training (Cont'd)

Director	Training/Seminars/Conferences
Ms. Lee Pei Yee	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Program for Directors of Public Listed Companies</li> <li>• MIA Webinar Series: Common Offences by Directors under the Companies Act 2016 organized by Malaysian Institute of Accountants</li> <li>• “What Amounts to a Conflict of Interest by Directors” organized by Asia School of Business</li> </ul>
En. Jeffrey bin Bosra	<ul style="list-style-type: none"> <li>• In house update on amendments to the Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework by Bursa Securities</li> <li>• Seminar on “Related Party Transactions (‘RPTs’) and Conflict of Interest, including the “Arms-Length” Definition on Transactions” organized by MICG</li> <li>• “What Amounts to a Conflict of Interest by Directors” organized by Asia School of Business</li> </ul>



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. REMUNERATION

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

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

##### 1. Remuneration Committee

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

Name	Designation	Attendance	Percentage
Dato' Lim Hong Shuan (Re-designated as Chairman on 1 June 2023)	Chairman	2/2	100%
Datuk Mohammad bin Maidon (Retired on 16 March 2023)	Chairman	1/1	100%
Ms. Lee Pei Yee (Appointed on 1 June 2023)	Member	1/1	100%

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

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

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

The terms of reference of the Remuneration Committee are available for reference at [www.mkhberhad.com](http://www.mkhberhad.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. REMUNERATION (CONT'D)

##### 2. Directors' Remuneration

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

##### Company Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefit-in-kind RM	Other Emoluments* RM	Total RM
<b>Executive Directors</b>						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	-	-	-	-	-	-
Tan Sri Datuk Chen Lok Loi	-	-	-	-	-	-
Datuk Chen Fook Wah	-	-	-	-	-	-
<b>Non-Executive Directors</b>						
Datuk Mohammad bin Maidon	27,500	-	11,000	-	-	38,500
Dato' Lim Hong Shuan	60,000	-	17,000	-	-	77,000
Ms. Hoon Shat Mei	60,000	-	17,000	-	-	77,000
Ms. Lee Pei Yee	20,000	-	3,000	-	-	23,000
En. Jeffrey bin Bosra	60,000	-	11,000	-	-	71,000
<b>Total</b>	<b>227,500</b>	<b>-</b>	<b>59,000</b>	<b>-</b>	<b>-</b>	<b>286,500</b>

##### Group Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefit-in-kind RM	Other Emoluments* RM	Total RM
<b>Executive Directors</b>						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong <sup>^</sup>	182,500	6,720,993	-	24,608	2,419,204	9,347,305
Tan Sri Datuk Chen Lok Loi <sup>^</sup>	182,500	4,990,350	-	32,620	948,170	6,153,640
Datuk Chen Fook Wah	-	1,400,668	-	22,700	266,132	1,689,500
<b>Non-Executive Directors</b>						
Datuk Mohammad bin Maidon	27,500	-	12,800	-	-	40,300
Dato' Lim Hong Shuan	60,000	-	17,000	-	-	77,000
Ms. Hoon Shat Mei	60,000	-	17,000	-	-	77,000
Ms. Lee Pei Yee	20,000	-	3,000	-	-	23,000
En. Jeffrey bin Bosra	60,000	-	11,000	-	-	71,000
<b>Total</b>	<b>592,500</b>	<b>13,112,011</b>	<b>60,800</b>	<b>79,928</b>	<b>3,633,506</b>	<b>17,478,745</b>

Note:

\* Post-employment benefits and includes provision for retirement gratuity amounting to RM1,317,328

<sup>^</sup> Re-designated as Non-Independent Non-Executive Director of MKH Oil Palm (East Kalimantan) Berhad

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

##### 1. Composition of Audit Committee

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

##### 2. Relationship with Auditors

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

The Board through the Audit Committee maintains a transparent and professional relationship with the external auditors. The external auditors will communicate to the Audit Committee and the Board when they become aware of any significant weaknesses in the Company’s system of internal control, including fraud, during the course of their audit that may require the attention of the Audit Committee and the Board. The role of the Audit Committee in relation to the external auditors is set out on pages 105 to 108.

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

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

The Audit Committee together with the Chief Financial Officer had undertaken an annual assessment of the competency and independence of the external auditors pursuant to the External Auditors Assessment Policy, which has outlined the guidelines and procedures for the assessment on the suitability of the external auditors on 22 December 2023.

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

The details of the External Auditors Assessment Policy are available for reference at [www.mkhberhad.com](http://www.mkhberhad.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### I. AUDIT COMMITTEE (CONT'D)

##### 3. Directors' Responsibility Statement

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

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

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

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

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

#### II. RISK MANAGEMENT AND INTERNAL CONTROL

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### II. RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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

The Group's Statement on Risk Management and Internal Control provides an overview of the risk management framework and state of internal control within the Group is set out on pages 112 to 115.

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

#### I. COMMUNICATION WITH STAKEHOLDERS

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



the Annual Report and relevant circulars despatched to shareholders and published in the Company's website and Bursa Malaysia;



the convening of AGM and/or Extraordinary General Meeting;



the release of various disclosures and announcements including quarterly financial announcements; and



press releases and analysts briefings.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

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

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

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

#### II. CONDUCT OF GENERAL MEETINGS

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

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

The Company's upcoming AGM will be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Tuesday, 12 March 2024 at 10.00 a.m. The notice of the AGM to be issued at least 28 days prior to the date of the meeting in accordance with the Malaysian Code on Corporate Governance 2021. The notice and agenda will also be published in the local English newspaper and made available on the Group's website at [www.mkhberhad.com](http://www.mkhberhad.com).

#### Statement on Compliance

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

This Corporate Governance Overview Statement has been approved by the Board on 22 December 2023.

# AUDIT COMMITTEE REPORT

During the financial year under review, the Audit Committee had carried out its duties and responsibilities namely held discussion with external auditors, in-house internal auditors, risk management committee and relevant members of management in accordance with its terms of reference. The Audit Committee is of the view that no material misstatement, contingencies or uncertainties and significant deficiencies in internal control have arisen, based on the reviews made and discussion held.

## Composition and Meetings

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

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

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

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

Name of Directors	Directorship	No. of Meetings Attended
Ms. Hoon Shat Mei (Chairperson)	Independent Non-Executive Director	5/5
Datuk Mohammad bin Maidon (Member) (Retired on 16 March 2023)	Senior Independent Non-Executive Director	3/3
Dato' Lim Hong Shuan (Member)	Senior Independent Non-Executive Director	5/5
Ms. Lee Pei Yee (Member) (Appointed on 1 June 2023)	Independent Non-Executive Director	1/1
En. Jeffrey bin Bosra (Member)	Non-Independent Non-Executive Director	5/5

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

The details of the terms of reference of the Audit Committee are available for reference at [www.mkhberhad.com](http://www.mkhberhad.com).

## AUDIT COMMITTEE REPORT

### Summary of Work of the Audit Committee

During the financial year ended 30 September 2023 (“FY2023”), the Audit Committee had worked closely with the external auditors, in-house internal audit team and management to carry out its functions and duties in line with the terms of reference.

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

#### (a) Financial Reporting

- Reviewed all the four (4) quarter’s unaudited financial results and audited financial statements of the Company and the Group for the FY2023 together with the external auditors prior to recommending the same for approval by the Board.
- Reviewed the impacts of any changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.
- Confirmed with management and external auditors that the Company’s and Group’s annual audited financial statements have been prepared in compliance with applicable approved accounting and financial reporting standards.

#### (b) Internal Audit

- Reviewed and approved the scope of annual audit plan for the FY2023 proposed by the in-house internal audit team to ensure the adequacy of the scope and coverage of work on the Group’s activities.
- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management’s responses. Discussed with management on actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports.
- Reviewed and approved the follow-up reports on the status of implementation of those control weaknesses as highlighted by in-house internal audit team.
- Reported to the Board on significant audit issues and concerns discussed during the Audit Committee meetings which may have significant impact on the Group from time to time, for consideration and deliberation by the Board.

#### (c) External Audit

- Reviewed and approved the external auditors annual audit planning memorandum of the Group for the FY2023, external auditor’s fees, audit strategy and scope of work for the year in connection with their audit.
- Reviewed the findings of the external auditors reports particularly on key audit matter and areas of concern highlighted in the progress report, including management’s response to the concerns raised by the external auditors.

## AUDIT COMMITTEE REPORT

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

#### (c) External Audit (Cont'd)

- Held private sessions with the external auditors without the presence of Executive Directors and management, to discuss the audit findings and any other observations they may have during the audit process. There were no major concerns/issues raised by the external auditors at the meetings.
- Discussed with external auditors on significant accounting and auditing updates arising from new or proposed changes in accounting standard and regulatory requirements in relation to the financial statements.
- Evaluated the performance and assessed the independence and objectivity of the external auditors in providing their services and made recommendations to the Board on their re-appointment and remuneration.

#### (d) Risk Management Committee

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

#### (e) Related Party Transactions

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

#### (f) Annual Reporting

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

The Audit Committee having reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for the FY2023 to the Board of Directors for approval on 22 December 2023.

## AUDIT COMMITTEE REPORT

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

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

### Training

During the year, all the Audit Committee members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed on the Corporate Governance Overview Statement at page 97 to 98 of the Annual Report.

### The Internal Audit Function and Its Role

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

The IAD comprises five (5) staff members, led by Mr. Kannan a/l Sevakrishnavelu, an Associate Member of the Institute of Internal Auditors Malaysia (“IIA Malaysia”) who has over 17 years of experience in internal audit. IAD reports directly to the Audit Committee and is guided by its Internal Audit Charter. The IAD adopts the *International Standards for the Professional Practice of Internal Auditing* as well as established internal auditing guidelines to enhance its competency and proficiency.

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



## AUDIT COMMITTEE REPORT

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

#### (a) Internal Audit Work Carried Out During The Financial Year Under Review

The internal audit function conducted its work based on an annual internal audit plan which was tabled before, and approved by, the Audit Committee. The main activities of work carried out by the internal audit function are set out below:

##### (i) Conduct Of Internal Audit

The internal audit function adopted a risk-based approach in identifying specific areas and processes to be covered. During the financial year under review, the internal audit function focused on selected key processes of the Group's as follows:

Entity	Key Processes
Head Office (Quality Assurance and Quality Control ("QAQC") and Design Management ("DM"))	<ul style="list-style-type: none"> <li>• Site Audit - In Progress and Completed Units</li> <li>• QAQC Memo &amp; Non-Compliances during Site Inspection</li> <li>• Pre-QLASSIC Assessment &amp; QLASSIC Assessment by CIDB</li> <li>• Mock-Up Unit Audit by QAQC</li> <li>• System Monitoring</li> <li>• Design Management</li> </ul>
1. Quantum Density Sdn. Bhd. - TR 2 Residence 2. Daksina Harta Sdn. Bhd. - Jernih Residence	<ul style="list-style-type: none"> <li>• Overall Project Progress, Progress Reporting and Contractor's Performance</li> <li>• Building Materials Management</li> <li>• Non-Compliance Report ("NCR") and Site Memo</li> <li>• Progress Payment to Contractors and Variation Orders</li> <li>• Compliance to Project Quality Plan ("PQP")</li> <li>• Compliance to Project Safety Plan ("PSP")</li> <li>• Handing Over by Piling Contractor to the Main Building Works Contractor and Incomplete Works</li> </ul>
MKH Development Sdn. Bhd.	<ul style="list-style-type: none"> <li>• Overall Project Progress, Progress Reporting and Contractor's Performance</li> <li>• Building Materials Management</li> <li>• NCR and Site Memo</li> <li>• Progress Payment to Contractors and Variation Orders</li> <li>• Compliance to PQP and PSP</li> <li>• Handing Over by Piling Contractor to the Main Building Works Contractor and Incomplete Works</li> <li>• Permanent Solution Works on the Stabilization Works required by IKRAM &amp; JPS</li> </ul>

## AUDIT COMMITTEE REPORT

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

#### (a) Internal Audit Work Carried Out During The Financial Year Under Review (Cont'd)

##### (i) Conduct Of Internal Audit (Cont'd)

Entity	Key Processes
1. Petik Mekar Sdn. Bhd. - Kajang 2 Precinct 3 - Phase 1A and 1B (Hillpark 4) 2. Hillpark Resources Sdn. Bhd. - Hillpark Shah Alam - PP1 & PP2	<ul style="list-style-type: none"> <li>• Overall Project Progress, Progress Reporting and Contractor's Performance</li> <li>• Building Materials Management</li> <li>• NCR and Site Memo</li> <li>• Progress Payment to Contractors and Variation Orders</li> <li>• Compliance to PQP and PSP</li> </ul>
Metro K.L. City Sdn. Bhd.	<ul style="list-style-type: none"> <li>• Overall Project Progress, Progress Reporting and Contractor's Performance</li> <li>• Building Materials Management</li> <li>• NCR, Site Memo and Defect Rectification</li> <li>• Progress Payment to Contractors and Variation Orders</li> <li>• Compliance to PQP and PSP</li> <li>• Compliance to Development Order ("DO") and Building Plan ("BP") approval</li> <li>• Authority clearance for issuance of Certificate of Completion and Compliance</li> <li>• Completed Unit's Quality - Pre-Handover</li> </ul>
MKH Building Materials Sdn. Bhd.	<ul style="list-style-type: none"> <li>• Overall sales performance</li> <li>• Selection of supplier &amp; background of the active suppliers</li> <li>• Account Receivable and Payable &amp; Bank Reconciliation</li> <li>• Stocks and Store management</li> <li>• Customer's credit assessment</li> <li>• Customer complaints</li> <li>• Staff claims</li> <li>• General IT controls - User Access</li> </ul>
1. Maha Usaha Sdn. Bhd. - Plaza Metro Kajang 2. Srijang Indah Sdn. Bhd. - Metro Point Complex	<ul style="list-style-type: none"> <li>• Shopping Mall FY2022 performance</li> <li>• Tenancy / Leasing management</li> <li>• Rental billing, collection and credit control</li> <li>• Marketing and promotion - Advertising and website management</li> <li>• Occupancy and rental rate</li> <li>• Repair, maintenance and security</li> <li>• Accounting ledger, carpark collection and system</li> <li>• Licenses and permits</li> </ul>

## AUDIT COMMITTEE REPORT

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

#### (a) Internal Audit Work Carried Out During The Financial Year Under Review (Cont'd)

##### (i) Conduct Of Internal Audit (Cont'd)

Based on the internal audit reviews carried out, the findings of the internal audit, including the recommendations to address areas of control deficiencies as well as opportunities for improvements, were discussed with Senior Management and subsequently presented to the Audit Committee.

##### (ii) Follow-Up On Internal Audit

During the financial year under review, the internal audit function also performed a follow-up to assess the status of management-agreed action plans on recommendations raised in preceding cycles of internal audit. The outcome thereof was summarised in a follow-up report to the Audit Committee, highlighting those issues that had yet to be fully addressed by management, including specific timelines for those outstanding matters to be resolved.

Whilst reports issued by the internal audit function for the financial year under review were tabled at Audit Committee meetings, management was present at such meetings to provide pertinent clarification or additional information to address questions raised by Audit Committee members pertaining to matters raised by the internal audit function.

#### (b) Cost Of Internal Audit

The cost of the internal audit function for the financial year under review amounted to approximately RM446,029 (FY2022: RM448,266).

This Audit Committee Report has been approved by the Board on 22 December 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 (“the Code”) set out the Principles and Practices for the Board of a company listed on the Bursa Malaysia Securities Berhad (“Bursa Securities”) to establish a sound risk management framework and internal controls system to safeguard shareholders’ investments and the Group’s assets. The Board is committed to establish a sound framework to manage risks and is pleased to provide the following statement in accordance with Paragraph 15.26(b) of Bursa Securities’ Main Market Listing Requirements and guided by the “*Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers*”.

## Board’s Responsibilities

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



determine the Group’s level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders’ investments and the Group’s assets;



committed to articulating, implementing and reviewing the Group’s internal controls system for risk management; and



periodic review and/or conduct of the effectiveness and adequacy of the internal controls procedures and processes to ensure that the system is viable and robust.

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

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

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management And Internal Control Processes

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

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

### Risk Management Framework

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

#### (a) Operational Risks

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

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Framework (Cont'd)

(b) Financial Risks

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

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

To further enhance the risk management process within the culture of the Group, review of existing risks and identification of new risks is also conducted annually with involvement of selected management staff. In additions, nominated key management

personnel in each business unit have prepared action plans to address key risks and control issues highlighted by the Internal Audit team.

During the financial year ended 30 September 2023, the RMC has:



reviewed management action plans presented by the nominated key management of certain business units of the Group;



reviewed the Group's quarterly financial and non-financial performances measured against the approved budget with major variances being reviewed and management actions taken as necessary;



reported its findings on major issues relating to risks and risk management to the Audit Committee on quarterly basis which then reports to the Board;



reviewed new property development projects and business investment in the subsidiaries;



reviewed quarterly, the property development outlook with appropriate product differentiation and pricing to suit the market demand; and



monitored financial performances and the progress of corrective actions/ implementation for highlighted issues.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Internal Audit Function

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

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

### Review By The External Auditors

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

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* to be set out, nor is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and control system including the assessment and opinion by the Board and management thereon. The external auditors are not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Bursa Securities' Main Market Listing Requirements and for no other purposes or parties.

### Management Assurance

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

### Board's Conclusion

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

This Statement has been approved by the Board on 22 December 2023.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid by the Company and its subsidiaries to the external auditors for the financial year ended 30 September 2023 are as follows:

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

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

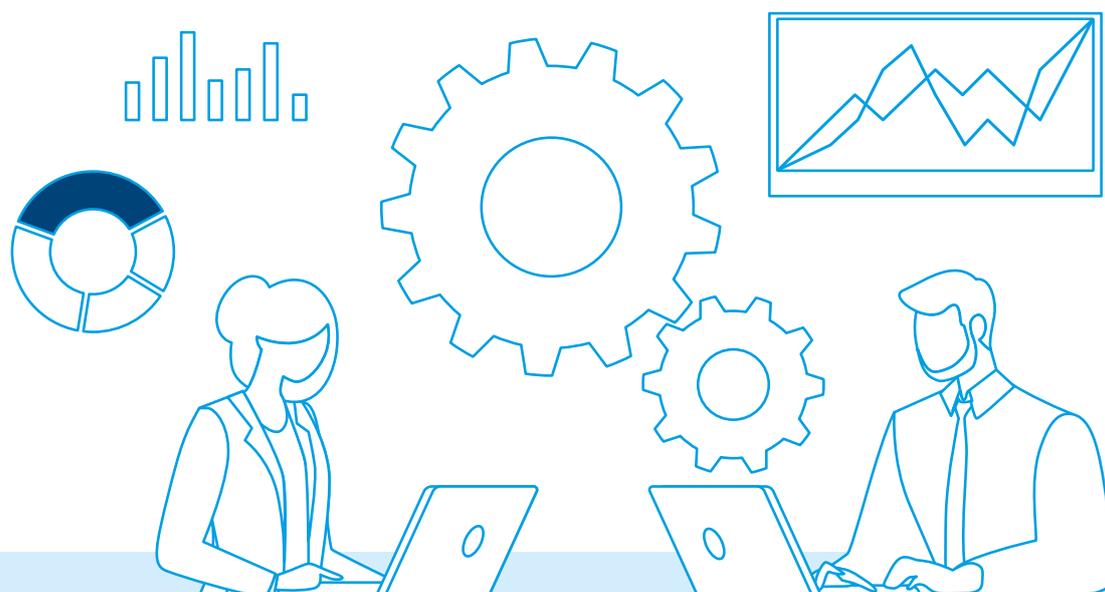
## 2. Material Contracts Involving Directors and Major Shareholders' Interest

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

## 3. Sanctions and/or Penalties

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

# FINANCIAL STATEMENTS



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<b>131</b>	<b>Statements of profit or loss and other comprehensive income</b>
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# DIRECTORS' REPORT

The directors have pleasure in presenting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and providing management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiaries are as 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	The Company RM
Profit for the financial year	81,278,473	98,854,476
Profit attributable to:		
Owners of the parent	74,595,551	98,854,476
Non-controlling interests	6,682,922	-
	81,278,473	98,854,476

## DIVIDENDS

Since the end of the previous financial year, a first interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2022 amounting to RM23,096,635 was declared on 29 November 2022 and paid on 6 January 2023 as reported in the directors' report of that year.

A first interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2023 amounting to RM23,096,635 was declared on 29 November 2023 and to be paid on 10 January 2024. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2024.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2023.

## ISSUES OF SHARES

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

## DIRECTORS' REPORT

### 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 Dato' Chen Kooi Chiew @ Cheng Ngi Chong  
 Tan Sri Datuk Chen Lok Loi  
 Datuk Chen Fook Wah  
 Dato' Lim Hong Shuan  
 Hoon Shat Mei  
 Jeffrey bin Bosra  
 Lee Pei Yee (Appointed on 1 June 2023)  
 Datuk Mohammad bin Maidon (Retired on 16 March 2023)

### LIST OF DIRECTORS OF SUBSIDIARIES

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong  
 Tan Sri Datuk Chen Lok Loi  
 Datuk Chen Fook Wah  
 Dato' Chong Yong Han  
 Dato' Chen Way Kian  
 Dato' Lee Khee Meng  
 Dato' Mazbar bin Abu Bakar  
 Datuk Wira Hj. Johan bin Abd Aziz  
 Chen Wei Chyong  
 Chen Way Liang  
 Chen Yunn Shin  
 Tan Wan San  
 Tang Hee Teik  
 Teh Lee Lean  
 Ong Khek Gee  
 Ahmad Yani bin Sulaiman  
 Kok Siew Yin  
 Datuk Muztaza bin Mohamad  
 Ra Adrina binti Muztaza  
 Dzulkeflee bin Khairuddin  
 Yap Yoon Soong  
 Abd Manaf bin Ahmad  
 Mohd Adib bin Othman  
 Hafiz bin Othman  
 Che Hasnadi bin Che Hassan  
 Morlifa Elanda  
 Isso Suzuki  
 Kazuhiko Tanaka  
 G. Premman a/l R.S Gopal  
 Kaisyah binti Abu Khalil  
 YM Raja Ahmad Shahrir Iskandar bin Raja Salim  
 Leong Sow Yoke  
 Yeo Kiat Seng  
 Tan Hoe Hing  
 Hasuria binti Che Omar  
 Yahya bin Ariffin  
 Ong Kim Pin

## DIRECTORS' REPORT

### LIST OF DIRECTORS OF SUBSIDIARIES (CONT'D)

Atsushi Nitta (Appointed on 16 May 2023)  
 Kohsaku Yanagi (Appointed on 16 May 2023)  
 Datuk Gue Teck (Appointed on 15 June 2023)  
 Shanaz Azwin binti Muztaza (Appointed on 10 July 2023)  
 Dato' Dr. Lee Bee Phang (Resigned on 6 April 2023)  
 Hiroshi Kaneko (Resigned on 16 May 2023)  
 Kenichi Takishita (Resigned on 16 May 2023)  
 Datuk Mohammad bin Maidon (Resigned on 30 June 2023)

### DIRECTORS' INTERESTS

The shareholdings and deemed shareholdings in the ordinary shares of the Company and of its related corporations of those who were directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 30 September 2023
	At 1 October 2022	Bought/ (Sold)	Transferred In/(Out)	
<b>Shareholdings in the Company</b>				
<b>Direct interests:</b>				
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	277,080	-	-	277,080
Tan Sri Datuk Chen Lok Loi	10,602,844	-	-	10,602,844
Datuk Chen Fook Wah	2,013,354	-	(680,000) <sup>∞</sup>	1,333,354
<b>Deemed interests:</b>				
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong <sup>^</sup>	253,129,658	-	-	253,129,658
Tan Sri Datuk Chen Lok Loi <sup>#</sup>	245,220,987	-	-	245,220,987
Datuk Chen Fook Wah <sup>*</sup>	236,337,454	-	680,000 <sup>∞</sup>	237,017,454

<sup>^</sup> Deemed interests through shares held in Chen Choy & Sons Realty Sdn. Bhd. ("CCSR"), Lotus Way Sdn. Bhd. and a nominee company.

<sup>#</sup> Deemed interests through shares held in CCSR and a nominee company.

<sup>\*</sup> Deemed interests through shares held in CCSR, Activest Sdn. Bhd. and a nominee company.

<sup>∞</sup> Transfer of shares to a nominee company.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

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

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full time employee of the Company or its related corporations as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to have arisen from transactions entered into in the ordinary course of business as disclosed in Note 39 to the financial statements.

The directors' benefits are as follows:

	The Group 2023 RM	The Company 2023 RM
<b>Directors of the Company</b>		
Executive Directors:		
Fees	365,000	-
Other emoluments	15,428,189	-
Provision for retirement gratuity	1,317,328	-
Estimated monetary value of benefits-in-kind	79,928	-
	17,190,445	-
Non-Executive Directors:		
Fees	227,500	227,500
Other emoluments	60,800	59,000
	288,300	286,500
	17,478,745	286,500
<b>Directors of subsidiaries</b>		
Directors:		
Fees	320,850	-
Other emoluments	4,931,802	-
Estimated monetary value of benefits-in-kind	102,327	-
	5,354,979	-
	22,833,724	286,500

## DIRECTORS' REPORT

### RESERVES AND PROVISIONS

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

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (i) 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 had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) 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
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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 affect the ability of the Group and of the Company to meet their obligations when they fall due.

## DIRECTORS' REPORT

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

In the opinion of the directors:

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

### SHARE OPTIONS

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

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

### TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127(4)(b) of the Companies Act, 2016 in Malaysia.

The Company has not repurchased any treasury shares during the financial year.

As at 30 September 2023, the Company held 9,132,300 treasury shares out of its 586,548,168 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM11,112,278. Further details are disclosed in Note 28 to the financial statements.

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

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the financial year, which provides appropriate insurance coverage for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM54,388.

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

Details of significant events during the financial year and subsequent events are disclosed in Note 41 to the financial statements.

## DIRECTORS' REPORT

### AUDITORS

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

### AUDITORS' REMUNERATION

The amount paid or payable by the Group and by the Company as remuneration of the auditors for audit services for the financial year ended 30 September 2023 amounting to RM850,177 and RM66,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2023.

TAN SRI DATO' CHEN KOOI CHIEW  
@ CHENG NGI CHONG

TAN SRI DATUK CHEN LOK LOI

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **TAN SRI DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG** and **TAN SRI DATUK CHEN LOK LOI**, being two of the directors of the Company, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 131 to 273, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 December 2023.

TAN SRI DATO' CHEN KOOI CHIEW  
@ CHENG NGI CHONG

TAN SRI DATUK CHEN LOK LOI

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, **KOK SIEW YIN**, being the person primarily responsible for the financial management of **MKH BERHAD**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 131 to 273, in my opinion, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed  
at Kajang in the State of Selangor on 22 December 2023.

KOK SIEW YIN  
MIA MEMBERSHIP NO: 15343

Before me

SUBRAMANIAM A/L THIRUPATHY (B514)  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MKH BERHAD (Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of **MKH BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 September 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 and other explanatory information, as set out on pages 131 to 273.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023, and of their financial performance and their cash flows for the year then ended in accordance with the 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 described further in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters are 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.

<i>Key audit matter</i>	<i>How the matter was addressed in the audit</i>
<p><b>Revenue from property development activities</b></p> <p>The Group recognizes property development revenue using the cost-based input method, which is measured on the basis of the Group's efforts or inputs to the property development costs incurred to date relative to the total expected property development costs.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate the design and implementation and tested operating effectiveness of such controls.</li> <li>• Performed site visits for individually significant projects to arrive at an overall assessment as to whether information provided by management is reasonable.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MKH BERHAD (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (Cont'd)

<i>Key audit matter</i>	<i>How the matter was addressed in the audit</i>
<p><b>Revenue from property development activities (Cont'd)</b></p> <p>Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits recognized.</p> <p>Refer to "Significant accounting estimates and judgements" in Note 2(c)(i) to the financial statements.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Reviewed management prepared budgets for property development projects and ensured that budgets are appropriate and reflected cost incurred and cost to complete, current cost of operations and computation of profit recognition.</li> <li>• Challenged management assumptions used in the preparation of the respective budgets, and performed a retrospective review to establish the reliability of management-prepared budgets and considered the implication of any changes in assumption used in the budgets.</li> <li>• Performed test of details on actual development costs incurred during the financial year as to whether the development costs recorded are valid and in the correct accounting period.</li> <li>• Verified the gross development value by reviewing the sale and purchase agreement entered into between the purchasers and the Group.</li> <li>• Checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimate.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated 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 of the Group but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Corporate Governance Report, Chairman's Statement, Management Discussion and Analytical Report and Sustainable Report, which are expected to be made available to us after this 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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MKH BERHAD (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

When we read the Corporate Governance Report, Chairman's Statement, Management Discussion and Analysis Report and Sustainable Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request management to correct the other information accordingly.

#### 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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MKH BERHAD (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 15 to the financial statements.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MKH BERHAD** (Incorporated in Malaysia)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Other Matters**

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

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF0080)**

**LAI CAN YIEW**  
**Partner - 02179/11/2024 J**  
**Chartered Accountant**

22 December 2023

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	4	1,063,795,527	968,126,254	104,684,000	90,304,250
Cost of sales	5	(819,123,742)	(673,148,029)	-	-
<b>Gross profit</b>		<b>244,671,785</b>	294,978,225	<b>104,684,000</b>	90,304,250
Other income		24,453,665	26,192,321	2,511,439	7,483,728
Sales and marketing expenses		(18,565,478)	(17,917,071)	-	-
Administrative expenses		(97,738,239)	(91,232,425)	(1,855,906)	(2,094,157)
Other expenses		(15,037,808)	(16,777,009)	(129,100)	(6,105,497)
<b>Profit from operations</b>		<b>137,783,925</b>	195,244,041	<b>105,210,433</b>	89,588,324
Finance costs		(23,881,254)	(25,390,488)	(6,126,688)	(5,326,784)
Share of results of associates	16	3,294,558	1,400,373	-	-
<b>Profit before tax</b>	6	<b>117,197,229</b>	171,253,926	<b>99,083,745</b>	84,261,540
Tax expense	8	(35,918,756)	(42,506,737)	(229,269)	(1,625,076)
<b>Profit for the financial year</b>		<b>81,278,473</b>	128,747,189	<b>98,854,476</b>	82,636,464
<b>Other comprehensive income/ (loss)</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement (loss)/gains on defined benefit plans	30	(272,040)	1,357,259	-	-
Income tax relating to components of other comprehensive income	8	61,583	(298,597)	-	-
		(210,457)	1,058,662	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		1,746,123	8,652,931	-	-
<b>Total comprehensive income for the financial year</b>		<b>82,814,139</b>	138,458,782	<b>98,854,476</b>	82,636,464

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group 2023 RM	2022 RM	The Company 2023 RM	2022 RM
<b>Profit for the financial year attributable to:</b>					
Owners of the parent		74,595,551	112,413,305	98,854,476	82,636,464
Non-controlling interests		6,682,922	16,333,884	-	-
		<b>81,278,473</b>	128,747,189	<b>98,854,476</b>	82,636,464
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		76,103,848	121,733,130	98,854,476	82,636,464
Non-controlling interests		6,710,291	16,725,652	-	-
		<b>82,814,139</b>	138,458,782	<b>98,854,476</b>	82,636,464
<b>Basic and diluted earnings per share (sen)</b>	9	<b>12.92</b>	19.47		

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

# STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	10	381,024,397	395,407,046	1,189,776	1,203,185
Right-of-use asset	11	17,122,181	17,444,228	-	-
Intangible assets	12	68,884,538	62,442,201	-	-
Prepaid lease payments	13	37,758,391	39,333,616	-	-
Investment properties	14	375,369,000	367,376,000	-	-
Investment in subsidiaries	15	-	-	1,328,313,642	1,273,176,618
Investment in associates	16	25,629,451	25,934,893	-	-
Other investment	17	756,237	775,849	-	-
Land held for property development	18	869,633,242	878,683,379	-	-
Deferred tax assets	19	24,228,580	31,473,558	-	-
Receivables, deposits and prepayments	20	38,724,187	27,295,661	-	-
<b>Total Non-Current Assets</b>		<b>1,839,130,204</b>	<b>1,846,166,431</b>	<b>1,329,503,418</b>	<b>1,274,379,803</b>
<b>Current Assets</b>					
Property development costs	21	382,274,257	474,364,722	-	-
Inventories	22	111,170,596	151,281,921	-	-
Contract assets	23	323,629,930	305,448,829	-	-
Contract cost assets	24	26,617,381	28,236,676	-	-
Biological assets	25	6,231,392	5,917,360	-	-
Receivables, deposits and prepayments	20	229,121,573	203,462,727	79,496,728	68,809,762
Current tax assets		15,015,070	12,382,451	960,869	141,596
Cash, bank balances, term deposits and short-term placements	26	365,786,018	391,251,444	1,416,743	7,008,055
		1,459,846,217	1,572,346,130	81,874,340	75,959,413
Non-current assets classified as held for sale	27	-	345,812	-	-
<b>Total Current Assets</b>		<b>1,459,846,217</b>	<b>1,572,691,942</b>	<b>81,874,340</b>	<b>75,959,413</b>
<b>Total Assets</b>		<b>3,298,976,421</b>	<b>3,418,858,373</b>	<b>1,411,377,758</b>	<b>1,350,339,216</b>

## STATEMENT OF FINANCIAL POSITION

### AS AT 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	28	654,458,655	654,458,655	654,458,655	654,458,655
Treasury shares	28	(11,112,278)	(11,112,278)	(11,112,278)	(11,112,278)
Reserves	29	1,217,339,451	1,164,195,033	631,592,641	555,834,800
Equity attributable to owners of the parent		1,860,685,828	1,807,541,410	1,274,939,018	1,199,181,177
Non-controlling interests	15	89,567,469	132,803,283	-	-
<b>Total Equity</b>		<b>1,950,253,297</b>	<b>1,940,344,693</b>	<b>1,274,939,018</b>	<b>1,199,181,177</b>
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	19	50,046,493	53,851,487	114,428	114,428
Provisions	30	18,784,548	15,705,768	-	-
Payables and accruals	31	276,340,698	292,443,659	-	-
Lease liability	32	19,222,192	18,902,167	-	-
Loans and borrowings	33	74,065,870	102,956,982	-	-
<b>Total Non-Current Liabilities</b>		<b>438,459,801</b>	<b>483,860,063</b>	<b>114,428</b>	<b>114,428</b>
<b>Current Liabilities</b>					
Provisions	30	21,904,397	20,587,069	-	-
Contract liabilities	23	5,497,971	6,071,202	-	-
Payables and accruals	31	593,637,399	664,151,617	11,224,312	843,611
Lease liability	32	461,189	481,988	-	-
Loans and borrowings	33	285,544,079	298,341,544	125,100,000	150,200,000
Current tax liabilities		3,218,288	5,020,197	-	-
<b>Total Current Liabilities</b>		<b>910,263,323</b>	<b>994,653,617</b>	<b>136,324,312</b>	<b>151,043,611</b>
<b>Total Liabilities</b>		<b>1,348,723,124</b>	<b>1,478,513,680</b>	<b>136,438,740</b>	<b>151,158,039</b>
<b>Total Equity and Liabilities</b>		<b>3,298,976,421</b>	<b>3,418,858,373</b>	<b>1,411,377,758</b>	<b>1,350,339,216</b>
<b>Net assets per share (RM)</b>		<b>3.22</b>	<b>3.13</b>		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Group	Note	Share capital RM	Treasury shares RM	Non-distributable Translation reserve RM	Revaluation reserve RM	Distributable Retained earnings RM	Attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
<b>As at 1 October 2022</b>		654,458,655	(11,112,278)	7,641,236	27,359,331	1,129,194,466	1,807,541,410	132,803,283	1,940,344,693
<b>Comprehensive income</b>									
Profit for the financial year		-	-	-	-	74,595,551	74,595,551	6,682,922	81,278,473
<b>Other comprehensive income</b>									
Foreign currency translation differences		-	-	1,712,177	-	-	1,712,177	33,946	1,746,123
Remeasurement gains on defined benefit plans - net of tax		-	-	-	-	(203,880)	(203,880)	(6,577)	(210,457)
Total comprehensive income		-	-	1,712,177	-	74,391,671	76,103,848	6,710,291	82,814,139
<b>Transactions with owners</b>									
Changes of ownership interests in subsidiaries		-	-	-	-	137,205	137,205	(137,205)	-
Issuance of shares by subsidiaries to non-controlling interest		-	-	-	-	-	-	87,500	87,500
Redemption of preference shares	15	-	-	-	-	-	-	(10,500,000)	(10,500,000)
Reduction of share capital by a subsidiary	15	-	-	-	-	-	-	(5,591,200)	(5,591,200)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(33,805,200)	(33,805,200)
Dividends paid	34	-	-	-	-	(23,096,635)	(23,096,635)	-	(23,096,635)
Total transactions with owners		-	-	-	-	(22,959,430)	(22,959,430)	(49,946,105)	(72,905,535)
<b>As at 30 September 2023</b>		654,458,655	(11,112,278)	9,353,413	27,359,331	1,180,626,707	1,860,685,828	89,567,469	1,950,253,297

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Group	Note	Share capital RM	Treasury shares RM	Non-distributable Translation reserve RM	Revaluation reserve RM	Distributable Retained earnings RM	Attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
<b>As at 1 October 2021</b>		654,458,655	(11,112,278)	(677,699)	27,359,331	1,036,040,993	1,706,069,002	138,702,359	1,844,771,361
<b>Comprehensive income</b>									
Profit for the financial year		-	-	-	-	112,413,305	112,413,305	16,333,884	128,747,189
<b>Other comprehensive income</b>									
Foreign currency translation differences		-	-	8,318,935	-	-	8,318,935	333,996	8,652,931
Remeasurement gains on defined benefit plans - net of tax		-	-	-	-	1,000,890	1,000,890	57,772	1,058,662
Total comprehensive income		-	-	8,318,935	-	113,414,195	121,733,130	16,725,652	138,458,782
<b>Transactions with owners</b>									
Issuance of shares by subsidiaries to non-controlling interests		-	-	-	-	-	-	5,124,998	5,124,998
Non-controlling interests in respect of subsidiary acquired	35(a)	-	-	-	-	-	-	50,807	50,807
Disposal of subsidiaries	35(a)	-	-	-	-	-	-	42,492	42,492
Changes of ownership interests in subsidiaries		-	-	-	-	(51,170)	(51,170)	50,190	(980)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(27,893,215)	(27,893,215)
Dividends paid	34	-	-	-	-	(20,209,552)	(20,209,552)	-	(20,209,552)
Total transactions with owners		-	-	-	-	(20,260,722)	(20,260,722)	(22,624,728)	(42,885,450)
<b>As at 30 September 2022</b>		654,458,655	(11,112,278)	7,641,236	27,359,331	1,129,194,466	1,807,541,410	132,803,283	1,940,344,693

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Company	Note	Share capital RM	Treasury shares RM	Non-distributable Revaluation reserve RM	Distributable Retained earnings RM	Total equity RM
<b>As at 1 October 2022</b>		654,458,655	(11,112,278)	671,520	555,163,280	1,199,181,177
<b>Comprehensive income</b>						
Profit for the financial year		-	-	-	98,854,476	98,854,476
<b>Transactions with owners</b>						
Dividends paid	34	-	-	-	(23,096,635)	(23,096,635)
<b>As at 30 September 2023</b>		654,458,655	(11,112,278)	671,520	630,921,121	1,274,939,018
<b>As at 1 October 2021</b>		654,458,655	(11,112,278)	671,520	492,736,368	1,136,754,265
<b>Comprehensive income</b>						
Profit for the financial year		-	-	-	82,636,464	82,636,464
<b>Transactions with owners</b>						
Dividends paid	34	-	-	-	(20,209,552)	(20,209,552)
<b>As at 30 September 2022</b>		654,458,655	(11,112,278)	671,520	555,163,280	1,199,181,177

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before tax	117,197,229	171,253,926	99,083,745	84,261,540
Adjustments for:				
Amortisation of prepaid lease payments	1,524,099	1,527,030	-	-
Amortisation of intangible assets	590,000	-	-	-
Bad debts written off	15,190	188,067	-	-
Changes in fair values of:				
Biological assets	(288,344)	577,142	-	-
Investment properties	893,000	(2,435,000)	-	-
Other investment	42,324	354,834	-	-
Deposits written off	2,000	10,065	-	-
Depreciation of:				
Property, plant and equipment	37,516,422	35,646,619	13,409	13,409
Right-of-use asset	322,047	322,047	-	-
Development expenditure expensed off	-	132,958	-	-
Dividend income from:				
Investment in subsidiaries	-	-	(104,684,000)	(90,304,250)
Other investment	(56,489)	(46,223)	-	-
Fair value gains from transfer of inventories to investment properties	-	(2,950,269)	-	-
Fair value gains from transfer of property, plant and equipment to investment properties	(2,803,098)	-	-	-
(Gain)/Loss on disposal of:				
Land held for property development	(194,417)	-	-	-
Non-current assets classified as held for sale	(765,934)	(1,321,487)	-	-
Other investment	(8,101)	(6,665)	-	-
Property, plant and equipment	25,890	(259,789)	-	-
Subsidiaries	-	(323,748)	-	-
Impairment loss on:				
Investment in subsidiaries	-	-	-	5,900,000
Loan receivables	17,000	28,000	-	-
Trade receivables	50,268	15,250	-	-
Other receivables	-	825,934	-	-
Impairment loss no longer required on:				
Land held for property development	(824,897)	-	-	-
Trade receivables	(12,250)	(245,421)	-	-
Other receivables	(6,426)	-	(6,426)	-

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES (CONT'D)</b>				
Income arising on capital reduction of subsidiaries	-	-	(1,137,537)	-
Interest expense	23,881,254	25,390,488	6,126,688	5,326,784
Interest income	(11,248,780)	(5,594,770)	(1,367,406)	(7,483,728)
Inventories written down	18,960	-	-	-
Inventories written off	16,509	577	-	-
Property, plant and equipment written off	80,816	587,418	-	3
Provision for foreseeable loss	2,080,070	-	-	-
Provision for post-employment benefit obligations	4,415,620	3,163,357	-	-
Provision for retirement gratuity	1,317,328	-	-	-
Share of results of associates	(3,294,558)	(1,400,373)	-	-
Unrealised losses/(gains) on foreign exchange - net	495,545	(4,740,984)	-	-
Operating Profit/(Loss) Before Changes in Working Capital	170,998,277	220,698,983	(1,971,527)	(2,286,242)
Change in property development costs	61,594,484	55,141,650	-	-
Change in inventories	46,005,077	11,811,912	-	-
Change in contract assets	(18,181,101)	(19,954,869)	-	-
Change in contract costs assets	1,619,295	3,504,519	-	-
Change in receivables, deposits and prepayments	(15,687,474)	12,061,933	(233,452)	(1,306,194)
Change in contract liabilities	(573,231)	(9,302,497)	-	-
Change in payables and accruals	(50,916,817)	44,482,418	10,380,701	243,100
Cash Generated From/(Used In) Operations	194,858,510	318,444,049	8,175,722	(3,349,336)
Interest received	6,783,100	4,740,540	1,367,406	7,483,728
Interest paid	(19,461,760)	(18,723,331)	(6,126,688)	(5,326,784)
Tax paid	(40,950,647)	(64,075,485)	(1,048,542)	(2,374,358)
Tax refunded	4,115,442	1,011,491	-	-
Retirement benefit obligations paid	(1,654,562)	(1,978,521)	-	-
Net Cash From/(Used In) Operating Activities	143,690,083	239,418,743	2,367,898	(3,566,750)

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES</b>				
Advances to subsidiaries	-	-	<b>(50,674,886)</b>	(35,529,594)
Acquisition of shares in subsidiaries - net of cash (Note 35)	-	23,495	-	(300,001)
Subscription of shares in associates	-	(12,048,951)	-	-
Acquisition of other investment	<b>(157,862)</b>	(889,439)	-	-
Acquisition of property, plant and equipment	<b>(29,248,967)</b>	(17,761,844)	-	-
Acquisition of non-controlling interests in subsidiaries	-	(980)	-	(980)
Additions to intangible assets	<b>(6,294,572)</b>	(2,176,148)	-	-
Additions to land held for property development	<b>(17,303,046)</b>	(73,573,463)	-	-
Deposits and consideration paid for the acquisition and joint venture of development lands	<b>(17,000,000)</b>	(10,000,000)	-	-
Dividends received from:				
Subsidiaries	-	-	<b>104,684,000</b>	90,304,250
Other investment	<b>56,489</b>	46,223	-	-
(Placement)/Withdrawal of deposits with licensed banks	<b>(5,177,895)</b>	14,144,285	-	-
Redemption of redeemable convertible preference shares by a subsidiary	-	-	<b>9,500,000</b>	-
Proceeds from capital reduction in an associate	<b>3,600,000</b>	-	-	-
Proceeds from disposal of:				
Land held for property development	<b>367,000</b>	-	-	-
Non-current assets classified as held for sale	<b>1,111,746</b>	1,712,705	-	-
Other investment	<b>143,251</b>	121,241	-	-
Property, plant and equipment	<b>460,701</b>	259,801	-	-
Subsidiaries - net of cash (Note 35)	-	216,316	<b>1,000</b>	300,001
Proceed from capital reduction from subsidiaries	-	-	<b>5,899,513</b>	-
<b>Net Cash (Used In)/From Investing Activities</b>	<b>(69,443,155)</b>	(99,926,759)	<b>69,409,627</b>	54,773,676

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Advance from non-controlling interests	9,800,000	9,800,000	-	-
Drawdown of bridging loan	4,419,423	-	-	-
Drawdowns of revolving credits	141,100,000	126,100,000	132,100,000	104,100,000
Drawdowns of term loans	35,718,379	11,416,142	-	-
Repayments of revolving credits	(194,950,000)	(195,141,312)	(157,200,000)	(91,931,600)
Repayments of term loans	(38,459,335)	(72,662,366)	-	-
Payments of hire-purchase liabilities	(507,290)	(324,383)	-	-
Payments of lease liability	(575,000)	(562,500)	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling interests	87,500	5,124,998	-	-
Reduction of share capital by a subsidiary	(5,591,200)	-	-	-
Redemption of preference shares	(10,500,000)	-	-	-
Dividends paid to non-controlling interests	(33,805,200)	(27,893,215)	-	-
Dividends paid	(23,096,635)	(20,209,552)	(23,096,635)	(20,209,552)
Subscription of additional shares in subsidiaries	-	-	(29,172,202)	(69,921,494)
Net Cash Used In Financing Activities	(116,359,358)	(164,352,188)	(77,368,837)	(77,962,646)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(42,112,430)	(24,860,204)	(5,591,312)	(26,755,720)
Effect of exchange rate fluctuations	2,060,421	2,709,258	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	389,960,265	412,111,211	7,008,055	33,763,775
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note (i))</b>	349,908,256	389,960,265	1,416,743	7,008,055

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### Note (i)

#### Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits with licensed banks	12,852,000	13,097,987	-	-
Cash and bank balances	145,822,619	136,413,315	1,416,743	2,466,373
Cash held under housing development accounts	143,440,670	155,374,926	-	-
Short-term placements	63,670,729	86,365,216	-	4,541,682
	365,786,018	391,251,444	1,416,743	7,008,055
Bank overdrafts	(9,408,688)	-	-	-
	356,377,330	391,251,444	1,416,743	7,008,055
Less: Non short-term and highly liquid fixed deposits	(6,426,000)	-	-	-
Less: Deposits and bank balances pledged for credit facilities	(43,074)	(1,291,179)	-	-
	349,908,256	389,960,265	1,416,743	7,008,055

#### Note (ii)

#### Acquisition of property, plant and equipment

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

	The Group	
	2023 RM	2022 RM
Hire-purchase arrangement	1,539,150	1,270,100
Cash payments	29,248,967	17,761,844
	30,788,117	19,031,944

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### Reconciliation of liabilities arising from financing activities

	As of 1.10.2022 RM	Financing cash flows RM	Acquisition of property, plant and equipment by hire- purchase arrangement RM	Non-cash changes RM	Effect of movements in exchange rate RM	As of 30.9.2023 RM
<b>The Group</b>						
Term loans	40,895,844	(2,740,956)	-	-	42,408	38,197,296
Bridging loans	-	4,419,423	-	-	-	4,419,423
Revolving credits	358,667,000	(53,850,000)	-	-	-	304,817,000
Hire-purchase liabilities	1,735,682	(507,290)	1,539,150	-	-	2,767,542
Lease liability	19,384,155	(575,000)	-	874,226	-	19,683,381
	420,682,681	(53,253,823)	1,539,150	874,226	42,408	369,884,642
<b>The Company</b>						
Revolving credits	150,200,000	(25,100,000)	-	-	-	125,100,000

	As of 1.10.2021 RM	Financing cash flows RM	Acquisition of property, plant and equipment by hire- purchase arrangement RM	Non-cash changes RM	Effect of movements in exchange rate RM	As of 30.9.2022 RM
<b>The Group</b>						
Term loans	101,867,850	(61,246,224)	-	-	274,218	40,895,844
Revolving credits	427,150,904	(69,041,312)	-	-	557,408	358,667,000
Hire-purchase liabilities	789,965	(324,383)	1,270,100	-	-	1,735,682
Lease liability	19,085,882	(562,500)	-	860,773	-	19,384,155
	548,894,601	(131,174,419)	1,270,100	860,773	831,626	420,682,681
<b>The Company</b>						
Revolving credits	138,031,600	12,168,400	-	-	-	150,200,000

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

## 1. GENERAL INFORMATION

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

The principal activities of the Company are investment holding and providing management services.

The information on the name, country of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiaries are as disclosed in Note 15.

The registered office of the Company is located at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The principal place of business of the Company is located at 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 22 December 2023.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") 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 basis, except as disclosed in the significant accounting policies in Note 3.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

### Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company have adopted all the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual financial periods beginning on or after 1 October 2022 as follows:

Amendments to:

MFRS 3	Reference to the 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

#### (a) Statement of compliance (Cont'd)

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.

#### Standards and Amendments in Issue But Not Yet Effective

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

MFRS 17	Insurance Contracts <sup>1</sup>
Amendments to:	
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>
MFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
MFRS 17	Insurance Contract <sup>1</sup>
MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information <sup>1</sup>
MFRS 101	Classification of Liabilities as Current or Non-current <sup>2</sup>
MFRS 101	Disclosure of Accounting Policies <sup>1</sup>
MFRS 101	Non-current Liabilities with Covenants <sup>2</sup>
MFRS 107 and MFRS 7	Supplier Finance Arrangements <sup>2</sup>
MFRS 108	Definition of Accounting Estimates <sup>1</sup>
MFRS 112	International Tax Reform - Pillar Two Model Rules <sup>3</sup>
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
MFRS 121	Lack of Exchangeability <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Immediately for Para 4A and 88A and effective for annual period beginning on or after 1 January 2023 for Para 88B - 88D.

<sup>4</sup> Effective for annual periods beginnings on or after 1 January 2025.

<sup>5</sup> Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective. The adoption of these Standards and amendments may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effect from the adoption of the said MFRSs and amendments to MFRSs until the Group and the Company undertake a detailed review.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

### (b) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

### (c) Significant accounting estimates and judgements

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognized in the financial statements are described in the following paragraphs:

- (i) Revenue and cost of sales recognition (Notes 4 and 5) - revenue is recognized as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

The Group recognizes revenue from property development over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation, based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

As at 30 September 2023, the Group recognized revenue of RM554,382,316 (2022: RM483,635,581) and cost of RM436,453,114 (2022: RM374,305,156) respectively arising from the property development activities over time using the cost-based input method.

- (ii) Tax expense (Note 8) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the tax expense. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognizes liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.
- (iii) Valuation of land and buildings (Note 10) - the valuation of land and buildings performed by management is based on independent professional valuations with reference to:
- Direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and when necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences; and

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

### (c) Significant accounting estimates and judgements (Cont'd)

(iii) Valuation of land and buildings (Note 10) - the valuation of land and buildings performed by management is based on independent professional valuations with reference to: (Cont'd)

- Cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance, profit, physical, functional, economic obsolescence and demand to reflect its probable present market value.

Management believes that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's and of the Company's land and buildings.

(iv) Impairment of property, plant and equipment (Note 10) - the Group and the Company assess impairment of property, plant and equipment 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 such as discount rate, revenue growth and costs of sales 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.

(v) Depreciation of property, plant and equipment (Note 10) - the cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives and lease term respectively. Management estimates the useful lives of these property, plant and equipment to be within 4 to 99 years (2022: 4 to 99 years) based on past experience with similar assets or/and common life expectancies of the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation or amortisation charges. Depreciation of bearer plants is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years (2022: 20 years) or over the lease period, whichever is shorter.

(vi) Fair values of investment properties (Note 14) - the measurement of the fair values for investment properties performed by management is based on independent professional valuations with reference to:

- direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences;
- investment method, being the projected net income and other benefits that the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property; and

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

### (c) Significant accounting estimates and judgements (Cont'd)

- (vi) Fair values of investment properties (Note 14) - the measurement of the fair values for investment properties performed by management is based on independent professional valuations with reference to: (Cont'd)
- cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value.

Management believes that the chosen valuation techniques and assumptions are appropriate in determining the fair values of the Group's investment properties.

- (vii) Deferred tax assets (Note 19) - deferred tax assets are recognized for deductible temporary differences, unused tax losses and unabsorbed capital allowances based on the projected future taxable profits of the Group to the extent that is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based on the future financial performance of the Group.
- (viii) Impairment loss on receivables (Note 20) - the Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. The Group uses a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit loss ("ECL") for trade receivables, contract assets and lease receivables.
- (ix) Inventories (Note 22) - the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.
- (x) Provision of post-employment benefit obligations (Note 30) - the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, future salary increase, mortality rates, resignation rate, disability rate and normal retirement age. As such, this estimated provision amount is subject to significant uncertainty.
- (xi) Revenue and cost recognition for intangible asset model (Note 12) - a subsidiary, which adopts the intangible asset model has recognized a construction margin of 7% (2022: 7%) in the construction of commuter station. Income and expenses associated with the said construction are recognized based on percentage of completion method. The estimated margin is based on relative comparison with general industry trend although actual margins may differ due to location, materials and other pricing considerations.
- (xii) Liquidated damages in relation to the construction of KTM Komuter Station (Note 37) - significant judgement is required in determining the potential liquidated damages. This judgement involves the understanding of relevant case facts, past experience and updates on the legal assessment status from time to time. Should it be probable that an outflow of resources will be required to settle the obligation, a provision may be required.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group and by the Company, unless otherwise stated.

##### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group 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 Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (a) Basis of consolidation (Cont'd)

All intra-group assets and liabilities, equity, income and 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 subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or a loss is recognized and 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 and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). 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 for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

##### (b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognized at their fair values, except that:

- deferred tax assets or deferred tax liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

#### (b) Business combinations (Cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MFRS 9 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized 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 at the reporting date in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized at that date.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (c) Investment in Associates

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

The results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investment in associates are initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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 to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized 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 investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate 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 at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized 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 and liabilities. Therefore, if a gain or a loss previously recognized in other comprehensive income by that associate 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (c) Investment in Associates (Cont'd)

When the Group reduces its ownership interest in an associate 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 recognized 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 its associate of the Group, profits or losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of the Group's interest in the associate that are not related to the Group.

##### (d) Foreign currency

###### (i) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group entities' functional currency (foreign currencies) are recorded in the Group entities' functional currency at the exchange rates prevailing at the date of the transaction. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the translation reserve within equity until the disposal of the foreign operations, at which time they are recognized in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognized in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity. Exchange differences arising from such non-monetary items are also recognized directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (d) Foreign currency (Cont'd)

##### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;
- income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences accumulated in equity at the date of disposal of the subsidiary is reclassified to the consolidated profit or loss.

##### (e) Revenue recognition

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (e) Revenue recognition (Cont'd)

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 recognized 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 recognized at the point in time at which the customer obtains control of the promised goods or services.

##### (i) Development properties

The Group recognizes 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 recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

##### (ii) Sale of completed properties

Revenue from sale of completed properties is recognized at a point in time upon the finalisation of sale and purchase agreements and when the control of the properties has been passed to the customers.

##### (iii) Sale of investment properties

Revenue from sale of investment properties is measured at fair value of the consideration received or receivable. Revenue is recognized when the control of the ownership has been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of investment properties can be estimated reliably, and there is no continuing management involvement with the properties.

##### (iv) Construction contracts

Revenue from rendering of services relating to construction contracts is recognized over time based on efforts or inputs to the satisfaction of the performance obligation.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (e) Revenue recognition (Cont'd)

##### (v) Sale of goods

Revenue from sale of goods, crude palm oil and palm kernel is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognized by the Group at a point in time when control of the goods underlying the performance obligation is transferred to the buyers.

##### (vi) Services

Revenue from services is recognized as and when services are rendered.

##### (vii) Entrance and subscription fees

Entrance and subscription fees received from club members are recognized on an accrual basis. When members account become inactive, subscription fee is suspended until it is realised on a cash basis. Members' accounts are deemed to be inactive where subscriptions are in arrears for more than 6 months.

##### (viii) Rental income

Rental income is recognized on a straight-line basis over the lease terms.

##### (ix) Interest income

Interest income is recognized on an accrual basis using the effective interest method.

Interest income from hire-purchase financing, housing loan and term loan are recognized on an accrual basis as follows:

- (a) interest earned on hire-purchase financing is recognized using the 'sum-of-digits' method so as to produce a constant periodic rate of interest on the balance for each period. Unearned interest is deducted in arriving at the net balance of the hire-purchase debts; and
- (b) interest earned on housing loan and term loan is calculated on a monthly rest basis.

##### (x) Dividend income

Dividend income is recognized when the right to receive payment is established.

##### (xi) Income from short-term placement

Income from short-term placement is recognized when the right to receive payment is established.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (f) Employee benefits

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

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if any, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the Employees Provident Fund or other defined contributable plans are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

##### (ii) Defined benefit plans

Certain foreign subsidiaries of the Company operate unfunded defined benefit schemes. The foreign subsidiaries' obligations under the schemes are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or a credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost and past service cost);
- net interest expense or income; and
- remeasurement.

The amount recognized at the reporting date represents the present value of the defined benefit obligations adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the Group if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (f) Employee benefits (Cont'd)

##### (iii) Retirement gratuity scheme

The Company established a retirement gratuity scheme in 2005 for certain Executive Directors of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the past services rendered and it does not account for the director's services to be rendered in later years up to retirement. The retirement gratuity is calculated based on the last drawn monthly salaries of the eligible directors and contribution to Employees Provident Fund for three years. The retirement gratuity payable is vested upon the directors reaching retirement age and is classified as current liabilities.

##### (g) Borrowing costs

All borrowing costs are recognized in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or completed.

##### (h) Leases

##### Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physical distinct asset. If the lessor has a substantive substitution right, the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the lessee has the right to direct the use of the asset. The lessee has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the lessee has the right to operate the asset; or the lessor designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single-lease component.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (h) Leases (Cont'd)

##### (i) The Group as lessee

##### (a) Recognition and initial measurement

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and to remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognized in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (h) Leases (Cont'd)

##### (i) The Group as lessee (Cont'd)

##### (b) Subsequent measurement

The right-of-use asset is subsequently measured at cost, less accumulated depreciation and impairment loss (if any) in accordance with MFRS 136. The right-of-use asset is generally depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The estimated useful lives of right-of-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is adjusted for certain remeasurement of the lease liabilities.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in 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 a rate or change in expected payment under guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modifications 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 the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### (ii) The Group as lessor

##### (a) Recognition and initial measurement

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, and also consider indicators such as whether the lease is for the major part of the economic life of the asset. If this is the case, the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling prices.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (h) Leases (Cont'd)

##### (ii) The Group as lessor (Cont'd)

##### (b) Subsequent measurement

The Group recognizes lease payment received or receivable under operating leases as income on a straight-line basis over the lease term.

##### Determination of lease term

In determining the lease term upon the lease commencement, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group which affects whether the Group is reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

##### (i) Tax expense

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognized in profit or loss, except when it arises from a transaction which is recognized directly in equity, in which case the deferred tax is also charged or credited directly in equity.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (i) Tax expense (Cont'd)

Deferred tax assets and deferred tax 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 intends to settle the current tax assets and current tax liabilities on a net basis.

##### (j) Property, plant and equipment

###### (i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment, except for long-term leasehold land, freehold land and buildings, are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land are stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any. Long-term leasehold land and buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its land and building every five years from the last date of valuation or at shorter intervals whenever the fair values of the said assets is expected to differ substantially from their carrying amounts.

Surplus arising from revaluation are transferred to revaluation reserve. Any deficits are offset against the previously recognized revaluation surplus to the extent of a previous increase for the same property and the balance is thereafter recognized in profit or loss. Upon disposal or retirement of an asset, any unutilized revaluation reserve relating to the particular asset is transferred to retained earnings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognized in profit or loss.

###### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of the property, plant and equipment are recognized in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (j) Property, plant and equipment (Cont'd)

##### (iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not amortised. Property, plant and equipment under construction are not depreciated until these assets are ready for their intended use.

The principal annual rates for the current and comparative financial years are as follows:

Long-term leasehold land	Over lease period of 78 to 99 years
Buildings	2% to 12.5%
Motor vehicles, plant and machinery	5% to 20%
Furniture, fittings and equipment	10% to 25%
Plantation infrastructure	12.5%
Bearer plants	20 years, or over the lease period if shorter

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (j) Property, plant and equipment (Cont'd)

##### (iii) Depreciation (Cont'd)

Bearer plants are derecognized upon disposal or when no future economic benefits are expected from its use. Any gains or losses on disposal of bearer plants are recognized in profit or loss in the year of disposal.

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

##### (k) Property, plant and equipment under hire-purchase arrangement

Property, plant and equipment acquired under hire-purchase arrangement are capitalised 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 obligations.

##### (l) Prepaid lease payments

The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments that are stated at cost less accumulated amortisation, are amortised over the lease term on a straight-line basis, except for leasehold land classified as investment property.

##### (m) Intangible assets

##### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries is identified as any excess of the consideration paid over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognized in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

#### (m) Intangible assets (Cont'd)

##### (ii) Other intangible assets

Other intangible assets acquired by the Group are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful lives are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level.

#### (n) Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognized in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

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

#### (o) Investment properties

Investment properties are properties which are owned or are held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies within the Group are accounted for as owner's occupied rather than as investment properties.

All investment properties are measured initially and subsequently at fair value with any change therein recognized in profit or loss.

A property interest under an operating lease is classified and is accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (p) Land held for property development (Cont'd)

Land held for property development consists of land on which no significant development work 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 lower of cost and net realisable value.

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 transferred to property development costs (under current assets) where development activities have commenced and where the development activities can be completed within the normal operating cycle.

##### (q) 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 recognized 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 recognized 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.

##### (r) Inventories

###### (i) Completed properties

Inventories are valued at the lower of cost and net realisable value. The cost of completed development properties is determined based on the specific identification basis and includes land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

###### (ii) Crude palm oil and palm kernel

Crude palm oil and palm kernel include direct labour, an appropriate share of production overheads and the fair value attributable to agriculture produce at year end in accordance with MFRS 141 *Agriculture*. The fair values of biological assets harvested from the Group's plantation and sold during the year are recorded as part of the biological assets movements in Note 25 and as part of changes in fair values of biological assets in determining profit.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (r) Inventories (Cont'd)

##### (iii) Materials and goods

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the specific identification, first-in first-out and weighted average principles, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes raw materials, direct labour and an appropriate allocation of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

##### (s) Contract assets and contract liabilities

Contract asset is the right to consideration 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 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 customers 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 liability is recognized as revenue when the Group fulfills its obligation under the contracts.

##### (t) Contract costs assets

The Group recognizes 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 assets 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 recognized in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

##### (u) Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (u) Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

##### (v) Non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is expected to be completed within one year from the date of classification. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

##### (w) Financial instruments

Financial assets and financial liabilities are recognized when the Group and the Company become a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in profit or loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or a loss in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### (i) Financial assets

###### Financial assets measured at amortised cost

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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (w) Financial instruments (Cont'd)

##### (i) Financial assets (Cont'd)

###### Financial assets measured at amortised cost (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

###### Financial assets measured at fair value through other comprehensive income ("FVTOCI")

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in other comprehensive income.

###### Financial assets measured at fair value through profit or loss ("FVTPL")

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss. Fair value changes are recognized in profit or loss at each reporting period.

###### Impairment of financial assets and contract assets

An impairment loss is recognized in profit or loss based on expected credit losses ("ECL") at the end of each reporting period. ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognized previously.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (w) Financial instruments (Cont'd)

##### (i) Financial assets (Cont'd)

###### Impairment of financial assets and contract assets (Cont'd)

The Group and the Company apply the simplified approach to measure the impairment of trade receivables, contract assets and lease receivables at lifetime ECL. The ECL are estimated based on the Group's and the Company'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 end of the reporting period, including time value of money where appropriate.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For other financial assets such as other receivables and amount due from intercompany, the Group and the Company recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the impairment losses for that financial instrument at an amount equal to 12-month ECL.

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 due 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 date, the Group and the Company assess whether the 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, such as debtors who have defaulted on payment, or are in significant financial difficulties, or it is becoming probable that the borrower will enter bankruptcy.

These assets are written off when there is no reasonable expectation of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Subsequent recoveries of amounts previously written off are recognized in profit or loss as bad debts recovered.

Deposits and bank balances of the Group and of the Company are placed with reputable financial institution with high credit ratings and no history of default. Hence, the Group and the Company do not expect any losses from default or non-performance by the counterparties.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (w) Financial instruments (Cont'd)

##### (i) Financial assets (Cont'd)

###### Derecognition of financial assets

The Group and the Company derecognize 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 and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received. On the recognition of a financial asset (except for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in profit or loss.

##### (ii) Financial liabilities and equity instruments

###### Classification as debt or equity

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

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognized at the proceeds received, net of direct issue costs.

###### Financial liabilities

Payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in profit or loss.

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (w) Financial instruments (Cont'd)

##### (ii) Financial liabilities and equity instruments (Cont'd)

###### Derecognition of financial liabilities

The Group and the Company derecognize financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

##### (x) Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents are short-term and highly liquid investments and are readily convertible to cash with insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

##### (y) Provisions

Provisions are made when the Group has 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 of the obligation can be made. Provisions are measured at the management's best estimate of the amount required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

At the reporting date, provisions are reviewed by the management and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

##### (z) Treasury shares

When share capital recognized as equity is repurchased, the amount of consideration paid is recognized directly in equity. Repurchased shares that have not been cancelled including any attributable costs are classified as treasury shares and presented as deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

##### (aa) Contingencies

The Group does not recognize 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

##### (aa) Contingencies (Cont'd)

A contingent asset is a possible asset 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. The Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

##### (ab) Segment reporting

For management purposes, the Group is organized into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to chief operating decision maker who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

##### (ac) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payments*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 4. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Revenue from contracts with customers:</b>				
Property development:				
Attributable revenue from sale of uncompleted development properties	554,382,316	483,635,581	-	-
Attributable revenue from sale of completed development properties	24,755,271	48,091,788	-	-
Attributable revenue from construction contracts	6,294,572	2,176,149	-	-
	585,432,159	533,903,518	-	-
Sale of goods	103,584,243	81,755,362	-	-
Sale of crude palm oil and palm kernel	337,980,732	315,817,267	-	-
Revenue from hotel operations	4,541,498	4,011,763	-	-
Services rendered	1,434,638	959,852	-	-
Sale of land held for property development	367,000	2,500,000	-	-
Sale of non-current assets classified as held for sale	1,111,746	1,712,705	-	-
	1,034,452,016	940,660,467	-	-
<b>Revenue from other sources:</b>				
Dividend income from subsidiaries	-	-	104,684,000	90,304,250
Interest income from money lending	2,287,376	2,284,173	-	-
Other rental income	39,548	69,018	-	-
Rental income from investment properties	27,016,587	25,112,596	-	-
	1,063,795,527	968,126,254	104,684,000	90,304,250

Group revenue excludes intra-group transactions.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 4. REVENUE (CONT'D)

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Timing of revenue recognition</b>				
Point in time	473,775,128	454,848,737	-	-
Over time	560,676,888	485,811,730	-	-
	<b>1,034,452,016</b>	<b>940,660,467</b>	<b>-</b>	<b>-</b>

Included in the rental income from investment properties is an amount of lease income amounting to RM4,570,847 (2022: RM4,288,277) generated from an international school and other retail properties, with remaining non-cancellable lease period ranging from 2 years to 16 years (2022: 3 years to 17 years) under operating lease arrangement.

#### 5. COST OF SALES

	The Group	
	2023	2022
	RM	RM
Attributable property development costs	436,453,114	374,305,156
Attributable cost of completed development properties sold	19,085,079	34,875,244
Overprovision of property development costs for completed projects	(5,656,181)	(17,494,746)
Attributable construction contract costs	5,884,053	2,033,873
Cost of land held for property development	172,583	-
Direct operating expenses from investment properties generating rental income	12,160,035	10,902,692
Cost of goods sold	100,153,666	79,505,594
Cost of non-current assets classified as held for sale	345,812	391,218
Cost of sales of crude palm oil and palm kernel	247,449,664	187,776,797
Cost of services	995,847	852,201
Recognition of provision for foreseeable loss	2,080,070	-
	<b>819,123,742</b>	<b>673,148,029</b>

During the financial year, total contract cost recognized by the Group as cost of sales in profit or loss amounting to RM19,783,677 (2022: RM15,783,476).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 6. PROFIT BEFORE TAX

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Profit before tax is arrived at after charging:</b>				
Amortisation of prepaid lease payments (Note 13)	1,524,099	1,527,030	-	-
Amortisation of intangible assets (Note 12.2)	590,000	-	-	-
Auditors' remuneration:				
Statutory audit	850,177	814,729	66,000	60,000
Non-statutory audit	208,000	1,312,100	181,000	398,000
Bad debts written off	15,190	188,067	-	-
Changes in fair values of:				
Investment properties (Note 14)	893,000	-	-	-
Other investment (Note 17)	42,324	354,834	-	-
Biological assets (Note 25)	-	577,142	-	-
Deposit written off	2,000	10,065	-	-
Depreciation of:				
Property, plant and equipment (Note 10)	37,516,422	35,646,619	13,409	13,409
Right-of-use asset (Note 11)	322,047	322,047	-	-
Development expenditure expensed off (Note 18)	-	132,958	-	-
Impairment loss on:				
Investment in subsidiaries (Note 15)	-	-	-	5,900,000
Loan receivables (Note 20)	17,000	28,000	-	-
Trade receivables (Note 20)	50,268	15,250	-	-
Other receivables (Note 20)	-	825,934	-	-
Interest expense:				
Amount owing to landowner	-	170,994	-	-
Non-controlling interests	639,414	79,364	-	-
Deferred payment arrangement with contractor	-	263,884	-	-
Lease liability	874,226	860,773	-	-
Loans and borrowings	18,822,346	18,209,089	6,126,688	5,326,784
Unwinding of discount	3,545,268	5,806,384	-	-
	<b>23,881,254</b>	<b>25,390,488</b>	<b>6,126,688</b>	<b>5,326,784</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 6. PROFIT BEFORE TAX (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Profit before tax is arrived at after charging: (Cont'd)</b>				
Inventories written down	18,960	-	-	-
Inventories written off	16,509	577	-	-
Loss on disposal of property, plant and equipment	25,890	-	-	-
Net losses on foreign exchange:				
Realised	339,506	559,835	-	85,891
Unrealised	495,545	-	-	-
Provision for foreseeable loss (Note 21)	2,080,070	-	-	-
Personnel expenses (including key management personnel):				
Contributions to Employees Provident Fund	6,175,899	6,016,775	-	-
Provision for retirement gratuity (Note 30)	1,317,328	-	-	-
Provision for post-employment benefit obligations (Note 30)	4,415,620	3,163,357	-	-
Wages, salaries and others	57,940,035	54,877,222	305,190	257,024
Property, plant and equipment written off	80,816	587,418	-	3
Expenses relating to leases:				
Short-term leases	139,325	259,184	-	-
Low-value assets	110,484	29,790	-	-
<b>And crediting:</b>				
Bad debt recovered	26,620	18,700	-	-
Changes in fair values of:				
Biological assets (Note 25)	288,344	-	-	-
Investment properties (Note 14)	-	2,435,000	-	-
Dividend income from other investment	56,489	46,223	-	-
Fair value gains arising on transfer of inventories to investment properties (Note 14)	-	2,950,269	-	-
Fair value gains arising on transfer of property, plant and equipment to investment properties (Note 14)	2,803,098	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 6. PROFIT BEFORE TAX (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>And crediting: (Cont'd)</b>				
Gain on disposal of:				
Land held for property development	194,417	-	-	-
Non-current assets classified as held for sale	765,934	1,321,487	-	-
Other investment	8,101	6,665	-	-
Property, plant and equipment	-	259,789	-	-
Subsidiaries (Note 35)	-	323,748	-	-
Impairment loss no longer required on:				
Land held for property development (Note 18)	824,897	-	-	-
Trade receivables (Note 20)	12,250	245,421	-	-
Other receivables (Note 20)	6,426	-	6,426	-
Income arising on capital reduction of subsidiaries	-	-	1,137,537	-
Interest income:				
Advances to subsidiaries	-	-	1,002,721	7,275,306
Bank balances, term deposit and short-term placements	6,783,100	3,630,349	364,685	208,422
Advances to a related party	-	1,110,191	-	-
Accretion of interest	4,465,680	854,230	-	-
	11,248,780	5,594,770	1,367,406	7,483,728
Net gain on foreign exchange:				
Realised	-	-	69	-
Unrealised	-	4,740,984	-	-
Rental income	4,880,841	5,529,321	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Directors of the Company</b>				
Executive Directors:				
Fees	365,000	-	-	-
Other emoluments	15,428,189	15,286,649	-	-
Provision for retirement gratuity (Note 30)	1,317,328	-	-	-
	17,110,517	15,286,649	-	-
Non-Executive Directors:				
Fees	227,500	200,000	227,500	200,000
Other emoluments	60,800	62,400	59,000	50,000
	288,300	262,400	286,500	250,000
	17,398,817	15,549,049	286,500	250,000
<b>Directors of subsidiaries</b>				
Directors:				
Fees	320,850	-	-	-
Other emoluments	4,931,802	4,517,683	-	-
	22,651,469	20,066,732	286,500	250,000
<b>Estimated monetary value of benefits-in-kind</b>				
Directors of the Company - Executive Directors	79,928	82,072	-	-
Directors of subsidiaries	102,327	25,044	-	-
	182,255	107,116	-	-
	22,833,724	20,173,848	286,500	250,000

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 8. TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Current tax</b>				
Malaysia:				
Current financial year	19,706,307	23,447,195	225,000	1,599,400
(Over)/Under provision in prior financial year	(162,630)	584,784	4,269	25,676
Overseas:				
Current financial year	14,567,657	17,009,279	-	-
Over provision in prior financial year	(1,710,657)	-	-	-
	32,400,677	41,041,258	229,269	1,625,076
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	1,392,147	3,640,542	-	-
Under/(Over) provision in prior financial year	2,125,932	(2,175,063)	-	-
	3,518,079	1,465,479	-	-
Total tax expense recognized in profit or loss	35,918,756	42,506,737	229,269	1,625,076
Deferred tax related to other comprehensive income (Note 19):				
Remeasurement (loss)/gain on defined benefit plans	(61,583)	298,597	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 8. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	117,197,229	171,253,926	99,083,745	84,261,540
Tax calculated using Malaysian tax rate of 24% (2022: 24%)	28,127,300	41,100,900	23,780,000	20,222,800
Tax effects of:				
Non-deductible expenses	7,202,654	6,987,177	1,842,169	3,049,620
Non-taxable income	(2,538,976)	(4,841,033)	(25,397,169)	(21,673,020)
Share of results of associates	(790,694)	(336,090)	-	-
Double deduction expenses	-	(6,600)	-	-
Effect of difference in Real Property Gains Tax ("RPGT") rate	125,020	(340,900)	-	-
Effect of difference in overseas tax rate:				
The People's Republic of China	50,300	28,600	-	-
Republic of Indonesia	(836,893)	(1,598,460)	-	-
Deferred tax assets not recognized	7,278,100	5,323,000	-	-
Realisation of deferred tax assets not recognized in prior financial years	(2,950,700)	(4,753,178)	-	-
Reversal of deferred tax assets recognized in prior year	-	2,533,600	-	-
Under/(Over) provision in prior financial year:				
Current tax	(1,873,287)	584,784	4,269	25,676
Deferred tax	2,125,932	(2,175,063)	-	-
Tax expense	35,918,756	42,506,737	229,269	1,625,076

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 8. TAX EXPENSE (CONT'D)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognized 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 utilized. As of 30 September 2023, the estimated amount of deductible temporary differences, unused tax losses and unused tax credits, for which the net deferred tax assets are not recognized in the financial statements due to uncertainty of realisation, are as follows:

	The Group	
	2023	2022
	RM	RM
Unused tax losses	54,801,904	45,328,275
Unabsorbed capital allowances	116,037	109,165
Other temporary differences	264,135,941	255,584,466
	<b>319,053,882</b>	<b>301,021,906</b>

The Finance Act 2021 gazetted on 31 December 2021 enacted that any accumulated tax losses brought forward from the year of assessment 2018 can be carried forward for another 10 consecutive years of assessment. Upon expiry of the 10 years, the unused tax losses will be disregarded.

Business loss incurred in year of assessment	RM	Carried forward up to YA	Unutilised amount will be disregarded in YA
2018	18,577,970	2028	2029
2019	8,349,771	2029	2030
2020	3,590,344	2030	2031
2021	5,626,551	2031	2032
2022	3,411,955	2032	2033
2023	6,139,495	2033	2034
	<b>45,696,086</b>		

Under the Indonesia tax regulations, the unused tax losses can be utilized within 5 years after the losses were incurred.

Business loss incurred in year of assessment	RM	Carried forward up to YA	Unutilised amount will be disregarded in YA
2018	5,611,938	2023	2024
2023	3,493,880	2028	2029
	<b>9,105,818</b>		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

### 8. TAX EXPENSE (CONT'D)

#### Tax Assessments YA2019

On 7 January 2021, PT Maju Kalimantan Hadapan (“PTMKH”), a subsidiary of the Company, received a Notice of Tax Overpaid Assessment from the Indonesia’s Director General of Tax (“DGT”) amounting to IDR29,816 million, equivalent to RM8.68 million for the year of assessment 2019.

On 1 April 2021, PTMKH filed an objection letter in reply to the above Notice of Tax Overpaid Assessment, as management are of the opinion, PTMKH should have tax refund amounting to IDR35,281 million, equivalent to RM10.27 million. DGT has restricted the claim on management fee incurred by PTMKH amounted to IDR21,855 million, equivalent to RM6.37 million which resulted in additional tax liability of IDR5,464 million, equal to RM1.59 million. On 24 December 2021, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia.

On 18 March 2022, PTMKH filed an appeal to tax court in Jakarta, Indonesia. On 24 August 2022, PTMKH received a notice of tax hearing from Jakarta’s tax court to attend the said tax appeal on 7 September 2022. The Jakarta’s tax court had requested PTMKH to provide additional analysis and summary report for the tax assessment during the tax hearing on 7 September 2022, 5 October 2022, 9 November 2022, 7 December 2022, 25 January 2023, 22 February 2023, 29 March 2023 and 17 May 2023. As at to date, the Jakarta’s tax court has yet to make a conclusion on PTMKH appeal to the abovementioned.

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defence against DGT’s assessment. Accordingly, PTMKH has not made any adjustments in respect of the tax assessment in the financial statements of the Group and PTMKH.

### 9. EARNINGS AND NET ASSETS PER SHARE

#### Basic earnings per share

The basic earnings per share is calculated by dividing the Group’s profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

Basic earnings per share are calculated as follows:

	The Group 2023 RM	2022 RM
Profit attributable to owners of the parent	74,595,551	112,413,305
Weighted average number of ordinary shares in issue	586,548,168	586,548,168
Adjusted weighted average number of treasury shares	(9,132,300)	(9,132,300)
Weighted average number of ordinary shares in issue	577,415,868	577,415,868
Basic earnings per share (sen)	12.92	19.47

#### Diluted earnings per share

The basic and diluted earnings per share are the same as the Group has no potential dilutive equity instruments.

#### Net assets per share

The net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date as disclosed in Note 28.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 10. PROPERTY, PLANT AND EQUIPMENT

The Group 2023	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fixtures and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
<b>Cost/Valuation</b>									
As at 1 October 2022	12,880,000	6,400,000	85,923,866	129,416,414	41,698,725	55,041,036	355,316,374	1,771,655	688,448,070
Additions	-	-	-	12,522,739	1,407,042	-	-	16,858,336	30,788,117
Transfer to investment properties (Note 14)	-	-	(6,784,828)	-	-	-	-	-	(6,784,828)
Disposals	-	-	-	(1,618,809)	(23,510)	-	-	-	(1,642,319)
Write-offs	-	-	(447,079)	(1,520,053)	(1,135,577)	-	-	-	(3,102,709)
Reclassification	-	-	1,714,062	959,233	934,941	261,825	-	(3,870,061)	-
Effect of movements in exchange rates	-	-	(300,792)	(90,631)	(17,730)	(265)	-	(22,099)	(431,517)
As at 30 September 2023	12,880,000	6,400,000	80,105,229	139,668,893	42,863,891	55,302,596	355,316,374	14,737,831	707,274,814
<b>Accumulated Depreciation</b>									
As at 1 October 2022	-	186,184	20,911,468	74,807,140	30,456,742	25,357,595	141,321,895	-	293,041,024
Charge for the financial year	-	93,092	5,164,395	8,948,967	3,185,419	2,679,118	17,445,431	-	37,516,422
Transfer to investment Properties (Note 14)	-	-	(714,192)	-	-	-	-	-	(714,192)
Disposals	-	-	-	(1,133,400)	(22,328)	-	-	-	(1,155,728)
Write-offs	-	-	(430,698)	(1,487,260)	(1,103,935)	-	-	-	(3,021,893)
Effect of movements in exchange rates	-	-	(16,396)	246,899	(10,202)	(1,899)	366,382	-	584,784
As at 30 September 2023	-	279,276	24,914,577	81,382,346	32,505,696	28,034,814	159,133,708	-	326,250,417
<b>Net Carrying Amounts</b>									
As at 30 September 2023	12,880,000	6,120,724	55,190,652	58,286,547	10,358,195	27,267,782	196,182,666	14,737,831	381,024,397

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

The Group 2022	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fixtures and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
<b>Cost/Valuation</b>									
As at 1 October 2021	12,880,000	6,400,000	85,329,992	112,656,872	39,089,610	52,877,508	328,306,056	15,510,453	653,050,491
Additions	-	-	3,023	12,062,140	2,808,340	-	-	4,158,441	19,031,944
In respect of subsidiaries disposed	-	-	-	-	(12,287)	-	-	-	(12,287)
Disposals	-	-	-	(735,011)	(3,660)	-	-	-	(738,671)
Write-offs	-	-	(64,859)	(2,803,122)	(581,762)	-	-	-	(3,449,743)
Reclassification	-	-	(1,144,289)	4,378,192	63,430	178,038	14,984,992	(18,460,363)	-
Effect of movements in exchange rates	-	-	1,799,999	3,857,343	335,054	1,985,490	12,025,326	563,124	20,566,336
As at 30 September 2022	12,880,000	6,400,000	85,923,866	129,416,414	41,698,725	55,041,036	355,316,374	1,771,655	688,448,070
<b>Accumulated Depreciation</b>									
As at 1 October 2021	-	93,092	17,380,481	65,628,387	27,400,690	21,707,068	119,787,014	-	251,996,732
Charge for the financial year	-	93,092	2,931,239	9,716,525	3,396,092	2,826,614	16,683,057	-	35,646,619
In respect of subsidiaries disposed	-	-	-	-	(8,981)	-	-	-	(8,981)
Disposals	-	-	-	(735,000)	(3,659)	-	-	-	(738,659)
Write-offs	-	-	(61,335)	(2,235,684)	(565,306)	-	-	-	(2,862,325)
Effect of movements in exchange rates	-	-	661,083	2,432,912	237,906	823,913	4,851,824	-	9,007,638
As at 30 September 2022	-	186,184	20,911,468	74,807,140	30,456,742	25,357,595	141,321,895	-	293,041,024
<b>Net Carrying Amounts</b>									
As at 30 September 2022	12,880,000	6,213,816	65,012,398	54,609,274	11,241,983	29,683,441	213,994,479	1,771,655	395,407,046

The freehold and leasehold land and buildings stated at valuation were revalued by the directors in September 2020 based on independent professional valuation on the market value basis using the cost and direct comparison of valuation methods, except for certain buildings located at oil palm plantation with carrying amounts (included current year additions) totalling RM9,261,076 (2022: RM9,820,198) were not revalued as at 30 September 2020. The directors are of the view that it is not practicable to fair value these buildings as these are mainly staff quarters and amenities which were built at the oil palm plantation for use by the plantation workers and there is a lack of active market for the buildings.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

The Group 2023	Freehold land	Long-term leasehold land	Buildings	Motor vehicles, plant and machinery	Furniture, fittings and equipment	Plantation infrastructure	Bearer plants	Under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Analysis of Cost and Valuation</b>									
At valuation - 2020	12,880,000	6,400,000	55,904,802	-	-	-	-	-	75,184,802
At cost	-	-	24,200,427	139,668,893	42,863,891	55,302,596	355,316,374	14,737,831	632,090,012
	12,880,000	6,400,000	80,105,229	139,668,893	42,863,891	55,302,596	355,316,374	14,737,831	707,274,814
<b>Net Carrying Amounts</b>									
At valuation - 2020	12,880,000	6,120,724	45,929,576	-	-	-	-	-	64,930,300
At cost	-	-	9,261,076	58,286,547	10,358,195	27,267,782	196,182,666	14,737,831	316,094,097
	12,880,000	6,120,724	55,190,652	58,286,547	10,358,195	27,267,782	196,182,666	14,737,831	381,024,397
The Group 2022	Freehold land	Long-term leasehold land	Buildings	Motor vehicles, plant and machinery	Furniture, fittings and equipment	Plantation infrastructure	Bearer plants	Under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Analysis of Cost and Valuation</b>									
At valuation - 2020	12,880,000	6,400,000	62,978,522	-	-	-	-	-	82,258,522
At cost	-	-	22,945,344	129,416,414	41,698,725	55,041,036	355,316,374	1,771,655	606,189,548
	12,880,000	6,400,000	85,923,866	129,416,414	41,698,725	55,041,036	355,316,374	1,771,655	688,448,070
<b>Net Carrying Amounts</b>									
At valuation - 2020	12,880,000	6,213,816	55,192,200	-	-	-	-	-	74,286,016
At cost	-	-	9,820,198	54,609,274	11,241,983	29,683,441	213,994,479	1,771,655	321,121,030
	12,880,000	6,213,816	65,012,398	54,609,274	11,241,983	29,683,441	213,994,479	1,771,655	395,407,046

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

The Company	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Total RM
<b>2023</b>				
<b>Cost/Valuation</b>				
As at 1 October 2022/ 30 September 2023	640,000	590,000	30,094	1,260,094
<b>Accumulated Depreciation</b>				
As at 1 October 2022	-	26,818	30,091	56,909
Charge for the financial year	-	13,409	-	13,409
As at 30 September 2023	-	40,227	30,091	70,318
<b>Net Carrying Amounts</b>				
As at 30 September 2023	640,000	549,773	3	1,189,776
<b>2022</b>				
<b>Cost/Valuation</b>				
As at 1 October 2021	640,000	590,000	68,434	1,298,434
Write-offs	-	-	(38,340)	(38,340)
As at 30 September 2022	640,000	590,000	30,094	1,260,094
<b>Accumulated Depreciation</b>				
As at 1 October 2021	-	13,409	68,428	81,837
Charge for the financial year	-	13,409	-	13,409
Write-offs	-	-	(38,337)	(38,337)
As at 30 September 2022	-	26,818	30,091	56,909
<b>Net Carrying Amounts</b>				
As at 30 September 2023	640,000	563,182	3	1,203,185

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

The Company	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Total RM
<b>2023</b>				
<b>Analysis of Cost and Valuation</b>				
At valuation - 2020	640,000	590,000	-	1,230,000
At cost	-	-	30,094	30,094
	640,000	590,000	30,094	1,260,094
<b>Net Carrying Amounts</b>				
At valuation - 2020	640,000	549,773	-	1,189,773
At cost	-	-	3	3
	640,000	549,773	3	1,189,776
<b>2022</b>				
<b>Analysis of Cost and Valuation</b>				
At valuation - 2020	640,000	590,000	-	1,230,000
At cost	-	-	30,094	30,094
	640,000	590,000	30,094	1,260,094
<b>Net Carrying Amounts</b>				
At valuation - 2020	640,000	563,182	-	1,203,182
At cost	-	-	3	3
	640,000	563,182	3	1,203,185

The net carrying amount of revalued assets had they been carried at cost would have been as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Freehold land	666,424	666,424	110,000	110,000
Long-term leasehold land	894,453	908,057	-	-
Buildings	31,904,995	36,158,885	328,900	338,100
	33,465,872	37,733,366	438,900	448,100

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

Included in the above property, plant and equipment are:

(a) Motor vehicles, plant and machinery analysed as follows:

The Group	Motor vehicles RM	Plant and machinery RM	Total RM
<b>2023</b>			
Cost	23,064,085	116,604,808	139,668,893
Accumulated depreciation	(14,897,895)	(66,484,451)	(81,382,346)
Net Carrying Amounts	8,166,190	50,120,357	58,286,547
<b>2022</b>			
Cost	19,830,110	109,586,304	129,416,414
Accumulated depreciation	(14,507,932)	(60,299,208)	(74,807,140)
Net Carrying Amounts	5,322,178	49,287,096	54,609,274

(b) Property, plant and equipment pledged as security for credit facilities granted to certain subsidiaries as disclosed in Note 33 are as follows:

	The Group	
	2023 RM	2022 RM
<b>Cost/Valuation</b>		
Buildings	20,500,000	20,500,000
Bearer plants	276,515,891	276,515,891
	297,015,891	297,015,891
<b>Net Carrying Amounts</b>		
Buildings	18,791,560	19,361,040
Bearer plants	135,232,538	149,304,534
	154,024,098	168,665,574

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

Included in the above property, plant and equipment are: (Cont'd)

(c) Motor vehicles under hire-purchase arrangements are as follows:

	The Group	
	2023	2022
	RM	RM
Cost	4,807,797	3,051,023
Net Carrying Amounts	2,878,609	1,816,810

(d) Bearer plants comprise oil palm trees.

(e) Property, plant and equipment under construction are mainly immature bearer plants, construction of buildings, plant and machinery and plantation infrastructure in oil palm plantation.

Included in addition to the property, plant and equipment under construction are:

	The Group	
	2023	2022
	RM	RM
Personnel expenses: Wages, salaries and others	-	477,280

(f) The long-term leasehold land of the Group has remaining unexpired lease period of 66 years (2022: 67 years).

#### 11. RIGHT-OF-USE ASSET

	The Group	
	2023	2022
	RM	RM
<b>Cost</b>		
At beginning and end of year	18,410,370	18,410,370
<b>Accumulated Depreciation</b>		
At beginning of year	966,142	644,095
Charge for the year (Note 6)	322,047	322,047
At end of year	1,288,189	966,142
<b>Net Carrying Amount</b>		
At end of year	17,122,181	17,444,228

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 11. RIGHT-OF-USE ASSET (CONT'D)

The Group's lease comprise land leased from Perbadanan Aset Keretapi ("PAK") for a period of 60 years (2022: 60 years) for future construction of a retail mall. The maturity analysis of lease liability is presented in Note 32.

The total cash outflow for the payment of lease liabilities amounted to RM575,000 (2022: RM562,500), short-term leases amounted to RM139,325 (2022: RM259,184), and expenses related to low-value assets amounted to RM110,484 (2022: RM29,790).

Amount recognized in statement of profit or loss:

	The Group	
	2023	2022
	RM	RM
Depreciation of right-of-use asset (Note 6)	322,047	322,047
Interest expense on lease liability (Note 6)	874,226	860,773
Expenses relating to leases (Note 6):		
Short-term leases	139,325	259,184
Low-value assets	110,484	29,790

#### 12. INTANGIBLE ASSETS

	The Group	
	2023	2022
	RM	RM
Goodwill (Note 12.1)	6,110,144	5,372,379
Other intangible asset (Note 12.2)	62,774,394	57,069,822
<b>Net Carrying Amount</b>	<b>68,884,538</b>	<b>62,442,201</b>

##### 12.1 Goodwill

	The Group	
	2023	2022
	RM	RM
<b>Goodwill on acquisition - At cost</b>		
At beginning of year	5,476,607	5,283,384
Effect of movements in exchange rate	737,765	193,223
At end of year	6,214,372	5,476,607
<b>Accumulated impairment loss</b>		
At beginning and end of year	(104,228)	(104,228)
<b>Net Carrying Amount</b>	<b>6,110,144</b>	<b>5,372,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 12. INTANGIBLE ASSETS (CONT'D)

##### 12.1 Goodwill (Cont'd)

###### Impairment test of goodwill

Goodwill on acquisition is allocated to the Group's cash-generating units ("CGUs"), business segments as follows:

	The Group	
	2023	2022
	RM	RM
Plantation	6,077,775	5,340,010
Property development	32,369	32,369
	<b>6,110,144</b>	<b>5,372,379</b>

The goodwill allocated to property development segment is not significant in comparison with the Group's total carrying amount of goodwill.

Key assumptions used in the value-in-use calculations based on a 7 years (2022: 8 years) cash flows projection in respect of impairment test for goodwill on the plantation segment are:

- (i) discount rate of 10.0% (2022: 10.9%) which is pre-tax and reflected specific risks of the plantation segment in Indonesia;
- (ii) oil palm trees with an average life of 25 years (2022: 25 years) with the first three years as immature and remaining years as mature which is the average life cycle of the trees;
- (iii) crude palm oil ("CPO") average selling price of RM3,300 (2022: RM3,300) per MT based on the management's estimate;
- (iv) average CPO extraction rate of 22.5% (2022: 20.5%) based on the industry trend and past performance; and
- (v) average annual oil palm yield per hectare of 26 metric tonnes (2022: 25 to 29 metric tonnes) based on management's estimate and historical yield.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill plus the CGU to materially exceed their recoverable amounts.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 12. INTANGIBLE ASSETS (CONT'D)

##### 12.2 Other intangible asset

	The Group	
	2023	2022
	RM	RM
<b>Capitalised development</b>		
At beginning of year	57,069,822	54,893,674
Additions	6,294,572	2,176,148
Amortisation (Note 6)	(590,000)	-
At end of year	62,774,394	57,069,822

Other intangible asset represents expenditure incurred to construct a commuter station for Perbadanan Aset Keretapi ("PAK") in consideration for the right to lease a plot of land from PAK for a period of 60 years (2022: 60 years) as disclosed in Note 11. The status of the construction is as disclosed in Note 37.

#### 13. PREPAID LEASE PAYMENTS

	The Group	
	2023	2022
	RM	RM
At beginning of year	39,333,616	40,640,831
Amortisation for the financial year (Note 6)	(1,524,099)	(1,527,030)
Effect of movements in exchange rate	(51,126)	219,815
At end of year	37,758,391	39,333,616

The above is leasehold land with remaining unexpired lease period ranging from 14 years to 26 years (2022: 15 to 27 years).

The leasehold land of RM18,190,570 (2022: RM20,134,476) are pledged as security for credit facilities granted to the Group as disclosed in Note 33.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 14. INVESTMENT PROPERTIES

	The Group	
	2023	2022
	RM	RM
At beginning of year	367,376,000	344,241,000
Transfer from inventories (Note 22)	-	17,749,731
Transfer from property, plant and equipment (Note 10)	6,070,636	-
Fair value gains from transfer of inventories to investment properties (Note 6)	-	2,950,269
Fair value gains from transfer of property, plant and equipment to investment properties (Note 6)	2,803,098	-
Changes in fair values (Note 6)	(893,000)	2,435,000
Effect of movements in exchange rate	12,266	-
At end of year	375,369,000	367,376,000

Included in the above are:

	The Group	
	2023	2022
	RM	RM
<b>Freehold land and buildings - at fair value</b>		
Freehold land	48,600,000	47,740,000
Buildings	75,732,000	76,425,000
	124,332,000	124,165,000
<b>Leasehold land and buildings - at fair value</b>		
Leasehold land with unexpired lease period of more than 50 years	70,900,000	70,900,000
Buildings	180,137,000	172,311,000
	251,037,000	243,211,000
	375,369,000	367,376,000

Fair value measurement disclosures for investment properties are disclosed in Note 46.

Included in the above are land and buildings amounting to RM178,230,000 (2022: RM190,280,000) pledged for credit facilities granted to subsidiaries as disclosed in Note 33.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES

	The Company	
	2023 RM	2022 RM
<b>Unquoted shares - at cost</b>		
Ordinary shares	1,069,750,268	1,005,113,244
Redeemable convertible preference shares ("RCPS")	270,000,000	279,500,000
	<b>1,339,750,268</b>	<b>1,284,613,244</b>
<b>Accumulated impairment loss</b>		
At beginning of year	(11,436,626)	(5,536,626)
Impairment loss for the financial year (Note 6)	-	(5,900,000)
At end of year	<b>(11,436,626)</b>	<b>(11,436,626)</b>
<b>Net Carrying Amount</b>	<b>1,328,313,642</b>	<b>1,273,176,618</b>

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
			2023	2022
# Achieve Acres Sdn. Bhd.	Malaysia	Property development	85%	85%
Aliran Perkasa Sdn. Bhd.	Malaysia	Property development	100%	100%
Amona MKH Ventures Sdn. Bhd.	Malaysia	Property development	50.00001%	50.00001%
Budi Bidara Sdn. Bhd.	Malaysia	Property development	100%	100%
# Dapat Jaya Builder Sdn. Bhd.	Malaysia	Building and civil works contracting and project management services	100%	100%
^ # Everland Asia Development Sdn. Bhd.	Malaysia	Property development	100%	100%
# Gabung Wajib Sdn. Bhd.	Malaysia	Investment holding and property development	100%	100%
Gerak Teguh Sdn. Bhd.	Malaysia	Property development	100%	100%
# GK Resort Berhad	Malaysia	Investment holding	100%	100%
# Global Landscape Creation Sdn. Bhd.	Malaysia	Dormant	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
			2023	2022
Intelek Kekal (M) Sdn. Bhd.	Malaysia	Management services	100%	100%
# Intelek Murni (M) Berhad	Malaysia	Operating a recreational club	100%	100%
# Intra Tegas (M) Sdn. Bhd.	Malaysia	Property development	100%	100%
Kajang Resources Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%
# Kumpulan Indah Bersatu Sdn. Bhd.	Malaysia	Investment holding and property development	100%	100%
^ # Metro Kajang Construction Sdn. Bhd.	Malaysia	Building and civil works contracting, project and building management services	100%	100%
Metro Kajang (Oversea) Sdn. Bhd.	Malaysia	Investment holding and treasury management services	100%	100%
Metro K.L. City Sdn. Bhd.	Malaysia	Property investment and property development	100%	100%
# Metro Nusantara Sdn. Bhd.	Malaysia	Dormant	100%	100%
# Metro Readymix Sdn. Bhd.	Malaysia	Trading of precast concrete, cement or artificial stone articles for use in construction	100%	100%
Metro Tiara (M) Sdn. Bhd.	Malaysia	Property management and property investment	100%	100%
MKH Building Materials Sdn. Bhd.	Malaysia	Trading of building materials and household related products	100%	100%
MKH Credit Corporation Sdn. Bhd.	Malaysia	Money lending, hire-purchase and leasing finance	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
			2023	2022
MKH Development Sdn. Bhd.	Malaysia	Property development	100%	100%
# MKH Food Sdn. Bhd.	Malaysia	Dormant	100%	100%
! MKH Land (Aust) Pty Ltd.	Australia	Dormant	100%	100%
# MKH Management Sdn. Bhd.	Malaysia	Management, secretarial services and insurance agency	100%	100%
@ MKH Oil Palm (East Kalimantan) Berhad	Malaysia	Investment holding and providing management services	100%	100%
MKH Plantation Sdn. Bhd.	Malaysia	Investment holding	100%	100%
MKH Resources Sdn. Bhd.	Malaysia	Management services	100%	100%
# Nexus Starship Sdn. Bhd.	Malaysia	Investment holding	100%	100%
# Pelangi Binaraya Sdn. Bhd.	Malaysia	Property development	50.0002%	50.0002%
# Pelangi Seri Alam Development Sdn. Bhd.	Malaysia	Building and civil works contracting, project and building management services	100%	100%
^ # Pelangi Semenyih Sdn. Bhd.	Malaysia	Property development	100%	100%
# Perkasa Bernas (M) Sdn. Bhd.	Malaysia	Property development and management services	100%	100%
Petik Mekar Sdn. Bhd.	Malaysia	Property development	100%	100%
Serba Sentosa Sdn. Bhd.	Malaysia	Property development	100%	100%
^ # Serentak Maju Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%
Srijang Indah Sdn. Bhd.	Malaysia	Property management, property investment and investment holding	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
				2023	2022
€	Srijang Kemajuan Sdn. Bhd.	Malaysia	Property development	99.99%	99.99%
	Stand Allied Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%
#	Sumber Lengkap Sdn. Bhd.	Malaysia	Property development	100%	100%
€	Suria Villa Sdn. Bhd.	Malaysia	Property development	100%	100%
	Vista Haruman Development Sdn. Bhd.	Malaysia	Property development	55%	55%
	<b>Subsidiary of MKH Oil Palm (East Kalimantan) Berhad</b>				
@&	PT Maju Kalimantan Hadapan	Republic of Indonesia	Oil palm plantation	95%	95%
	<b>Subsidiary of MKH Plantation Sdn. Bhd.</b>				
&	PT Sawit Prima Sakti	Republic of Indonesia	Oil palm plantation	75%	75%
	<b>Subsidiaries of Gabung Wajib Sdn. Bhd.</b>				
	Amona Metro Development Sdn. Bhd.	Malaysia	Property development	60%	60%
*	Alif Mesra Sdn. Bhd.	Malaysia	Property development	65%	65%
∞	Danau Saujana Sdn. Bhd.	Malaysia	Property development	65%	100%
	<b>Subsidiary of GK Resort Berhad</b>				
#	PNSB-GK Resort Sdn. Bhd.	Malaysia	Property development	70%	70%
	<b>Subsidiary of Kumpulan Indah Bersatu Sdn. Bhd.</b>				
#	Palga Sdn. Bhd.	Malaysia	Investment holding	100%	100%
	<b>Subsidiary of Pelangi Seri Alam Development Sdn. Bhd.</b>				
	Hillpark Resources Sdn. Bhd.	Malaysia	Property development	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group	
			2023	2022
<b>Subsidiary of Nexus Starship Sdn. Bhd.</b>				
Quantum Density Sdn. Bhd.	Malaysia	Property development	50.0004%	50.0004%
<b>Subsidiaries of Metro Kajang (Oversea) Sdn. Bhd.</b>				
# Vast Furniture Manufacturing (Kunshan) Co. Ltd.	The People's Republic of China	Furniture manufacturing	100%	100%
# PT Nusantara Makmur Jaya	Republic of Indonesia	Dormant	100%	100%
# Restu Mesra Sdn. Bhd.	Malaysia	Investment holding	100%	100%
<b>Subsidiary of Palga Sdn. Bhd.</b>				
# Hiliran Juara Sdn. Bhd.	Malaysia	Property development	100%	100%
<b>Subsidiary of Amona Metro Development Sdn. Bhd.</b>				
* Temara Pekeliling Sdn. Bhd.	Malaysia	Property development and property management	50.4%	50.4%
<b>Subsidiary of Kajang Resources Corporation Sdn. Bhd.</b>				
MKH Property Ventures Sdn. Bhd.	Malaysia	Property development	51%	51%
<b>Subsidiaries of Srijang Indah Sdn. Bhd.</b>				
Laju Jaya Sdn. Bhd.	Malaysia	Property investment and hotel business	100%	100%
Maha Usaha Sdn. Bhd.	Malaysia	Property management and property investment	100%	100%
Ω Metro Emart Sdn. Bhd.	Malaysia	E-commerce	-	100%

€ During the financial year, the Company subscribed for an additional 43,600,000 new ordinary shares in Suria Villa Sdn. Bhd. and 25,800,000 new ordinary shares in Srijang Kemajuan Sdn. Bhd.. The said additional subscription did not give rise to any changes in proportion of ownership interest and voting power held by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

- ∞ During the financial year, the Company disposed 1,000 ordinary shares of RM1, representing 100% equity interest in Danau Saujana Sdn. Bhd. for a total cash consideration of RM1,000 to Gabung Wajib Sdn. Bhd., a wholly owned subsidiary of the Company. Subsequently, Gabung Wajib Sdn. Bhd. subscribed for 161,500 new ordinary shares of RM1 in Danau Saujana Sdn. Bhd., representing 65% of total allotment of 249,000 new ordinary shares. The changes in the proportion of ownership interest and voting power held by the Group resulted in RM137,205 reduction in non-controlling interest.
  - \* During the financial year, Alif Mesra Sdn. Bhd. has reduced its share capital from RM16,000,000 to RM1,000,000 via cash distribution of RM9,750,000 to immediate holding company, Gabung Wajib Sdn. Bhd. and to non-controlling interests of RM5,250,000 and Temara Pekeliling Sdn. Bhd. which has reduced its share capital from RM35,945,680 to RM1,000,680 via cancellation of 34,945,000 ordinary shares by capital repayment of RM29,353,800 to immediate holding company, Amona Metro Development Sdn. Bhd. and RM5,591,200 to non-controlling interests. The reduction in the share capital did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
  - ^ During the financial year, Pelangi Semenyih Sdn. Bhd. has reduced its share capital from RM2,000,000 to RM100,000 via cash distribution of RM1,900,000 to the Company and Metro Kajang Construction Sdn. Bhd. which has reduced its share capital from RM4,099,513 to RM100,000 via cash distribution of RM3,999,513 to the Company, and resulted in a gain of RM1,137,537. The reduction in the share capital did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
- After the financial year end, on 2 November 2023, Serentak Maju Corporation Sdn. Bhd. has reduced its share capital from RM500,000 to RM100,000 via cash distribution of RM400,000 to the Company, and on 15 November 2023, Everland Asia Development Sdn. Bhd. which has reduced its share capital from RM1,000,000 to RM100,000 via a cash distribution of RM900,000 to the Company. The reduction in the share capital did not give rise to any changes in proportion of ownership interest and voting power held by the Group.
- # Subsidiaries audited by firms of auditors other than Deloitte PLT.
  - & Subsidiaries audited by a member firm of Deloitte PLT.
  - @ The investment in shares have been pledged as security for credit facilities granted to subsidiary as disclosed in Note 33.
  - ! The subsidiary is not audited by Deloitte PLT. As the company is dormant, no statutory audit is required under the Australian Corporations Act.
  - Ω During the financial year, the Group has disposed the subsidiary for a total cash consideration of RM1.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Redeemable Convertible Preference Shares

The salient features of the Redeemable Convertible Preference Shares ("RCPS") of the subsidiaries are as follows:

(a) Dividends

The holder has the right to be paid, out of such profits of the subsidiary available for distribution determined by the directors at their discretion to be distributed in respect of each financial year or other accounting period of the subsidiary, a dividend at a rate as the Board of Directors shall determine from time to time.

(b) Voting rights

The RCPS carry rights to vote at any general meeting of the subsidiary if:

- (i) any resolution is proposed for the winding up of the subsidiary, in which case the holder of the RCPS may only then vote at such general meeting on the election of a chairman, any motion for adjournment and the resolution for winding up; or
- (ii) the meeting is convened for the purpose of considering the reduction of the capital of the subsidiary; or
- (iii) the meeting is relating to any dividend or part thereof unpaid on any RCPS; or
- (iv) the proposition which is submitted to the meeting proposes to abrogate or vary or otherwise directly affects the special rights and privileges attaching to the RCPS; in which event the holder of the RCPS shall have such number of votes for each RCPS registered in his name equivalent to the number of ordinary shares, which solely for the purpose of calculating the number of votes of the holder of the RCPS is entitled to, one RCPS held by the holder of RCPS shall be deemed to be equivalent to one of ordinary share of the subsidiary. The holder of the RCPS shall further be entitled to speak, demand a poll, to move resolutions and participate in the meeting of the shareholders of RCPS of the subsidiary.

(c) Redemption

- (i) Subject to the provision of Section 72 of the Companies Act, 2016, the subsidiary shall have the right to redeem all or any of the RCPS at RM100 only per RCPS at anytime after the date of issuance of RCPS; and
- (ii) no RCPS redeemed by the subsidiary shall be capable of reissue.

(d) Conversion

The subsidiary is entitled, at any time during the period commencing on the date of issuance of RCPS to convert all or any of the RCPS registered in the name of each holder of the RCPS. Each RCPS is convertible into 100 ordinary shares in the share capital of the subsidiary.

(e) Capital

The holder has the right on winding up or other return of capital (other than on the redemption of the RCPS) to receive, in priority to the holders of any other class of shares in the capital of the subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests

The subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekeliling Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM	Individually immaterial subsidiaries RM	Total RM
<b>2023</b>									
NCI percentage of ownership interest and voting power	40%	5%	35%	16%	45%	49%	50%	-	-
Carrying amount of NCI	4,837,021	15,736,330	4,689,635	2,029,897	7,959,525	48,130,558	5,029,116	1,155,387	89,567,469
Profit/(Loss) allocated to NCI	517,042	1,695,089	407,943	308,485	(159,629)	5,514,706	61,241	(1,661,955)	6,682,922
Total comprehensive income/(loss) allocated to NCI	517,042	1,750,492	407,943	308,485	(159,629)	5,514,706	61,241	(1,689,989)	6,710,291

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests (Cont'd)

The subsidiaries that have material non-controlling interests ("NCI") are as follows: (Cont'd)

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekeliling Development Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM	Individually immaterial subsidiaries RM	Total RM
NCI percentage of ownership interest and voting power	40%	5%	35%	16%	45%	49%	50%	-	-
Carrying amount of NCI	16,055,979	13,985,838	36,831,692	7,331,812	8,119,154	42,615,852	4,967,876	2,895,080	132,803,283
Profit/(Loss) allocated to NCI	2,500,876	2,925,920	7,382,197	1,220,776	(26,945)	1,636,149	(2,705)	697,616	16,333,884
Total comprehensive income/(loss) allocated to NCI	2,500,876	3,418,266	7,382,197	1,220,776	(26,945)	1,636,149	(2,705)	597,038	16,725,652

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests (Cont'd)

The financial information of the subsidiaries that have material NCI before intra-group elimination are as follows:

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalamantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekelling Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM
<b>2023</b>							
<b>Assets and liabilities</b>							
Non-current assets	114,000	266,939,894	38,900	114,000	-	106,077,582	-
Current assets	23,718,213	155,480,422	24,290,754	21,767,337	22,020,611	204,759,410	10,062,253
Non-current liabilities	-	(21,570,810)	-	-	-	(42,760,390)	-
Current liabilities	(9,709,771)	(86,122,934)	(10,930,695)	(9,194,483)	(4,332,780)	(169,850,973)	(4,018)
Non-controlling interests	(2,029,897)	-	-	-	-	-	-
Net assets	12,092,545	314,726,572	13,398,959	12,686,854	17,687,831	98,225,629	10,058,235
<b>Results</b>							
Revenue	3,057,988	337,980,732	4,528,521	3,057,988	1,694,106	142,636,776	-
Profit/(Loss) for the financial year	1,292,604	33,901,777	1,165,551	1,928,031	(354,730)	11,254,502	122,482
Total comprehensive income/(loss) for the financial year	1,292,604	35,009,744	1,165,551	1,928,031	(354,730)	11,254,502	122,482

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests (Cont'd)

The financial information of the subsidiaries that have material NCI before intra-group elimination are as follows: (Cont'd)

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kailimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekelling Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM
<b>2022</b>							
<b>Assets and liabilities</b>							
Non-current assets	165,600	268,409,721	96,100	165,600	-	103,785,862	-
Current assets	57,545,331	131,376,255	145,837,826	55,593,373	24,397,628	180,591,643	10,114,198
Non-current liabilities	-	(73,203,751)	(4,088,409)	-	-	(65,257,401)	-
Current liabilities	(10,239,178)	(46,865,401)	(36,612,109)	(9,935,150)	(6,355,067)	(132,148,977)	(178,445)
Non-controlling interests	(7,331,812)	-	-	-	-	-	-
Net assets	40,139,941	279,716,824	105,233,408	45,823,823	18,042,561	86,971,127	9,935,753
<b>Results</b>							
Revenue	26,406,567	315,817,267	97,001,288	26,406,567	1,742,077	47,553,663	-
Profit/(Loss) for the financial year	6,252,191	58,518,400	21,091,992	7,629,850	(59,878)	3,339,079	(5,411)
Total comprehensive income/(loss) for the financial year	6,252,191	68,365,330	21,091,992	7,629,850	(59,878)	3,339,079	(5,411)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests (Cont'd)

The financial information of the subsidiaries that have material NCI before intra-group elimination are as follows: (Cont'd)

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kailimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekelling Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM
<b>2023</b>							
Cash flows from/(used in):							
Operating activities	13,117,130	61,345,191	30,032,953	13,240,276	(359,629)	(33,913,416)	72,781
Investing activities	-	(26,124,882)	-	-	-	(385,621)	-
Financing activities	(34,950,400)	(2,116,492)	(93,000,000)	(35,065,000)	-	20,000,000	(172,710)
Net (decrease)/increase in cash and cash equivalents	(21,833,270)	33,103,817	(62,967,047)	(21,824,724)	(359,629)	(14,299,037)	(99,929)
Dividends paid to NCI	11,736,000	-	22,050,000	19,200	-	-	-
Redemption of redeemable preference shares paid to NCI	-	-	10,500,000	-	-	-	-
Realisation of bonus shares paid to NCI	-	-	-	5,591,200	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### Non-controlling interests (Cont'd)

The financial information of the subsidiaries that have material NCI before intra-group elimination are as follows: (Cont'd)

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalamantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	Temara Pekelling Sdn. Bhd. RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Amona MKH Ventures Sdn. Bhd. RM
<b>2022</b>							
Cash flows from/(used in):							
Operating activities	39,559,228	73,236,942	60,022,668	39,696,281	287,047	19,170,614	(146,631)
Investing activities	-	(12,277,875)	-	-	-	(37,890,462)	(5,000,000)
Financing activities	(64,002,298)	(81,918,680)	(42,200,000)	(64,002,298)	-	20,000,000	10,112,708
Net (decrease)/increase in cash and cash equivalents	(24,443,070)	(20,959,613)	17,822,668	(24,306,017)	287,047	1,280,152	4,966,077
Dividends paid to NCI	23,404,524	-	-	4,488,691	-	-	-

There are no significant restrictions on the Company's ability to access or use the assets and to settle the liabilities of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 16. INVESTMENT IN ASSOCIATES

	The Group	
	2023 RM	2022 RM
<b>At cost:</b>		
Unquoted shares	25,333,996	13,285,045
Additions	-	12,048,951
Capital reductions	(3,600,000)	-
	21,733,996	25,333,996
Share of post-acquisition reserves	3,895,455	600,897
	25,629,451	25,934,893

The details of the associates, incorporated in Malaysia, are as follows:

Name of associate	Principal activities	Proportion of ownership interest and voting power held by the Group		
		2023	2022	Financial year end
Ω# Daksina Harta Sdn. Bhd. ("DHSB")	Property development and property investment	40%	40%	31 December
~ Panasonic Homes MKH Malaysia Sdn. Bhd. ("PHMMSB")	General construction	49%	49%	31 March
*# Rimbunan Melati Sdn. Bhd. ("RMSB")	Property development	45%	45%	31 December
Δ# Sunway MKH Marketing Sdn. Bhd. ("SMMSB")	Trading of building materials and household related products	49%	49%	31 December

Ω Interest held through Perkasa Bernas (M) Sdn. Bhd..

~ Interest held through Kajang Resources Corporation Sdn. Bhd..

\* Interest held through Dapat Jaya Builder Sdn. Bhd..

Δ Interest held through MKH Building Materials Sdn. Bhd..

# Audited by firms of auditors other than Deloitte PLT.

The above associates are accounted for using the equity method in the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 16. INVESTMENT IN ASSOCIATES (CONT'D)

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	The Group			
	RMSB RM	PHMMSB RM	DHSB RM	SMMSB RM
<b>2023</b>				
Non-current assets	51	52,930	2,430,022	-
Current assets	3,792,830	134,381,973	159,395,219	802,713
Non-current liabilities	-	-	(147,496,994)	-
Current liabilities	(36,468)	(114,068,982)	(10,188,230)	(658,188)
<b>Net assets</b>	<b>3,756,413</b>	<b>20,365,921</b>	<b>4,140,017</b>	<b>144,525</b>
<b>Results</b>				
Revenue	-	154,952,314	7,776,060	734,822
Profit/(Loss) for the financial year	39,290	8,202,726	(1,915,824)	48,719
Total comprehensive income/ (loss) for the financial year	39,290	8,202,726	(1,915,824)	48,719
<b>2022</b>				
Non-current assets	51	48,047	79,812	-
Current assets	11,845,451	159,575,419	135,681,406	101,514
Non-current liabilities	-	-	(111,815,724)	-
Current liabilities	(128,376)	(147,460,275)	(5,307,304)	(5,707)
<b>Net assets</b>	<b>11,717,126</b>	<b>12,163,191</b>	<b>18,638,190</b>	<b>95,807</b>
<b>Results</b>				
Revenue	-	202,791,710	1,715,206	1,514
Profit/(Loss) for the financial year	225,195	6,533,265	(4,750,524)	(4,193)
Total comprehensive income/ (loss) for the financial year	225,195	6,533,265	(4,750,524)	(4,193)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 16. INVESTMENT IN ASSOCIATES (CONT'D)

The reconciliation of net assets to carrying amount of the associates is as follows: (Cont'd)

	RMSB RM	PHMMSB RM	DHSB RM	SMMSB RM	Total RM
<b>2023</b>					
Group's share of net assets	1,690,389	9,979,299	13,888,946	70,817	25,629,451
Group's share of results in associates	17,681	4,019,335	(766,330)	23,872	3,294,558
<b>2022</b>					
Group's share of net assets	5,272,708	5,959,964	14,655,276	46,945	25,934,893
Group's share of results in associates	101,338	3,201,300	(1,900,210)	(2,055)	1,400,373

#### 17. OTHER INVESTMENT

	The Group 2023 RM	2022 RM
<b>Financial asset at fair value through profit or loss</b>		
<b>Quoted shares in Malaysia and Overseas</b>		
At beginning of year	775,849	355,820
Additions during the year	157,862	889,439
Disposal during the year	(135,150)	(114,576)
Changes in fair value (Note 6)	(42,324)	(354,834)
At end of year	756,237	775,849

Fair value hierarchy for other investment has been disclosed in Note 46.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 18. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2023 RM	2022 RM
<b>Freehold land</b>		
At beginning of year	467,938,150	486,494,477
Additions	3,803,435	6,398,811
Addition of provision for landowners' entitlements	-	2,269,000
Disposal	(65,686)	-
Reclassify from development cost	44,813	-
Transfer to property development costs (Note 21)	(25,288,901)	(27,224,138)
At end of year	446,431,811	467,938,150
<b>Leasehold land</b>		
At beginning of year	134,743,824	131,743,105
Additions	2,780	1,051,695
(Reversal)/Addition of provision for landowners' entitlements	(8,264,000)	1,949,024
Transfer from property development costs (Note 21)	9,557,780	-
At end of year	136,040,384	134,743,824
<b>Total land</b>	<b>582,472,195</b>	<b>602,681,974</b>
<b>Development costs</b>		
At beginning of year	282,286,393	271,084,243
Additions	13,496,831	20,122,957
Development expenditure expensed off (Note 6)	-	(132,958)
Disposal	(106,897)	-
Reclassify to freehold land	(44,813)	-
Transfer to property development costs (Note 21)	(3,010,376)	(8,787,849)
At end of year	292,621,138	282,286,393
<b>Total land and development costs</b>	<b>875,093,333</b>	<b>884,968,367</b>
<b>Less: Accumulated impairment loss</b>		
At beginning of year	(6,284,988)	(6,284,988)
Reversal (Note 6)	824,897	-
At end of year	(5,460,091)	(6,284,988)
	<b>869,633,242</b>	<b>878,683,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 18. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)

Included in land held for property development are:

- (i) freehold land amounting to RM79,962,939 (2022: RM79,962,939) have been pledged for term loan and revolving credit facilities granted to certain subsidiaries as disclosed in Note 33;
- (ii) leasehold land amounting to RM19,040,009 (2022: RM19,040,009) have been charged for revolving credit facilities granted to certain subsidiaries as disclosed in Note 33;
- (iii) freehold land amounting to RM24,436,438 (2022: RM39,704,655) have been deposited with a financial institution for term loan facilities granted to a subsidiary as disclosed in Note 33; and
- (iv) freehold and leasehold land amounting to RM278,134,587 (2022: RM293,917,816) represent entitlements of the landowners pursuant to joint land development agreements to undertake property development projects. The titles to the development land will be transferred directly from landowners to the property purchasers.

#### 19. DEFERRED TAX ASSETS AND LIABILITIES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Deferred tax assets</b>				
At beginning of year	31,473,558	35,550,916	-	-
Recognized in profit or loss (Note 8)	(7,244,978)	(4,077,358)	-	-
At end of year	24,228,580	31,473,558	-	-
<b>Deferred tax liabilities</b>				
At beginning of year	(53,851,487)	(56,122,660)	(114,428)	(114,428)
Recognized in profit or loss (Note 8)	3,726,899	2,611,879	-	-
Recognized in other comprehensive income (Note 8)	61,583	(298,597)	-	-
Effect of movements in exchange rate	16,512	(42,109)	-	-
At end of year	(50,046,493)	(53,851,487)	(114,428)	(114,428)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 19. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax assets and deferred tax liabilities are attributable to the following:

	The Group	
	2023 RM	2022 RM
<b>Deferred tax assets</b>		
Deductible temporary differences arising from:		
Property, plant and equipment	917	(1,910)
Property development costs	17,833,870	22,703,250
Receivables and deposits	514,213	732,248
Payables and accruals	5,503,280	6,045,030
Unused tax losses	376,300	1,994,940
	<b>24,228,580</b>	<b>31,473,558</b>

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Deferred tax liabilities</b>				
Taxable temporary differences arising from:				
Property, plant and equipment	(5,217,310)	(5,635,551)	(166)	(166)
Investment properties	(3,001,306)	(3,000,006)	-	-
Property development costs	602,708	602,708	-	-
Inventories	(1,032,921)	(2,312,560)	-	-
Biological assets	(1,370,906)	(1,301,820)	-	-
Receivables and deposits	(467,500)	(542,300)	-	-
Provisions	4,132,602	3,455,268	-	-
Payables and accruals	(886,900)	(869,300)	-	-
Surplus arising from revaluation of land and buildings	(6,996,679)	(6,517,998)	(114,262)	(114,262)
Fair value adjustment in respect of investment properties	(10,817,193)	(10,901,693)	-	-
Fair value adjustment in respect of subsidiaries acquired	(26,198,688)	(28,175,008)	-	-
Unused tax losses	268,300	226,470	-	-
Unabsorbed capital allowances	768,700	943,803	-	-
Unutilized reinvestment allowances	170,600	176,500	-	-
	<b>(50,046,493)</b>	<b>(53,851,487)</b>	<b>(114,428)</b>	<b>(114,428)</b>

The deferred tax assets and deferred tax liabilities are not available for set-off as they arise from different taxable entities within the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-current</b>					
<b>Trade</b>					
Loan receivables	(a)	23,863,225	13,101,568	-	-
<b>Non-trade</b>					
Prepayments	(c)	14,814,650	14,126,501	-	-
Other receivables		46,312	67,592	-	-
		38,724,187	27,295,661	-	-
<b>Current</b>					
<b>Trade</b>					
Trade receivables		101,204,773	104,366,559	-	-
Less: Allowance for impairment loss		(903,051)	(865,033)	-	-
	(d)	100,301,722	103,501,526	-	-
Finance lease receivables	(e)	-	-	-	-
Loan receivables	(a)	15,805,727	15,769,977	-	-
Less: Allowance for impairment loss		(161,277)	(144,277)	-	-
		15,644,450	15,625,700	-	-
		115,946,172	119,127,226	-	-
<b>Non-trade</b>					
Amount due from subsidiaries	(b)	-	-	79,644,728	68,957,762
Less: Allowance for impairment loss		-	-	(178,000)	(178,000)
		-	-	79,466,728	68,779,762
Other receivables	(f)	33,880,811	34,026,314	16,154	22,580
Less: Allowance for impairment loss		(5,400,510)	(5,406,936)	(16,154)	(22,580)
		28,480,301	28,619,378	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-trade (Cont'd)</b>					
Deposits for development land acquisition		100,000	100,000	-	-
Joint venture deposits for land development	(g)	20,650,000	15,850,000	-	-
Other deposits	(h)	39,852,381	25,238,704	30,000	30,000
Prepayments	(i)	24,092,719	14,527,419	-	-
		<b>229,121,573</b>	<b>203,462,727</b>	<b>79,496,728</b>	<b>68,809,762</b>
Total receivables, deposits and prepayments		<b>267,845,760</b>	<b>230,758,388</b>	<b>79,496,728</b>	<b>68,809,762</b>

- (a) The loan receivables pertain to the loan granted by a subsidiary of the Company to a third party in respect of a joint venture land development agreement entered between the third party and another subsidiary of the Company.

The maturity profile of loan receivables is as follows:

	The Group	
	2023 RM	2022 RM
<b>Fixed rate instruments</b>		
Receivable within 1 year	15,805,727	15,769,977
Receivable after 1 year but not later than 2 years	1,000,000	855,723
Receivable after 2 years but not later than 3 years	13,762,566	50,000
Receivable after 3 years but not later than 4 years	9,100,659	12,195,845
	<b>39,668,952</b>	<b>28,871,545</b>

The loan receivables bear effective interest at rates ranging from 5.0% to 8.5% (2022: 5.0% to 8.5%) per annum.

The movement of allowance account used to record the impairment of loan receivables is as follows:

	The Group	
	2023 RM	2022 RM
At beginning of year	144,277	116,277
Additions (Note 6)	17,000	28,000
At end of year	<b>161,277</b>	<b>144,277</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (b) Included in amount due from subsidiaries are unsecured amounts of:
- (i) RM23,314,500 (2022: RM23,867,412) which bears interest at 5.76% (2022: 5.01%) per annum and repayable on demand; and
  - (ii) RM55,152,228 (2022: RM44,912,350) which is interest-free and repayable on demand.
- (c) Included in non-current prepayments of the Group is an amount of RM13,003,484 (2022: RM12,747,309) in respect of property infrastructure costs incurred on a plot of land leased from PAK for a period of 60 years (2022: 60 years) for future construction of a retail mall.
- (d) Trade receivables
- (i) The Group's normal trade credit term ranges from 7 to 90 days (2022: 7 to 90 days).
  - (ii) The ageing analysis of the Group's trade receivables is as follows:

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	<b>68,670,288</b>	84,327,475
1 to 30 days past due not impaired	<b>15,285,223</b>	7,179,320
31 to 60 days past due not impaired	<b>8,849,453</b>	5,122,931
61 to 90 days past due not impaired	<b>5,861,412</b>	1,638,009
90 to 120 days past due not impaired	<b>686,150</b>	3,895,768
More than 120 days past due not impaired	<b>949,196</b>	1,338,023
	<b>31,631,434</b>	19,174,051
Past due and impaired	<b>903,051</b>	865,033
	<b>101,204,773</b>	104,366,559

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy customers with good payment records.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM31,631,434 (2022: RM19,174,051) which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(d) Trade receivables (Cont'd)

(ii) The ageing analysis of the Group's trade receivables is as follows: (Cont'd)

##### Receivables that are impaired

The movement of allowance accounts used to record the impairment is as follows:

	The Group	
	2023	2022
	RM	RM
At beginning of year	865,033	1,095,204
Addition (Note 6)	50,268	15,250
No longer required (Note 6)	(12,250)	(245,421)
At end of year	903,051	865,033

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(iii) Included in trade receivables of the Group are:

- (a) retention sums amounting to RM29,022,815 (2022: RM45,107,079) held by stakeholders;
- (b) an amount of RMNil (2022: RM253,200) due from a director of the Company in respect of purchase of leasehold land from the Group;
- (c) an amount of RM210,733 (2022: RM6,273,846) due from indirect corporate shareholders of subsidiaries in respect of purchase of development properties from the Group;
- (d) an amount of RM17,960 (2022: RM50,370) due from a key management personnel of the Group in respect of purchase of development properties from the Group which include retention sum of RM17,960 (2022: RM50,370) held by stakeholders; and
- (e) an amount of RM999,000 (2022: RM15,112) due from a person connected to a key management personnel of the Group in respect of purchase of development properties of the Group which include retention sum of RMNil (2022: RM15,112) held by stakeholders. The amount of RM999,000 has been fully collected after the financial year end.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(e) Finance lease receivables

	The Group	
	2023 RM	2022 RM
<b>Receivable within 1 year</b>		
Gross investment in finance lease receivables	-	1,108,545
Less: Unearned finance income	-	(88,856)
Written off	-	(1,019,689)
Present value of minimum lease payment receivables	-	-
Less: Allowance for impairment loss		
At beginning of year	-	(1,019,689)
Written off	-	1,019,689
At end of year	-	-
	-	-

The finance lease receivables bore effective interest at Nil (2022: 8.15%) per annum.

(f) Included in other receivables of the Group and of the Company are:

- (i) an amount of RM5,645,075 (2022: RM5,869,011) being unbilled rental income receivables;
- (ii) an amount of RM10,706,090 (2022: RM3,389,396) being indirect taxes paid in advance to tax authorities; and
- (iii) an amount of RM2,452,057 (2022: RM2,322,839) being amount due from Plasma Farmers Cooperative in Indonesia.

The movement of allowance account used to record the impairment of other receivables is as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of year	5,406,936	4,581,002	22,580	22,580
Additions (Note 6)	-	825,934	-	-
No longer required (Note 6)	(6,426)	-	(6,426)	-
At end of year	5,400,510	5,406,936	16,154	22,580

The impaired other receivables at the reporting date relate to debtors that have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 20. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (g) The joint venture deposits of the Group are paid to landowners in respect of Joint Venture Agreements (“Agreements”) whereby the Group is responsible to implement and undertake the overall development projects on the land owned by the third parties upon fulfilment of the terms and conditions as stipulated in the Agreements.
- (h) Included in other deposits of the Group are:
- (i) an amount of RM18,437,374 (2022: RM17,241,364) paid to the relevant authorities for property development projects; and
  - (ii) an amount of RM12,000,000 (2022: RMNil) in respect of deposits paid for acquisition of a subsidiary as disclosed in Note 41.
- (i) Included in prepayments of the Group are:
- (i) RM5,264,605 (2022: RM1,944,528) preliminary costs incurred in respect of future property development projects; and
  - (ii) an amount of RM10,144,604 (2022: RM5,189,464) paid to Trustee accounts for joint development of infrastructure projects with other developers.

#### 21. PROPERTY DEVELOPMENT COSTS

	The Group	
	2023	2022
	RM	RM
<b>At cost:</b>		
<b>Freehold land</b>		
At beginning of year	208,315,137	184,563,119
Additions	461,440	3,442,371
Addition/(Reversal) of provision for landowners’ entitlement	(41,228,187)	3,689,420
Reclassify to development costs	(3,181,716)	-
Transfer from land held for property development (Note 18)	25,288,901	27,224,138
Transfer to inventories	(266,842)	(3,152,585)
Reversal of completed projects	(10,749,377)	(7,451,326)
At end of year	178,639,356	208,315,137
<b>Leasehold land</b>		
At beginning of year	194,502,521	227,306,963
Additions	1,184,670	2,775,382
Addition of provision for landowners’ entitlement	-	810,365
Transfer to land held for property development (Note 18)	(9,557,780)	-
Transfer to inventories	-	(601,026)
Reversal of completed projects	(9,524,467)	(35,789,163)
At end of year	176,604,944	194,502,521

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 21. PROPERTY DEVELOPMENT COSTS (CONT'D)

	The Group	
	2023	2022
	RM	RM
<b>Development costs</b>		
At beginning of year	560,420,037	576,321,452
Additions	353,428,843	297,162,277
Reclassify from freehold land	3,181,716	-
Transfer from land held for property development (Note 18)	3,010,376	8,787,849
Transfer to inventories	(5,662,379)	(15,319,638)
Reversal of completed projects	(189,005,913)	(306,531,903)
At end of year	725,372,680	560,420,037
<b>Total land and development costs</b>	1,080,616,980	963,237,695
<b>Less: Provision for foreseeable loss</b>		
At beginning of year	-	-
Additions (Note 5)	2,080,070	-
At end of year	(2,080,070)	-
<b>Less: Costs recognized as an expense in profit or loss</b>		
At beginning of year	488,872,973	480,123,685
Additions	416,669,437	358,521,680
Reversal of completed projects	(209,279,757)	(349,772,392)
At end of year	(696,262,653)	(488,872,973)
	382,274,257	474,364,722

Included in the above are:

- (i) titles of freehold land amounting to RM7,535,948 (2022: RM7,652,171) which have been pledged with a financial institution for term loan facility granted to certain subsidiaries as disclosed in Note 33;
- (ii) freehold land amounting to RM36,320,494 (2022: RM21,052,277) have been deposited with a financial institution for term loan facilities granted to a subsidiary as disclosed in Note 33; and
- (iii) freehold and leasehold land amounting to RM268,173,682 (2022: RM325,279,655) represent entitlements of the landowners pursuant to joint venture and joint land development agreements to undertake property development projects. The titles to the development land will be transferred from landowners to the property purchasers.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 22. INVENTORIES

	The Group	
	2023	2022
	RM	RM
<b>At lower of cost and net realisable value:</b>		
Raw materials	128,443	207,926
Work-in-progress	81,831	46,966
Finished goods	1,043,354	1,193,265
Food and beverages	3,638	30,346
Plantation consumables	17,706,581	16,844,665
Fertilizers	6,885,857	20,804,242
Crude palm oil and palm kernel	16,225,231	30,065,500
Completed development properties	69,095,661	82,089,011
	<b>111,170,596</b>	<b>151,281,921</b>

During the financial year, the cost of inventories recognized as an expense in cost of sales of the Group is RM366,688,409 (2022: RM302,157,635).

In the previous financial year, the Group transferred completed inventories amounted to RM17,749,731 to investment properties as disclosed in Note 14 due to the change in management intention.

#### 23. CONTRACT ASSETS AND CONTRACT LIABILITIES

	The Group	
	2023	2022
	RM	RM
Contract assets	323,629,930	305,448,829
Contract liabilities	(5,497,971)	(6,071,202)
Net	<b>318,131,959</b>	<b>299,377,627</b>
At beginning of year	299,377,627	270,120,261
Consideration paid/payable to customers	91,579,036	143,337,720
Revenue recognized during the year	586,910,905	538,116,223
Progress billing during the year	(659,735,609)	(652,196,577)
At end of year	<b>318,131,959</b>	<b>299,377,627</b>

Revenue from property development activities is recognized 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 23. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

The transaction price allocated to the unsatisfied performance obligations as at 30 September 2023 is RM841,187,269 (2022: RM906,152,601). The remaining performance obligations are expected to be recognized within the remaining 4 years (2022: 4 years).

There was no impairment loss recognized on contract assets at the reporting date.

#### 24. CONTRACT COST ASSETS

	The Group	
	2023	2022
	RM	RM
At beginning of year	28,236,676	31,741,195
Additions during the year	18,164,382	12,278,957
Amortised during the year (Note 5)	(19,783,677)	(15,783,476)
At end of year	26,617,381	28,236,676

Contract costs consist of sales commission and agency fees paid to intermediaries to secure contracts with customers. These costs are subsequently expensed off as cost of sales by reference to the performance completed to date, consistent with the revenue recognition pattern.

There was no impairment loss in relation to the cost capitalised.

#### 25. BIOLOGICAL ASSETS

	The Group	
	2023	2022
	RM	RM
<b>Net Book Value</b>		
At beginning of year	5,917,360	6,177,026
Changes in fair value (Note 6)	288,344	(577,142)
Effect of movements in exchange rate	25,688	317,476
At end of year	6,231,392	5,917,360

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. Management has considered FFB less than 15 days before harvesting in the calculation of fair value. FFB more than 15 days before harvesting are excluded from the valuation as their fair values are considered negligible.

The fair value measurement of the biological assets is valued using present value of net cashflows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 2 of the fair value hierarchy is disclosed in Note 46.

During the financial year, the Group harvested approximately 410,230 metric tonnes ("MT") of FFB (2022: 382,752 MT).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 26. CASH, BANK BALANCES, TERM DEPOSITS AND SHORT-TERM PLACEMENTS

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Deposits with licensed banks	(a)	12,852,000	13,097,987	-	-
Cash and bank balances		145,822,619	136,413,315	1,416,743	2,466,373
Cash held under housing development accounts	(b)	143,440,670	155,374,926	-	-
Short-term placements	(c)	63,670,729	86,365,216	-	4,541,682
		<b>365,786,018</b>	<b>391,251,444</b>	<b>1,416,743</b>	<b>7,008,055</b>

- (a) The deposits bear effective interest at rates ranging from 1.30% to 3.20% (2022: 0.6% to 5.85%) per annum with maturity period ranging from 30 days to 3 years (2022: 30 days to 83 days).
- (b) Cash held under housing development accounts represent amounts placed in Housing Development Accounts (“HDA”) in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Housing Development (Control and Licensing) Act, 1966.
- (c) Short-term placements of the Group and of the Company represent:
- (i) investment in trust funds managed by licensed investment management companies, which are tax exempt, fixed-deposit-linked and allows prompt redemption at any time; and
  - (ii) investment in highly liquid money market funds, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

The non-short term and highly liquid fixed deposits of RM6,426,000 (2022: RMNil) included in deposit with licensed banks have maturity period of more than 3 months.

Cash and cash equivalents held by the Group which are not freely available for general use are as follows:

- (i) bank balances of RMNil (2022: RM1,250,000) pledged as restricted fund held as security for the credit facilities as disclosed in Note 33; and
- (ii) deposit and bank balances of RM43,074 (2022: RM41,179) held under sinking fund account for the recreational club.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 27. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2023	2022
	RM	RM
<b>At cost:</b>		
At beginning of year	345,812	737,030
Disposals	(345,812)	(391,218)
At end of year	-	345,812

This was in respect of the following sales and purchase agreements entered into between subsidiaries and third parties or related parties for the disposal of freehold and leasehold land held under land held for property development in the previous financial year:

- (i) On 29 September 2020 for the disposal of one (1) parcel of freehold land located at Ulu Langat to a director of the Company for a cash consideration of RM1,316,000. The disposal was completed during the financial year; and
- (ii) On 1 March 2021 for the disposal of one (1) parcel of leasehold land located at Kajang to a director of the Company for a cash consideration of RM1,730,000. The disposal was completed in the previous financial year.

#### 28. SHARE CAPITAL

	The Group and The Company			
	Number of shares		Amount	
	Share capital (issued and fully paid-up)	Treasury shares	Share capital (issued and fully paid-up) RM	Treasury shares RM
<b>2023</b>				
At beginning and end of year	586,548,168	(9,132,300)	654,458,655	(11,112,278)
<b>2022</b>				
At beginning and end of year	586,548,168	(9,132,300)	654,458,655	(11,112,278)

##### (a) Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

##### (b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company has not repurchased any treasury shares during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 28. SHARE CAPITAL (CONT'D)

##### (b) Treasury shares (Cont'd)

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

#### 29. RESERVES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Non-distributable</b>				
Translation reserve	9,353,413	7,641,236	-	-
Revaluation reserve	27,359,331	27,359,331	671,520	671,520
	36,712,744	35,000,567	671,520	671,520
<b>Distributable</b>				
Retained earnings	1,180,626,707	1,129,194,466	630,921,121	555,163,280
	1,217,339,451	1,164,195,033	631,592,641	555,834,800

##### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

##### Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.

##### Retained earnings

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available to be distributed as single tier dividends to the shareholders of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 30. PROVISIONS

The Group	Post - employment benefit obligations RM	Retirement gratuity RM	Total RM
<b>2023</b>			
At beginning of year	15,705,768	20,587,069	36,292,837
Provision during the financial year (Note 6)	4,415,620	1,317,328	5,732,948
Incurred during the financial year	(1,654,562)	-	(1,654,562)
Remeasurement gains on defined benefit plans:			
Actuarial losses arising from experience adjustments	272,040	-	272,040
Effect of movements in exchange rate	45,682	-	45,682
At end of year	18,784,548	21,904,397	40,688,945
<b>2022</b>			
At beginning of year	15,210,765	20,587,069	35,797,834
Provision during the financial year (Note 6)	3,163,357	-	3,163,357
Incurred during the financial year	(1,978,521)	-	(1,978,521)
Remeasurement gains on defined benefit plans:			
Actuarial gains arising from experience adjustments	(1,357,259)	-	(1,357,259)
Effect of movements in exchange rate	667,426	-	667,426
At end of year	15,705,768	20,587,069	36,292,837

The above provisions are classified as follows:

The Group	Post - employment benefit obligations RM	Retirement gratuity RM	Total RM
<b>2023</b>			
Non-current	18,784,548	-	18,784,548
Current	-	21,904,397	21,904,397
	18,784,548	21,904,397	40,688,945
<b>2022</b>			
Non-current	15,705,768	-	15,705,768
Current	-	20,587,069	20,587,069
	15,705,768	20,587,069	36,292,837

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 30. PROVISIONS (CONT'D)

##### (a) Post-employment benefit obligations

Two subsidiaries of the Company in Indonesia operate unfunded defined benefit schemes, as required under the Labour Law of the Republic of Indonesia. The defined benefit schemes expose the Group to actuarial risks, such as longevity risk and interest rate risk.

The amount recognized in the consolidated statement of financial position is determined as follows:

	The Group	
	2023	2022
	RM	RM
Present value of obligations	18,784,548	15,705,768

Movement in the present value of unfunded defined benefit schemes in the current financial year is as follows:

	The Group	
	2023	2022
	RM	RM
At beginning of year	15,705,768	15,210,765
Amounts recognized in profit or loss (Note 6):		
Current service costs	3,318,847	2,105,784
Interest on obligation	1,096,773	1,057,573
	4,415,620	3,163,357
Amounts recognized in other comprehensive income:		
Remeasurement losses/(gains)	272,040	(1,357,259)
Benefit paid	(1,654,562)	(1,978,521)
Effect of movements in exchange rates	45,682	667,426
At end of year	18,784,548	15,705,768

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 30. PROVISIONS (CONT'D)

##### (a) Post-employment benefit obligations (Cont'd)

The defined benefit obligation expenses were determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method. Principal assumptions at reporting date are as follows:

	The Group	
	2023	2022
Discount rate	7.00%	7.50%
Future salary increase	8.00%	8.00%
Resignation rate	22% per annum until age of 18 then decrease linearly to 0% at age 57 / 6% per annum until age of 38 then decrease linearly to 0% at age of 57	22% per annum until age of 18 then decrease linearly to 0% at age 57 / 6% per annum until age of 38 then decrease linearly to 0% at age of 57

##### Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes in the discount rate and future salary increase occurring at the reporting date, while holding all other assumptions constant.

	The Group	
	Increase/(Decrease) in profit	
	2023	2022
	RM	RM
Discount rate increase by 1%	1,280,688	1,085,386
Discount rate decrease by 1%	(1,466,282)	(1,226,605)
Future salary increase by 1%	(1,437,921)	(1,238,479)
Future salary decrease by 1%	1,367,484	1,115,909

The sensitivity analysis presented above has been determined using deterministic method and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 30. PROVISIONS (CONT'D)

##### (a) Post-employment benefit obligations (Cont'd)

As at 30 September 2023, the weighted-average duration of the defined benefit obligation was 12.73 to 16.11 years (2022: 12.66 to 16.00 years).

The benefits, which reflect the expected future services, as appropriate are expected to be paid as follows:

	The Group	
	2023	2022
	RM	RM
Within 1 year	2,492,656	1,819,351
Between 2 and 5 years	9,018,246	7,947,757
After 5 years	18,902,292	16,315,601
	<b>30,413,194</b>	<b>26,082,709</b>

##### (b) Retirement gratuity

Provision for retirement gratuity are for certain eligible directors. The accounting policy in respect of the retirement gratuity scheme is disclosed in Note 3(f)(iii).

#### 31. PAYABLES AND ACCRUALS

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
<b>Non-current</b>					
Landowners' entitlement	(a)	250,564,022	271,333,632	-	-
Retention sum payable to subcontractors after one year		25,776,676	21,110,027	-	-
		<b>276,340,698</b>	<b>292,443,659</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 31. PAYABLES AND ACCRUALS (CONT'D)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Current</b>					
<b>Trade</b>					
Trade payables	(b)	298,059,780	291,368,885	-	-
Landowners' entitlement	(a)	126,142,377	187,738,355	-	-
Retention sum payable to subcontractors within one year		34,207,012	34,106,545	-	-
<b>Non-trade</b>					
Amount due to subsidiaries	(c)	-	-	10,594,000	6,000
Amount due to non-controlling interest	(d)	19,692,791	9,879,364	-	-
Other payables	(e)	72,486,381	90,956,117	1,351	309,340
Deposits received	(f)	11,456,414	10,683,378	-	-
Advances from customers	(g)	5,157,918	11,394,209	-	-
Accruals	(h)	26,434,726	28,024,764	628,961	528,271
		593,637,399	664,151,617	11,224,312	843,611

(a) These are in respect of payable for landowners' entitlement under deferred payment term pursuant to the joint land development agreements and joint venture agreements entered into with the landowners. Pursuant to the said agreements, the entitlements are determined based on the agreed percentage on the total development units and/or total gross development value net of trade discount, where applicable, of the property development projects. These deferred payables are measured at amortised cost at imputed interest rates ranging from 4.7% to 10.00% (2022: 4.37% to 10.00%) per annum.

(b) The normal trade credit term granted to the Group ranges from 7 to 90 days (2022: 7 to 90 days) unless as specified in the agreements.

Included in trade payables is amount due to an associate of the Group of RM46,640,544 (2022: RM45,089,273) including retention sums of RM27,125,306 (2022: RM13,845,428).

(c) Amount due to subsidiaries of the Company is unsecured, interest-free and repayable on demand.

(d) Included in amount due to non-controlling interest are:

(i) an amount of RM19,600,000 (2022: RM9,800,000) which is unsecured, bears interest at 5.76% (2022: 5.01%) per annum and is repayable on demand; and

(ii) an amount of RM92,791 (2022: RM79,364) which is unsecured, interest-free and is repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 31. PAYABLES AND ACCRUALS (CONT'D)

- (e) Include in other payables of the Group is an amount of RM57,079,985 (2022: RM72,812,723) being overpayment from purchasers of development properties which will be set off against future progress billings for the development properties.
- (f) Included in deposits received of the Group is an amount of RM8,508,739 (2022: RM8,623,118) being rental, utilities and other deposits received from tenants.
- (g) Advances from customers of the Group is down payment from purchasers of crude palm oil and palm kernels.
- (h) Included in accruals of the Group is accrued agents commission totalling RM10,808,131 (2022: RM14,669,838) in respect of on-going property development projects.

#### 32. LEASE LIABILITY

	The Group 2023 RM	2022 RM
Non-current	19,222,192	18,902,167
Current	461,189	481,988
At end of year	<b>19,683,381</b>	19,384,155
Minimum lease payment:		
Not later than 1 year	575,000	575,000
Later than 1 year but not later than 5 years	2,458,125	2,371,875
Later than 5 years	65,916,877	66,578,127
	<b>68,950,002</b>	69,525,002
Less: Unexpired finance charges	<b>(49,266,621)</b>	(50,140,847)
	<b>19,683,381</b>	19,384,155
Present value of lease liability:		
Not later than 1 year	461,189	481,988
Later than 1 year but not later than 5 years	1,762,630	1,779,244
Later than 5 years	17,459,562	17,122,923
	<b>19,683,381</b>	19,384,155

The Group's lease comprise land leased from PAK for a period of 60 years (2022: 60 years) for future construction of a retail mall. The related right-of-use asset is disclosed in Note 11.

The incremental borrowing rate of the Group applied to the lease liability is 4.51% (2022: 4.51%).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-current</b>				
Term loans				
Secured:				
RM	5,134,597	16,953,211	-	-
Unsecured:				
United States Dollar	-	2,317,544	-	-
Bridging loan				
Secured:				
RM	4,419,423	-	-	-
Revolving credits				
Secured:				
RM	62,444,000	82,444,000	-	-
Hire-purchase liabilities				
RM	2,067,850	1,242,227	-	-
	74,065,870	102,956,982	-	-
<b>Current</b>				
Term loans				
Secured:				
RM	30,702,747	21,625,089	-	-
Unsecured:				
United States Dollar	2,359,952	-	-	-
Revolving credits				
Secured:				
RM	95,273,000	108,023,000	-	-
Unsecured:				
RM	147,100,000	168,200,000	125,100,000	150,200,000
Bank overdrafts				
Unsecured:				
RM	9,408,688	-	-	-
Hire-purchase liabilities				
RM	699,692	493,455	-	-
	285,544,079	298,341,544	125,100,000	150,200,000
	359,609,949	401,298,526	125,100,000	150,200,000

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows:

The Group	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
<b>2023</b>							
<b>Fixed rate instrument</b>							
Hire-purchase liabilities							
RM	2,767,542	699,692	652,702	594,847	618,268	202,033	-
<b>Floating rate instruments</b>							
Term loans							
Secured:							
RM	35,837,344	30,702,747	2,100,443	328,008	328,008	328,008	2,050,130
Unsecured:							
United States Dollar	2,359,952	2,359,952	-	-	-	-	-
Bridging loan							
Secured:							
RM	4,419,423	-	4,419,423	-	-	-	-
Revolving credits							
Secured:							
RM	157,717,000	95,273,000	20,000,000	18,000,000	10,000,000	10,000,000	4,444,000
Unsecured:							
RM	147,100,000	147,100,000	-	-	-	-	-
Bank overdrafts							
Unsecured:							
RM	9,408,688	9,408,688	-	-	-	-	-
	356,842,407	284,844,387	26,519,866	18,328,008	10,328,008	10,328,008	6,494,130
	359,609,949	285,544,079	27,172,568	18,922,855	10,946,276	10,530,041	6,494,130

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows: (Cont'd)

The Group	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
<b>2022</b>							
<b>Fixed rate instrument</b>							
Hire-purchase liabilities	1,735,682	493,455	405,363	337,680	264,481	234,703	-
<b>Floating rate instruments</b>							
Term loans							
Secured:							
RM	38,578,300	21,625,089	9,789,340	310,284	4,250,940	310,284	2,292,363
Unsecured:							
United States Dollar	2,317,544	-	2,317,544	-	-	-	-
Revolving credits							
Secured:							
RM	190,467,000	108,023,000	34,000,000	20,000,000	14,000,000	10,000,000	4,444,000
Unsecured:							
RM	168,200,000	168,200,000	-	-	-	-	-
	399,562,844	297,848,089	46,106,884	20,310,284	18,250,940	10,310,284	6,736,363
	401,298,526	298,341,544	46,512,247	20,647,964	18,515,421	10,544,987	6,736,363

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

The Company	Carrying amount RM	Within 1 year RM
<b>2023</b>		
<b>Floating rate instruments</b>		
Revolving credits		
Unsecured:		
RM	125,100,000	125,100,000
<b>2022</b>		
<b>Floating rate instruments</b>		
Revolving credits		
Unsecured:		
RM	150,200,000	150,200,000

Hire-purchase liabilities are payable as follows:

The Group	Future minimum hire-purchase payments RM	Finance charges RM	Present value of minimum hire-purchase payments RM
<b>2023</b>			
Less than one year	807,783	(108,091)	699,692
Between one and five years	2,219,545	(151,695)	2,067,850
	<b>3,027,328</b>	<b>(259,786)</b>	<b>2,767,542</b>
<b>2022</b>			
Less than one year	558,471	(65,016)	493,455
Between one and five years	1,335,493	(93,266)	1,242,227
	<b>1,893,964</b>	<b>(158,282)</b>	<b>1,735,682</b>

The hire-purchase liabilities bear effective interest at rates ranging from 2.20% to 4.59% (2022: 2.01% to 4.59%) per annum.

The term loans and revolving credits bear effective interest at rates ranging from 4.40% to 5.45% (2022: 3.70% to 5.25%) per annum.

The bridging loan bears effective interest at 5.02% (2022: Nil) per annum.

The bank overdrafts bear effective interest at rates ranging 7.32% to 7.95% (2022: 6.82% to 7.70%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

**Secured revolving credit I** of RM49,444,000 (2022: RM49,444,000) is part of the total revolving credits of RM50,000,000 which is repayable by way of redemption upon the full settlement of secured revolving credit II. **Secured revolving credit II** of RMNil (2022: RM11,000,000) is part of the total revolving credits of RM110,000,000 which is repayable by 10 equal half yearly principal instalments of RM11,000,000 each over 8 years commencing on the first day of the 42nd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit III** of RM25,000,000 (2022: RM45,000,000) is part of the total revolving credits of RM90,000,000 which is repayable by 18 equal quarterly principal instalments of RM5,000,000 each over 4½ year commencing on the first day of the 31st month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit IV** of RM8,000,000 (2022: RM4,000,000) is part of the total revolving credits of RM50,000,000 granted to the Company which is repayable by 29 monthly principal instalments of RM1,670,000 each over 2½ year commencing on the first day of the 43rd month following the date of first drawdown or payment by way of redemption whichever is earlier. The revolving credits are secured and are supported as follows:

- (a) legal charge over the freehold land for property development of subsidiaries;
- (b) debenture by way of fixed and floating charge over the land held for property development of subsidiaries; and
- (c) corporate guarantee of the Company.

**Secured revolving credit V** of RM20,000,000 (2022: RM20,000,000) is repayable on demand. The revolving credit is secured and is supported as follows:

- (a) legal charge over the leasehold land held for property development of a subsidiary; and
- (b) corporate guarantee of the Company.

**Term loan I** of RMNil (2022: RM10,898,500) is part of the total term loans of RM28,000,000 and is repayable by 5 quarterly principal instalments of RM4,700,000 each and final payment of RM4,500,000 or any balance outstanding with the first repayment to commence on 33rd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credits VI** of RMNil (2022: RM3,750,000) is part of the total revolving credits of RM15,000,000 and is repayable by 4 quarterly principal instalments of RM3,750,000 each or any balance outstanding with the first repayment to commence 39th month following the date of first drawdown or payment by way of redemption whichever is earlier. The term loan and revolving credit are secured and are supported as follows:

- (a) specific debenture over the project land of a subsidiary;
- (b) charge over the designated accounts; and
- (c) corporate guarantee of the Company.

**Term loan II** of RM5,959,082 (2022: RM10,000,000) is part of the total term loans of RM25,500,000 which is repayable by 8 quarterly principal instalments of RM3,187,500 each or any balance outstanding with the first repayment to commence on 27th month following the date of first drawdown or payment by way of redemption whichever is earlier. **Bridging loan** of RM4,419,423 (2022: RMNil) is part of the total bridging loan of RM65,000,000 which is repayable by 8 quarterly principal instalments of RM8,125,000 each or any balance outstanding with the first repayment to commence on 27th month following the date of first drawdown or payment by way of redemption whichever is earlier. The term loan and bridging loan are secured and are supported as follows:

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

- (a) specific debenture on fixed and floating charge over all assets of the project of a subsidiary;
- (b) charge over designated account; and
- (c) corporate guarantee of the Company.

**Term loan III** of RM16,772,435 (2022: RM8,810,662) is part of the total term loans of RM30,000,000 which is repayable by 8 quarterly principal instalments of RM3,750,000 each or any balance outstanding with the first repayment to commence on 33rd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit VII** of RM5,000,000 (2022: RM4,000,000) is part of the total revolving credits of RM10,000,000 and is repayable by 8 quarterly principal instalments of RM1,250,000 each or any balance outstanding with the first repayment to commence 33rd month following the date of first drawdown or payment by way of redemption whichever is earlier. The term loan and revolving credit are secured and are supported as follows:

- (a) specific debenture on fixed and floating charge over all assets of the project of a subsidiary;
- (b) specific charge and assignment over designated accounts; and
- (c) corporate guarantee of the Company.

**Secured revolving credit VIII** of RM15,000,000 (2022: RM18,000,000) is repayable on demand. The revolving credit is secured and is supported as follows:

- (a) legal charge over the leasehold land and building of a subsidiary;
- (b) legal assignment over debt service account;
- (c) legal assignment over all tenancy and rent agreements;
- (d) specific debenture on fixed and floating charge over the leasehold land and building of a subsidiary;
- (e) deed of subordinate in respect of shareholders advances and loans to the subsidiary;
- (f) legal assignment of all of the subsidiary's present and future rights, title and benefits in and under such insurance policies procure in respect of the charge; and
- (g) corporate guarantee of the Company.

**Term loan IV** of RM3,690,170 (2022: RM3,843,783) is repayable in 300 monthly principal instalments of RM25,857 each, commencing November 2014 and is secured and is supported as follows:

- (a) legal charge over the freehold buildings of a subsidiary;
- (b) first party open monies deed of assignment; and
- (c) corporate guarantee of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

**Term loan V** of RMNil (2022: RM416,305) is repayable by 60 monthly instalments of RM100,000 each, commencing on 1st month from date of disbursement and is secured and is supported as follows:

- (a) legal charge over the leasehold building of a subsidiary;
- (b) assignment of all rights, title and interest in respect of rental proceeds from leasehold building; and
- (c) corporate guarantee of the Company.

**Secured revolving credit IX** of RM35,273,000 (2022: RM35,273,000) is repayable on demand. The revolving credit is secured and supported as follows:

- (a) legal charge over the leasehold land and building of a subsidiary;
- (b) specific debenture by way of fixed and floating charge over the leasehold land and building of a subsidiary;
- (c) legal assignment of rental proceeds from the investment property of a subsidiary; and
- (d) corporate guarantee of the Company.

**Term loan VI** of RM2,471,209 (2022: RM668,394) is part of the total term loans of RM20,000,000 which is repayable by 4 quarterly principal instalments of RM5,000,000 each or any balance outstanding with the first repayment to commence on 27th month following the date of first drawdown or by way of redemption whichever is earlier. The term loan is secured and is supported as follows:

- (a) specific debenture over the property project;
- (b) assignment over all applicable insurance policies;
- (c) assignment over designated accounts; and
- (d) corporate guarantee of the Company.

**Term loan VII** of RM6,944,448 (2022: RM3,940,656) is part of total term loans of RM15,000,000 which is repayable by 45 months principal commencing on 33rd month following the date of first drawdown or by way of redemption whichever is earlier. The term loan is secured and supported as follows:

- (a) deposit of titles to the land held for property development of a subsidiary;
- (b) specific debenture over the property project;
- (c) deed of assignment or charge over all designated accounts to be maintained with the bank;
- (d) assignment over all applicable insurance policies; and
- (e) corporate guarantee of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 33. LOANS AND BORROWINGS (CONT'D)

**Secured revolving credit X** of RMNil (2022: RMNil) is part of the total revolving credits of RM23,599,520 is repayable on demand. The revolving credit is secured and supported as follows:

- (a) legal charge over the oil palm plantation land of a subsidiary in Indonesia;
- (b) pledged of shares of a subsidiary; and
- (c) corporate guarantee of MKH Oil Palm (East Kalimantan) Berhad, a wholly owned subsidiary of the Company.

**Secured bank overdrafts** of RM9,408,688 (2022: RMNil) is repayable on demand and is secured as follows:

- (a) third party first legal charge over the leasehold land and building of a subsidiary; and
- (b) corporate guarantee of the Company.

**Unsecured term loan** of RM2,359,952 (2022: RM2,317,544) is repayable on demand and is supported by corporate guarantee of MKH Oil Palm (East Kalimantan) Berhad, a wholly owned subsidiary of the Company.

**Unsecured revolving credit** of RM22,000,000 (2022: RM18,000,000) of the Group is repayable on demand and is supported by corporate guarantee of the Company.

**Unsecured revolving credits** of RM125,100,000 (2022: RM150,200,000) of the Group and the Company is repayable on demand.

#### 34. DIVIDENDS

	Net dividend per share Sen	Total amount RM	Date of payment
<b>2023</b>			
Interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2022	4.0	23,096,635	6 January 2023
<b>2022</b>			
Interim single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 30 September 2021	3.5	20,209,552	7 January 2022

A first interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 September 2023 amounting to RM23,096,635 was declared on 29 November 2023 and to be paid on 10 January 2024. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 30 September 2024.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 35. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

##### During the financial year

- (a) On 11 October 2022, the Company has disposed 1,000 ordinary shares representing 100% of the equity interest of Danau Saujana Sdn. Bhd. to another subsidiary for a cash consideration of RM1,000. The said disposal did not give rise to a material impact on the financial statements of the Group and the Company.
- (b) On 7 September 2023, Srijang Indah Sdn. Bhd., a wholly owned subsidiary of the Company has disposed 400,000 ordinary shares representing 100% of the total equity interest of Metro Emart Sdn. Bhd. for a total cash consideration of RM1, which is arrived at on a “willing-buyer-willing-seller” basis after taking into consideration the net assets value of Metro Emart Sdn. Bhd. of RM1 only. The said disposal did not give rise to a material impact on the financial statements of the Group.

##### In the previous financial year

- (a) On 3 November 2021, the Company has acquired 300,000 ordinary shares representing 60% of the equity interest in Juda Universe Sdn. Bhd. (“JUDA”), for a cash consideration of RM300,000.

The fair value of the assets acquired and liabilities assumed at the effective date of acquisition are as follows:

	The Group 2022 RM
Property, plant and equipment	30,420
Receivables, deposits and prepayments	3,483
Cash and bank balances	323,495
Payables and accruals	(230,381)
Total identifiable net assets	127,017
Non-controlling interests	(50,807)
Equity attributable to owner of the parent	76,210
Goodwill on acquisition	223,790
Total purchase consideration paid in cash	300,000
Cash and bank balances of subsidiary acquired	(323,495)
Acquisition of subsidiary, net of cash acquired	(23,495)

Subsequently on 22 July 2022, the Company has disposed 300,000 ordinary shares representing 60% of the equity interest of JUDA, for a cash consideration of RM300,000.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 35. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

##### In the previous financial year (Cont'd)

- (a) The effect of the disposal of JUDA on the financial position of the Group as at the date of disposal are as follows:

	The Group 2022 RM
Property, plant and equipment	31,098
Receivables, deposits and prepayments	13,842
Cash and bank balances	73,840
Payables and accruals	(225,010)
Total identifiable net liabilities	(106,230)
Non-controlling interests	42,492
Equity attributable to owner of the parent	(63,738)
Goodwill on acquisition	223,790
Gain on disposal	139,948
Total proceed from disposal paid in cash	300,000
Cash and bank balances of subsidiary disposed	(73,840)
Net cash inflows from disposal	226,160

- (b) On 24 November 2021, the Company has acquired 1 ordinary share representing 100% of equity interest of Europixel Sdn. Bhd. ("ESB") from another subsidiary, for a cash consideration of RM1. The said acquisition did not give rise to a material impact on the financial statements of the Group and the Company.
- (c) On 16 February 2022, MKH Oil Palm (East Kalimantan) Berhad (formerly known as MKH Global Plantation Sdn. Bhd.) ("MKHOP"), a wholly owned subsidiary of the Company has acquired 1 ordinary share representing 100% of equity interest of Restu Mesra Sdn. Bhd. ("RMSB") for a cash consideration of RM1. The said acquisition did not give rise to a material impact on the financial statements of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 35. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

##### In the previous financial year (Cont'd)

- (d) On 22 August 2022, the Company and Metro Emart Sdn. Bhd., a wholly owned subsidiary of the Company has disposed 1 ordinary share representing 100% of the total equity interest each of ESB, Hexapace Sdn. Bhd. ("HSB") and Mercu Jasakita Sdn. Bhd. ("MJSB"), for a total cash consideration of RM3. The effect of the said disposal on the financial position of the Group and the Company as at the date of disposal are as follows:

	ESB 2022 RM	HSB 2022 RM	MJSB 2022 RM
Property, plant and equipment	-	2,628	-
Receivables, deposits and prepayments	48,282	-	-
Cash and bank balances	7,612	607	1,628
Payables and accruals	(76,540)	(45,327)	(122,687)
Total identifiable net liabilities, representing equity attributable to owner of the parent	(20,646)	(42,092)	(121,059)
Gain on disposal	20,647	42,093	121,060
Total proceed from disposal paid in cash	1	1	1
Cash and bank balances of subsidiary disposed	(7,612)	(607)	(1,628)
Net cash outflows from disposal	(7,611)	(606)	(1,627)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 36. FINANCIAL GUARANTEES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Corporate guarantees given by the Company to financial institutions and creditors for banking and credit facilities granted to the subsidiary:				
Outstanding as at financial year end	-	-	294,295,816	346,177,860
Corporate guarantees given by the Company to financial institutions and creditors for banking and credit facilities granted to the associate:				
Outstanding as at financial year end	21,881,888	-	21,881,888	-

The financial guarantees have not been recognized since the fair value on initial recognition was immaterial as the financial guarantees provided by the Group and the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it is not probable that the counterparties to financial guarantee contracts will claim under the contracts.

#### 37. CONTINGENT LIABILITIES

On 11 January 2019, the recipient of KTM Komuter Station, Perbadanan Aset Keretapi ("PAK") has issued a certificate of non-completion ("CNC") to Srijang Kemajuan Sdn. Bhd. ("SKSB"), a 99.99% owned subsidiary of the Company, and stating that SKSB has failed to complete the construction of KTM Komuter Station ("Construction Works") by 10 December 2016 and therefore PAK is entitled to impose liquidated ascertained damages ("LAD") pursuant to the Development cum Lease Agreement ("DCLA") dated 12 October 2012 entered into between PAK and SKSB. The LAD will be calculated daily at a rate of RM4,438.36 from the revised completion date on 10 December 2016 (extension of time number 1) until the completion of the Construction Works.

On 28 February 2019, SKSB has written to dispute the validity of the CNC on the grounds that SKSB had on 10 January 2017 submitted extension of time ("EOT") number 2 of which PAK has yet to assess SKSB's application for EOT number 2 and on the same day, SKSB submitted EOT number 3 in view of the delay by relevant authorities in approving the change of building design and use of building materials.

On 19 August 2019, PAK granted SKSB's EOT number 2, for a period of up to 8 January 2017 ("EOT 2").

On 13 January 2020, SKSB has written to appeal for the EOT 2 to be extended to 30 December 2017 instead of 8 January 2017.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 37. CONTINGENT LIABILITIES (CONT'D)

On 15 June 2020, SKSB submitted EOT number 4 ("EOT 4"), for period from 11 April 2020 to 1 July 2020 together with the above mentioned EOT 2 (period from 11 December 2016 to 30 December 2017) and EOT number 3 ("EOT 3") (period from 31 December 2017 to 10 April 2020).

On 23 November 2021, SKSB submitted EOT number 5 ("EOT 5"), for period from 10 June 2020 to 17 October 2021 together with the above mentioned EOT 2, EOT 3 and EOT 4.

On 13 March 2023, SKSB has handed over vacant possession of the KTM Komuter Station to PAK.

On 10 November 2023, SKSB submitted EOT number 6 ("EOT 6") to apply extension of time until 13 March 2023.

Based on legal opinion obtained, the directors of SKSB are of the opinion that SKSB's LAD could not be estimated until and unless PAK has completed the assessment of EOT 3, EOT 4, EOT 5 and EOT 6 as the date by which SKSB is required to complete the Construction Works remains uncertain.

In view of the uncertainty, there is no revised completion date from which the LAD could be computed and PAK's right to impose LAD pursuant to DCLA cannot be triggered. Accordingly, SKSB has not made any provision in the financial statements and only disclosed as contingent liabilities.

#### 38. CAPITAL COMMITMENTS

As at the reporting date, the Group has the following capital commitments:

	The Group	
	2023	2022
	RM	RM
Approved and contracted for	10,307,995	11,633,639
Approved and not contracted for	21,834,897	18,130,778
	<b>32,142,852</b>	<b>29,764,417</b>

#### 39. RELATED PARTY DISCLOSURES

##### (a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates and key management personnel.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 39. RELATED PARTY DISCLOSURES (CONT'D)

##### (b) Key management personnel compensation

The key management personnel compensation is as follows:

	The Group	
	2023	2022
	RM	RM
<b>Directors of the Company</b>		
Other short-term emoluments	13,171,011	12,905,904
Post-employment benefits	3,635,306	2,443,145
	16,806,317	15,349,049
Directors' fees	592,500	200,000
Estimated monetary value of benefits-in-kind	79,928	82,072
	17,478,745	15,631,121
<b>Other key management personnel</b>		
Remuneration	10,577,367	9,499,843
Other short-term employee benefits	108,827	31,544
Total short-term employee benefits	10,686,194	9,531,387
Post-employment benefits	1,065,718	968,494
	11,751,912	10,499,881
Total key management personnel compensation	29,230,657	26,131,002

Other key management personnel comprise persons other than the directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

##### (c) Related party transactions and balances of the Company

	The Company	
	2023	2022
	RM	RM
<b>Received or receivable from subsidiaries</b>		
Gross dividend	104,684,000	90,304,250
Interest income	1,002,721	7,275,306
<b>Paid or payable to subsidiaries</b>		
Management fee	612,000	24,000
Secretarial fee	12,000	9,600

Information on outstanding balances with related companies of the Company is disclosed in Notes 20 and 31.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 39. RELATED PARTY DISCLOSURES (CONT'D)

##### (d) Related party transactions and balances of the Group

	The Group	
	2023	2022
	RM	RM
<b>Paid and payable to associate</b>		
Progress billings	153,612,948	134,747,769
<b>Paid and payable to non-controlling interests</b>		
Interest expenses	639,414	79,364
<b>Received and receivables from associate</b>		
Sale of goods	-	9,884
<b>Received and receivable from company in which a director has substantial equity interests</b>		
Secretarial fees	720	2,880
<b>Received and receivable from other related parties</b>		
Interest income	-	1,110,191
Progress billings to:		
(i) director of the Company	658,000	658,000
(ii) indirect corporate shareholders of subsidiaries company	-	14,997,388
(iii) certain key management personnel of the Group	-	295,060
(iv) a person connected to a key management personnel of the Group	1,291,000	-

Information on outstanding balances with related parties of the Group is disclosed in Notes 20 and 31.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION

For management purposes, the Group is organized into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under MFRS 8 are as follows:

- |       |                                       |   |   |
|-------|---------------------------------------|---|---|
| (i)   | Property development and construction | - | property development, building and civil works contracting.                       |
| (ii)  | Plantation                            | - | oil palm cultivation.   |
| (iii) | Hotel and property investment         | - | hotel business and property investment and management.                            |
| (iv)  | Trading                               | - | trading in building materials and household related products and general trading. |
| (v)   | Manufacturing                         | - | furniture manufacturing.  |
| (vi)  | Investment holding                    | - | investment holding and management services.                                       |

Non-reportable segments comprise recreational club operation, money lending and provision of insurance broking services.

#### Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represents profit before tax of the segment. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

#### Segment assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding investment in associates, deferred tax assets and current tax assets.

#### Segment liabilities

Segment liabilities are measured based on all liabilities, excluding loans and borrowings, lease liability, current tax liabilities and deferred tax liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results

2023	Property development and construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
<b>Revenue</b>									
Total external revenue	587,648,405	337,980,732	32,518,378	100,049,021	2,614,477	-	2,984,514	-	1,063,795,527
Inter-segment revenue	(500,223)	14,985,964	3,041,335	1,414	-	159,178,383	-	(176,706,873)	-
Total segment revenue	587,148,182	352,966,696	35,559,713	100,050,435	2,614,477	159,178,383	2,984,514	(176,706,873)	1,063,795,527
<b>Results</b>									
Operating results	70,234,225	41,497,771	11,405,452	3,417,380	1,872,318	18,230,265	1,367,677	(21,489,943)	126,535,145
Interest expense	(30,398,750)	(4,857,948)	(1,054,372)	(24,480)	-	(12,557,955)	(1,720,823)	26,733,074	(23,881,254)
Interest income	13,479,074	828,965	119,390	169,451	355,432	1,514,742	24,857	(5,243,131)	11,248,780
Share of results of associates	3,270,686	-	-	23,872	-	-	-	-	3,294,558
Segment results	56,585,235	37,468,788	10,470,470	3,586,223	2,227,750	7,187,052	(328,289)	-	117,197,229
Tax expense	(17,441,269)	(9,799,477)	(3,058,505)	(1,026,825)	(566,558)	(3,804,227)	(221,895)	-	(35,918,756)
<b>Profit/(Loss) for the financial year</b>	<b>39,143,966</b>	<b>27,669,311</b>	<b>7,411,965</b>	<b>2,559,398</b>	<b>1,661,192</b>	<b>3,382,825</b>	<b>(550,184)</b>	<b>-</b>	<b>81,278,473</b>
<b>Other segment information</b>									
Bad debts recovered	(24,664)	-	-	-	-	(1,956)	-	-	(26,620)
Bad debts written off	15,190	-	-	-	-	-	-	-	15,190
Deposits written off	-	-	2,000	-	-	-	-	-	2,000
Depreciation and amortisation	1,879,083	34,588,499	2,481,426	12,950	798,502	103,934	88,174	-	39,952,568

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2023	Property development and construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
<b>Other segment information (Cont'd)</b>									
Changes in fair value of:									
Biological assets	-	(288,344)	-	-	-	-	-	-	(288,344)
Investment properties	-	-	893,000	-	-	-	-	-	893,000
Other investment	-	-	42,324	-	-	-	-	-	42,324
Fair value gains from transfer of property, plant and equipment to investment properties	-	-	(2,803,098)	-	-	-	-	-	(2,803,098)
Gain on disposal of other investment	-	-	(8,101)	-	-	-	-	-	(8,101)
Loss/(Gain) on disposal of property, plant and equipment	35,580	-	508	(10,198)	-	-	-	-	25,890
Inventories written down	18,960	-	-	-	-	-	-	-	18,960
Inventories written off	-	-	16,509	-	-	-	-	-	16,509
Impairment loss on trade and other receivables	-	-	-	50,268	-	-	17,000	-	67,268
Property, plant and equipment written off	752	60,489	19,140	-	435	-	-	-	80,816

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2023	Property development and construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
<b>Other segment information (Cont'd)</b>									
Provision for foreseeable loss	2,080,070	-	-	-	-	-	-	-	2,080,070
Provision for retirement benefit obligation	-	4,415,620	-	-	-	-	-	-	4,415,620
Provision for retirement gratuity	-	-	-	-	-	1,317,328	-	-	1,317,328
Loss/(Gain) on foreign exchange:									
Realised	-	355,334	(1,235)	-	(13,743)	(611)	(239)	-	339,506
Unrealised	-	493,536	-	-	-	2,009	-	-	495,545
Impairment loss no longer required on land held for property development	(824,897)	-	-	-	-	-	-	-	(824,897)
Impairment loss no longer required on trade and other receivables	-	-	(12,250)	-	-	(6,426)	-	-	(18,676)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2022	Property development and construction	Plantation	Hotel and property investment	Trading	Manufacturing	Investment holding	Non-reportable segments	Elimination	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>									
Total external revenue	538,450,598	315,817,267	30,033,832	77,053,031	3,861,876	-	2,909,650	-	968,126,254
Inter-segment revenue	8,962,456	15,810,761	2,716,721	53,053	-	134,860,917	-	(162,403,908)	-
Total segment revenue	547,413,054	331,628,028	32,750,553	77,106,084	3,861,876	134,860,917	2,909,650	(162,403,908)	968,126,254
<b>Results</b>									
Operating results	90,850,982	80,720,574	11,475,994	2,930,207	2,408,515	23,784,899	1,291,581	(23,813,481)	189,649,271
Interest expense	(33,735,716)	(5,868,728)	(1,054,613)	(8,165)	-	(16,940,601)	(2,156,695)	34,374,030	(25,390,488)
Interest income	6,205,630	1,770,747	50,871	50,647	446,734	7,612,366	18,324	(10,560,549)	5,594,770
Share of results of associates	1,402,428	-	-	(2,055)	-	-	-	-	1,400,373
Segment results	64,723,324	76,622,593	10,472,252	2,970,634	2,855,249	14,456,664	(846,790)	-	171,253,926
Tax expense	(18,613,013)	(14,492,539)	(2,654,589)	(729,993)	(731,085)	(4,942,170)	(343,348)	-	(42,506,737)
<b>Profit/(Loss) for the financial year</b>	46,110,311	62,130,054	7,817,663	2,240,641	2,124,164	9,514,494	(1,190,138)	-	128,747,189
<b>Other segment information</b>									
Bad debts recovered	-	-	-	(18,700)	-	-	-	-	(18,700)
Bad debts written off	-	-	-	-	-	188,067	-	-	188,067
Deposits written off	10,065	-	-	-	-	-	-	-	10,065
Depreciation and amortisation	1,221,221	32,430,282	2,686,322	26,271	940,304	70,271	121,025	-	37,495,696

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2022	Property development and construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Other segment information (Cont'd)									
Development expenditure expensed off	132,958	-	-	-	-	-	-	-	132,958
Changes in fair value of:									
Biological assets	-	577,142	-	-	-	-	-	-	577,142
Investment properties	-	-	(2,435,000)	-	-	-	-	-	(2,435,000)
Other investment	-	-	354,834	-	-	-	-	-	354,834
Fair value gains from transfer of inventories to investment properties	(2,950,269)	-	-	-	-	-	-	-	(2,950,269)
Gain on disposal of other investment	-	-	(6,665)	-	-	-	-	-	(6,665)
Gain on disposal of property, plant and equipment	(259,789)	-	-	-	-	-	-	-	(259,789)
Inventories written off	-	577	-	-	-	-	-	-	577
Impairment loss on trade and other receivables	825,934	-	14,015	1,235	-	-	28,000	-	869,184
Property, plant and equipment written off	2,748	579,953	-	4	3,699	1,010	4	-	587,418

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

	Property development and construction		Plantation		Hotel and property investment		Trading		Manufacturing		Investment holding		Non-reportable segments		Elimination		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>2022</b>																			
<b>Other segment information (Cont'd)</b>																			
Provision for retirement benefit obligation	-	3,163,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,163,357
(Gain)/Loss on foreign exchange:																			
Realised	-	594,849	-	-	-	(9,850)	-	-	(106,488)	-	81,324	-	-	-	-	-	-	-	559,835
Unrealised	-	(4,740,984)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,740,984)
Impairment loss no longer required on trade and other receivables	-	-	-	(59,421)	-	(181,000)	-	-	-	-	-	-	-	(5,000)	-	-	-	-	(245,421)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2023	Property development and construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
<b>Assets</b>									
Segment assets	2,150,748,998	508,201,338	422,649,521	46,055,211	35,168,915	14,730,795	56,548,542	-	3,234,103,320
Investment in associates	25,558,634	-	-	70,817	-	-	-	-	25,629,451
Deferred tax assets	18,863,820	-	-	106,360	-	5,225,000	33,400	-	24,228,580
Current tax assets	5,720,261	7,973,618	27,789	251,355	-	1,033,397	8,650	-	15,015,070
Total assets	2,220,891,713	516,174,956	422,677,310	46,483,743	35,168,915	20,989,192	56,590,592	-	3,298,976,421
<b>Liabilities</b>									
Segment liabilities	813,512,197	50,269,867	10,863,812	15,506,280	1,783,313	23,165,201	1,064,343	-	916,165,013
Loans and borrowings	155,115,771	2,936,888	18,715,914	-	-	182,841,376	-	-	359,609,949
Lease liability	19,683,381	-	-	-	-	-	-	-	19,683,381
Current tax liabilities	1,355,677	-	1,095,892	-	365,277	401,442	-	-	3,218,288
Deferred tax liabilities	20,074,400	11,179,763	16,246,675	-	2,425,127	114,428	6,100	-	50,046,493
Total liabilities	1,009,741,426	64,386,518	46,922,293	15,506,280	4,573,717	206,522,447	1,070,443	-	1,348,723,124
<b>Other segment information</b>									
Additions to non-current assets other than financial instruments and deferred tax assets	16,537,349	28,510,060	1,067,577	-	2,787	-	3,962	-	46,121,735

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Segment revenue and results (Cont'd)

2022	Property development and construction	Plantation	Hotel and property investment	Trading	Manufacturing	Investment holding	Non-reportable segments	Elimination	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Assets</b>									
Segment assets	2,279,514,119	503,219,866	414,713,220	35,020,093	40,584,587	28,842,484	47,173,102	-	3,349,067,471
Investment in associates	25,887,948	-	-	46,945	-	-	-	-	25,934,893
Deferred tax assets	26,439,720	-	-	93,538	-	4,911,000	29,300	-	31,473,558
Current tax assets	7,691,007	3,883,232	95,104	555,369	-	141,596	16,143	-	12,382,451
Total assets	2,339,532,794	507,103,098	414,808,324	35,715,945	40,584,587	33,895,080	47,218,545	-	3,418,858,373
<b>Liabilities</b>									
Segment liabilities	889,511,933	65,504,870	9,963,968	8,210,486	2,656,909	21,988,294	1,122,855	-	998,959,315
Loans and borrowings	173,202,666	2,317,544	22,305,316	-	-	203,473,000	-	-	401,298,526
Lease liability	19,384,155	-	-	-	-	-	-	-	19,384,155
Current tax liabilities	2,537,040	-	839,420	149,058	586,029	884,816	23,834	-	5,020,197
Deferred tax liabilities	21,604,200	13,742,298	15,890,825	-	2,461,636	114,428	38,100	-	53,851,487
Total liabilities	1,106,239,994	81,564,712	48,999,529	8,359,544	5,704,574	226,460,538	1,184,789	-	1,478,513,680
<b>Other segment information</b>									
Additions to non-current assets other than financial instruments and deferred tax assets	36,125,118	16,111,977	357,588	13,620	391,276	-	-	-	52,999,579

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 40. SEGMENT INFORMATION (CONT'D)

##### Geographical information

Revenue and non-current assets information is presented based on the segment's country of domicile. Revenue from external customers based on the location of its customers has not been disclosed as revenue earned outside the segment's country of domicile is insignificant. Non-current assets do not include receivables, deposits and prepayments, other investment, investment in associates and deferred tax assets.

	Revenue		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	723,200,318	648,447,111	1,366,277,044	1,371,473,126
Republic of Indonesia	337,980,732	315,817,267	361,514,655	368,902,418
The Peoples' Republic of China	2,614,477	3,861,876	22,000,050	20,310,926
	<b>1,063,795,527</b>	968,126,254	<b>1,749,791,749</b>	1,760,686,470

##### Major customer information

There is no single customer with revenue equal or more than 10% of the Group revenue, except for an individual customer with sales amounting to RM187,518,047 (2022: RM253,189,507), representing 18% (2022: 26%) of the total revenue.

#### 41. SIGNIFICANT EVENT DURING THE YEAR AND SUBSEQUENT EVENTS

- (a) On 11 October 2022, the Company has disposed 1,000 ordinary shares representing 100% of the equity interest of Danau Saujana Sdn. Bhd. to another subsidiary for a cash consideration of RM1,000. As a result, there is no change in the group structure, Danau Saujana Sdn. Bhd. remained as a subsidiary of the Group.
- (b) On 30 March 2023, MKH Oil Palm (East Kalimantan) Berhad ("MKHOPB"), a wholly owned subsidiary of the Company has submitted an application in relation to the proposed listing and quotation for the entire enlarged issued share capital of MKHOPB on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") to the Securities Commission. On 12 July 2023, the Securities Commission has approved the Proposed Listing under Section 214(1) of the Capital Markets and Services Act 2007, subject to the terms and condition as stipulated therein.

On 28 November 2023, the shareholders of the Company have approved the Proposed Listing of MKHOPB on the Main Market of Bursa Malaysia Securities Berhad.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 41. SIGNIFICANT EVENT DURING THE YEAR AND SUBSEQUENT EVENTS (CONT'D)

- (c) On 30 June 2023, Intelek Murni (M) Berhad, a wholly owned subsidiary of the Company has wound up the Membership Scheme for Mewah Club (“Scheme”). Subsequent to 20 July 2023, Intelek Murni (M) Berhad, Universal Trustee (Malaysia) Berhad and members of the Scheme had entered into a Deed of Revocation to wind-up the Scheme with the refund paid in full to eligible members with effect from 30 June 2023, the termination date.
- (d) On 7 September 2023, Srijang Indah Sdn. Bhd., a wholly owned subsidiary of the Company has disposed 400,000 ordinary shares representing 100% of the total equity interest of Metro Emart Sdn. Bhd. for a total cash consideration of RM1, which is arrived at on a “willing-buyer-willing-seller” basis after taking into consideration the net assets value of Metro Emart Sdn. Bhd. of RM1 only. As a result, Metro Emart Sdn. Bhd. ceased to be a subsidiary of the Group.
- (e) On 7 December 2023, Intra Tegas (M) Sdn. Bhd. (“ITSB”), a wholly owned subsidiary of the Company has completed the acquisition of 6,000,000 ordinary shares representing 60% of total equity interest of Knowledge Builder Sdn. Bhd. (“KBSB”), for a cash consideration of RM17,000,000, which RM12,000,000 has been paid as at year end as disclosed in Note 20(h)(ii). As a result, KBSB became a 60% owned subsidiary of ITSB and of the Group.

#### 42. OPERATING LEASE ARRANGEMENTS - THE GROUP AS LESSOR

The Group has entered into property leases on its investment properties, which comprise an international school and other retail properties, with the remaining non-cancellable lease period ranging from 2 years to 16 years (2022: 3 years to 17 years). The lease contracts contain fixed upward revision of the rental charges over the lease period.

Future minimum rental receivables under non-cancellable operating leases at the reporting date but not recognized as receivables, are as follows:

	The Group	
	2023	2022
	RM	RM
Not later than 1 year	4,578,286	4,512,418
Later than 1 year but not later than 5 years	12,664,715	14,777,555
Later than 5 years	23,390,041	25,855,487
	<b>40,633,042</b>	<b>45,145,460</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 43. FINANCIAL INSTRUMENTS

##### Categories of financial instruments

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Financial assets</b>				
At FVTPL:				
Other investment	756,237	775,849	-	-
Short-term placements	63,670,729	86,365,216	-	4,541,682
At amortised cost:				
Receivables and deposits	208,188,391	186,154,468	79,496,728	68,809,762
Cash, bank balances, and term deposits	302,115,289	304,886,228	1,416,743	2,466,373
<b>Financial liabilities</b>				
At amortised cost:				
Payables and accruals	864,820,179	945,201,067	11,224,312	843,611
Lease liability	19,683,381	19,384,155	-	-
Loans and borrowings	359,609,949	401,298,526	125,100,000	150,200,000

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follows:

##### (i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arises from the receivables. For other financial assets, the Group minimizes credit risk by dealing with high credit rating counterparties. The maximum risk associated with recognized financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on subsidiaries' credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (i) Credit risk (Cont'd)

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade related receivables at the reporting date are as follows:

	The Group			
	2023 RM	% of total	2022 RM	% of total
<b>By country:</b>				
Malaysia	136,901,003	97.92%	130,090,033	98.38%
Republic of Indonesia	2,625,722	1.88%	1,871,168	1.42%
The Peoples' Republic of China	282,672	0.20%	267,593	0.20%
	<b>139,809,397</b>	<b>100.00%</b>	<b>132,228,794</b>	<b>100.00%</b>

At the reporting date, the Group has no significant concentration of credit risk on trade receivables, except for an individual customer with balance amounting to RM38,500,000 (2022: RM28,161,096), representing 28% (2022: 21%) of the total trade receivable balances.

##### Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries and creditors for credit terms granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM316,177,704 (2022: RM346,177,860) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on their repayment.

The financial guarantees have not been recognized since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions so as to achieve overall cost effectiveness.

As of 30 September 2023, the current liabilities of the Company have exceeded the current assets by RM54,449,972, which includes loans and borrowings of RM125,100,000 and amount due to subsidiaries of RM10,594,000 and accruals of RM628,961. The net current liabilities position is mainly due to the capitalisation of amount owing by subsidiaries into investment in subsidiaries. As of 30 September 2023, the Company complied with all of its loan covenants. Despite having the net current liabilities position, the Board of Directors is of the view that the Company will be able to meet its financial obligations as and when it was due with following measures placed by the Group:

1. Dividend receivable from the on-going projects' stakeholders; and
2. Launch of projects in subsidiaries namely, Srijang Kemajuan Sdn. Bhd. and Suria Villa Sdn. Bhd., which currently hold a land bank amounted to RM182,249,959 and RM257,334,293, respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations:

	Carrying amount RM	Total contractual amount RM	On demand or within 1 year RM	1-2 years RM	2 to 5 years RM	Over 5 years RM
<b>The Group</b>						
<b>2023</b>						
<b>Financial liabilities:</b>						
Payables and accruals	864,820,179	904,439,696	589,654,523	74,670,672	240,114,501	-
Lease liability	19,683,381	68,950,002	575,000	575,000	1,883,125	65,916,877
Loans and borrowings	359,609,949	379,032,806	297,801,913	30,479,112	43,933,571	6,818,210
Financial guarantees*	21,881,888	21,881,888	21,881,888	-	-	-
	1,265,995,397	1,374,304,392	909,913,324	105,724,784	285,931,197	72,735,087
<b>The Company</b>						
<b>2023</b>						
<b>Financial liabilities:</b>						
Payables and accruals	11,224,312	11,224,312	11,224,312	-	-	-
Loans and borrowings	125,100,000	131,552,620	131,552,620	-	-	-
Financial guarantees*	316,177,704	330,675,195	252,355,859	29,057,412	42,443,714	6,818,210
	452,502,016	473,452,127	395,132,791	29,057,412	42,443,714	6,818,210

\* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Carrying amount RM	Total contractual amount RM	On demand or within 1 year RM	1-2 years RM	2 to 5 years RM	Over 5 years RM
<b>The Group</b>						
<b>2022</b>						
<b>Financial liabilities:</b>						
Payables and accruals	945,201,067	968,303,475	653,759,411	47,826,499	133,265,467	133,452,098
Lease liability	19,384,155	69,525,002	575,000	575,000	1,796,875	66,578,127
Loans and borrowings	401,298,526	419,771,542	312,901,630	50,228,938	49,560,175	7,080,799
	1,365,883,748	1,457,600,019	967,236,041	98,630,437	184,622,517	207,111,024
<b>The Company</b>						
<b>2022</b>						
<b>Financial liabilities:</b>						
Payables and accruals	843,611	843,611	843,611	-	-	-
Loans and borrowings	150,200,000	156,497,560	156,497,560	-	-	-
Financial guarantees*	346,177,860	358,074,522	252,540,103	49,778,561	48,675,059	7,080,799
	497,221,471	515,415,693	409,881,274	49,778,561	48,675,059	7,080,799

\* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (iii) Foreign currency risk

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 is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), Indonesian Rupiah ("IDR") and Chinese Renminbi ("RMB"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD"). Foreign currency exposure in transactions and currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and bank balances denominated in USD for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in The Peoples' Republic of China and Republic of Indonesia are not hedged as currency positions in RMB and IDR are considered to be long-term in nature.

Financial assets and liabilities denominated in USD are as follows:

	The Group	
	2023	2022
	RM	RM
<b>USD</b>		
Bank balances	2,748,340	4,969,840
Trade receivables	282,672	267,593
Loans and borrowings	(2,359,952)	(2,317,544)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (iii) Foreign currency risk (Cont'd)

###### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against their respective functional currencies, with all other variables held constant.

	Profit for the financial year	
	2023 RM	2022 RM
<b>The Group</b>		
USD/RM		
Strengthened 5%	2,800	2,800
Weakened 5%	(2,800)	(2,800)
USD/RMB		
Strengthened 3%	14,100	6,000
Weakened 3%	(14,100)	(6,000)
USD/IDR		
Strengthened 5%	(1,300)	100,500
Weakened 5%	1,300	(100,500)

	Translation reserve	
	2023 RM	2022 RM
<b>The Group</b>		
IDR/RM		
Strengthened 5%	15,036,200	13,325,800
Weakened 5%	(15,036,200)	(13,325,800)
RMB/RM		
Strengthened 3%	1,151,600	1,054,400
Weakened 3%	(1,151,600)	(1,054,400)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

##### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets include finance lease receivables, loan receivables, short-term placements and deposits with licensed banks. Deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

The Group's interest bearing financial liabilities comprise hire-purchases, bank overdrafts, revolving credits and term loans.

The fixed deposits placed with licensed banks and loan receivables at fixed rate exposes the Group to fair value interest rate risk. The short-term placements, bank overdrafts, revolving credits and term loans totalling RM293,171,678 (2022: RM313,197,628) at floating rate expose the Group to cash flow interest rate risk whilst hire-purchases of RM2,767,542 (2022: RM1,735,682) at fixed rate expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group also actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of assets.

As at the reporting date, a change of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the total equity and profit after tax by approximately RM1,114,100 (2022: RM1,190,200), arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings.

#### 45. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

##### (i) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

##### (ii) Long-term trade receivables and payables, loan receivables and finance lease receivables

The fair values of long-term trade receivables and payables, loan receivables and finance lease receivables are estimated using expected future cash flows of contractual instalment payments discounted at current prevailing rates offered for similar types of credit or lending arrangements.

##### (iii) Other investment

The fair value of other investment in quoted shares is estimated based on the market value as at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 45. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

##### (iv) Borrowings

The carrying amounts of bank overdrafts, short-term revolving credits, bridging loan and short-term loans approximate fair values due to the relatively short-term maturity of these financial liabilities.

The carrying amounts of long-term floating rate revolving credits and loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of hire-purchase liabilities is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

The carrying amounts and fair value of financial instruments, other than the carrying amounts which are reasonable approximation of fair values, are as follows:

	The Group Carrying amount RM	Fair Value RM
<b>2023</b>		
<b>Financial assets</b>		
Long-term other receivables	46,312	46,312
Loan receivables	39,507,675	37,282,120
<b>Financial liabilities</b>		
Hire-purchase liabilities	2,767,542	2,899,373
<b>2022</b>		
<b>Financial assets</b>		
Long-term other receivables	67,592	67,592
Loan receivables	28,727,268	26,991,913
<b>Financial liabilities</b>		
Hire-purchase liabilities	1,735,682	1,787,769

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at the reporting date:

The Group	Fair value measurement using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>2023</b>				
<b>Short-term placements (Note 26)</b>	63,670,729	-	-	63,670,729
<b>Investment properties (Note 14)</b>				
Commercial properties	-	-	272,138,000	272,138,000
Office and shoplot	-	-	49,345,000	49,345,000
Factory lot	-	-	8,886,000	8,886,000
Education centre	-	-	45,000,000	45,000,000
	-	-	375,369,000	375,369,000
<b>Other investment (Note 17)</b>	756,237	-	-	756,237
<b>Biological assets (Note 25)</b>	-	6,231,392	-	6,231,392
<b>Liability for which fair value is disclosed (Note 45)</b>				
Hire-purchase payables	-	2,899,373	-	2,899,373
<b>Asset for which fair value is disclosed (Note 45)</b>				
Long-term other receivables	-	46,312	-	46,312
Loan receivables	-	37,282,120	-	37,282,120
	-	37,328,432	-	37,328,432

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

	Fair value measurement using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>The Group</b>				
<b>2022</b>				
<b>Short-term placements (Note 26)</b>	86,365,216	-	-	86,365,216
<b>Investment properties (Note 14)</b>				
Commercial properties	-	-	273,021,000	273,021,000
Office and shophot	-	-	49,355,000	49,355,000
Education centre	-	-	45,000,000	45,000,000
	-	-	367,376,000	367,376,000
<b>Other investment (Note 17)</b>	775,849	-	-	775,849
<b>Biological assets (Note 25)</b>	-	5,917,360	-	5,917,360
<b>Liability for which fair value is disclosed (Note 45)</b>				
Hire-purchase payables	-	1,787,769	-	1,787,769
<b>Asset for which fair value is disclosed (Note 45)</b>				
Long-term other receivables	-	67,592	-	67,592
Loan receivables	-	26,991,913	-	26,991,913
	-	27,059,505	-	27,059,505
<b>The Company</b>				
<b>2022</b>				
<b>Short-term placements (Note 26)</b>	4,541,682	-	-	4,541,682

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

Fair value reconciliation of investment properties measured at Level 3 are as follows:

The Group	Factory lot RM	Commercial properties RM	Office and shoplot RM	Education centre RM	Total RM
<b>2023</b>					
<b>Investment properties</b>					
At beginning of year	-	273,021,000	49,355,000	45,000,000	367,376,000
Transfer from property, plant and equipment	6,070,636	-	-	-	6,070,636
Fair value gains on transfer of property, plant and equipment to investment properties	2,803,098	-	-	-	2,803,098
Changes in fair values	-	(883,000)	(10,000)	-	(893,000)
Effect of movements in exchange rate	12,266	-	-	-	12,266
At end of year	8,886,000	272,138,000	49,345,000	45,000,000	375,369,000
<b>2022</b>					
<b>Investment properties</b>					
At beginning of year	-	270,181,000	29,060,000	45,000,000	344,241,000
Transfer from inventories	-	-	17,749,731	-	17,749,731
Fair value gains on transfer of inventories to investment properties	-	-	2,950,269	-	2,950,269
Changes in fair values	-	2,840,000	(405,000)	-	2,435,000
At end of year	-	273,021,000	49,355,000	45,000,000	367,376,000

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

Description of valuation techniques used and key unobservable inputs to valuation on investment properties measured at Level 3 are as follows:

Property category	Valuation technique	Significant unobservable inputs	Range
<b>2023</b>			
<i>Investment properties</i>			
Commercial properties	Comparison method	Market value per square feet	RM240
Commercial properties	Comparison method	Market value per square feet	RM120 - RM1,620
Commercial properties	Cost method	Construction price per square feet	RM65 - RM135
Commercial properties	Investment method	Estimated average rental rate per square feet per month	RM3.09
		Estimated outgoings per square feet per month	RM2.00
		Outgoings rate	15.00% - 30.00%
		Term yield	5.50% - 7.00%
		Sinking fund	3%
		Void rate	10.00% - 13.81%
		Lease term	66 - 79 years
Car park	Comparison method	Estimated price per parking bay	RM16,000 - RM25,000
Office and shoptlot	Investment method	Estimated price per parking bay	RM17,000
		Estimated outgoings per square feet per month	RM0.25
		Term yield	6.00% - 6.25%
Office and shoptlot	Comparison method	Market value per square feet	RM258 - RM650
Education centre	Investment method	Estimated average rental rate per square feet per month	RM0.85 - RM1.25
		Estimated outgoings per square feet per month	RM0.053 - RM0.055
		Term yield	5.00%
		Reversionary yield	6.25%
		Void rate	10.00%
Factory lot	Investment method	Estimated average rental rate per square feet per month	RM2.69

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

Description of valuation techniques used and key unobservable inputs to valuation on investment properties measured at Level 3 are as follows: (Cont'd)

Property category	Valuation technique	Significant unobservable inputs	Range
<b>2022</b>			
<i>Investment properties</i>			
Commercial properties	Comparison method	Market value per square feet	RM240
Commercial properties	Comparison method	Market value per square feet	RM120 - RM1,650
Commercial properties	Cost method	Construction price per square feet	RM55 - RM120
Commercial properties	Investment method	Estimated average rental rate per square feet per month	RM2.86
		Estimated outgoings per square feet per month	RM2.00
		Outgoings rate	15% - 30%
		Term yield	5.75% - 6.25%
		Sinking fund	3%
		Void rate	10% - 12.5%
		Lease term	67 - 80 years
Car park	Comparison method	Estimated price per parking bay	RM17,000 - RM25,000
Office and shoptlot	Investment method	Estimated price per parking bay	RM17,000
		Estimated outgoings per square feet per month	RM0.25
		Term yield	6%
Office and shoptlot	Comparison method	Market value per square feet	RM187 - RM790
Education centre	Investment method	Estimated average rental rate per square feet per month	RM0.85 - RM1.25
		Estimated outgoings per square feet per month	RM0.05 - RM0.053
		Term yield	5%
		Reversionary yield	6.20%
		Void rate	10%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

The estimated fair value would increase/(decrease) if:

- Estimated rental/average rental rate per square feet per month were higher/(lower)
- Estimated price per parking bay per month were higher/(lower)
- Estimated outgoings per square feet per month lower/(higher)
- Outgoings rate lower/(higher)
- Void rate lower/(higher)
- Term yield rate lower/(higher)
- Reversionary yield rate lower/(higher)
- Sinking fund rate lower/(higher)
- Construction price per square feet higher/(lower)

#### Direct comparison method

Under the direct comparison method, a property's fair value is estimated based on comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences. Fair value of properties derived using direct comparison method have been generally included in Level 3 fair value hierarchy due to the adjustments mentioned above. The most significant input into this valuation approach is price per square feet of comparable properties.

#### Investment method

In the investment method of valuation, the projected net income and other benefits that the subject property can generate over the life of the property is capitalised at market derived term yields to arrive at the present market value of the property. Net income is the residue of gross annual rental less annual expenses (outgoings) required to sustain the rental with allowance for void.

#### Cost method of valuation

In the cost method of valuation, the market value of the subject property is the sum of the market value of the land and building. The value of the building is assumed to have a direct relationship with its cost of construction. The cost of construction is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value.

#### Valuation processes applied by the Group

The fair value of land and buildings under property, plant and equipment in 2020 was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The Group revalues its land and buildings every five years or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from the carrying amounts.

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The independent professional valuer provides the fair value of the Group's investment property annually.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

#### 46. FAIR VALUE HIERARCHY (CONT'D)

##### Valuation processes applied by the Group (Cont'd)

Fair value reconciliation of biological assets measured at Level 2 are as follows:

	The Group	
	2023	2022
	RM	RM
<b>Biological assets</b>		
At beginning of year	5,917,360	6,177,026
Changes in fair value	288,344	(577,142)
Effect of movements in exchange rate	25,688	317,476
At end of year	6,231,392	5,917,360

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

##### Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

#### 47. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to sustain future development of the businesses so that it can continue to maximise returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or to adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or repay existing borrowings. No changes were made in the objectives, policies and processes during the financial years ended 30 September 2023 and 30 September 2022.

The debt-to-equity ratio is calculated as total debts divided by total capital of the Group. Total debts comprise interest bearing loans and borrowings and lease liability whilst total capital is the total equity attributable to owners of the parent. The Group's policy is to keep the debt-to-equity ratio of not exceeding 80%. The debt-to-equity ratio as at 30 September 2023 and 30 September 2022, which are within the Group's objectives of capital management are as follows:

	The Group	
	2023	2022
	RM	RM
Total debts	379,293,330	420,682,681
Total equity attributable to owners of the parent	1,860,685,828	1,807,541,410
Debt-to-equity ratio (%)	20%	23%

The Group is not subject to any externally imposed capital requirements other than PT Maju Kalimantan Hadapan which are required to maintain a debt-to-equity ratio of 75:25 as well as loan-to-value ratio of not more than 75% in respect of the term loan facilities.

# LIST OF PROPERTIES

AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/Date of Acquisition
<b>Aliran Perkasa Sdn. Bhd.</b>					
Lot 42195, Mukim Kajang, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	3.088	Freehold	1,353	01.04.2004
Lot 42182, Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Rubber trees	1.495	Freehold	664	07.02.2005
PT 37466, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	0.278	Freehold	997	22.03.2010
PT 37330, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	6.870	Freehold	19,436	22.03.2010
PT 37331, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	5.612	Freehold	8,176	01.07.2010
Lot 2006, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	10.394	Freehold	7,312	25.10.2011
<b>Budi Bidara Sdn. Bhd.</b>					
PT 68858 to PT 68941 (total 84 lots) and PT 68973 (1 lot), Mukim Kajang, Daerah Ulu Langat, Selangor	Individual titles approved for commercial use (84 lots) and residential (1 lot)	5.240	Leasehold of 99 years expiring in 2107	59,645	06.02.2013
PT 688942 to PT 688972 (total 31 lots), Mukim Kajang, Daerah Ulu Langat, Selangor	Individual titles approved for residential use Existing use: Vacant land	1.232	Leasehold of 99 years expiring in 2107		06.02.2013
Lot 10522, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	413 carpark bays, 5 commercial units on ground floor, 1 commercial unit on first floor, a carpark management office on basement level and a roof top terrace area within MKH Avenue	0.668	Leasehold of 99 years expiring in 2107	22,951	29.09.2023 (Investment Properties stated at fair value)

## LIST OF PROPERTIES

### AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>Gerak Teguh Sdn. Bhd.</b>					
All of the parcels of land held by this subsidiary are located at Mukim Semenyih, Daerah Ulu Langat, Selangor and form part of the mixed development project of Taman Pelangi Semenyih					
PT 26791	Vacant residential land	16.140	Freehold	1,706	08.10.2001
PT 26792	Vacant commercial land	0.500	Freehold	139	08.10.2001
PT 26793	Existing use: 1-storey clubhouse, car park and swimming pool (built-up area of 17,797 sq. ft., Building age: 15 years) and part of the land is vacant	2.530	Freehold	513	08.10.2001
PT 26794	Existing use: Lease out for commercial building	2.200	Freehold	11,500	29.09.2023 (Investment Properties stated at fair value)
PT 26795	Existing use: Lease out for commercial building	6.900	Freehold	15,300	29.09.2023 (Investment Properties stated at fair value)
Unit G-2, 1-2, G-3, 1-3, G-3A, 1-3A, G-5 & 1-5, Residensi Tun Razak, No. 83, Jalan Pekeliling Lama, Kuala Lumpur	8 units of strata shop and office lot within two blocks of 35-storey serviced apartment with 16 bays of car park (Building age: 2 year)	14,987 sq. ft. (net lettable area)	Leasehold expiring in year 2119	9,260	29.09.2023 (Investment Properties stated at fair value)
<b>**Hillpark Resources Sdn. Bhd.</b>					
Lot PT 834, Mukim Ijok and PT 1092, Mukim Jeram, District of Kuala Selangor, Selangor	Agricultural title Existing use: Vacant land	38.170	Leasehold expiring in year 2091	72,476	25.06.2013
<b>Hiliran Juara Sdn. Bhd.</b>					
PT 417 to 427 (11 lots), Pekan Baru Sungai Besi, Daerah Petaling, Selangor	Land approved for residential and commercial development Existing use: Partly vacant and partly occupied by building	11.980	Leasehold expiring in year 2100	21,813	14.01.2005

## LIST OF PROPERTIES

### AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>Intelek Murni (M) Berhad</b>					
PT 25624, Taman Bukit Mewah, Kajang, Selangor	3-storey clubhouse, car park and swimming pool, all known as Mewah Club (built-up area of 39,478 sq. ft.) (Building age: 29 years)	4.840	Freehold	14,505	* 30.09.2020
<b>Kajang Resources Corporation Sdn. Bhd.</b>					
All of the parcels of land held by this subsidiary are located at Batu 18, Jalan Semenyih, Mukim Semenyih, Daerah Ulu Langat, Selangor					
PT 50 and 51	Residential land Existing use: Oil palm plantation	9.659	Leasehold expiring in year 2089	2,800	1991
PT 132	Vacant residential land	0.732	Freehold	150	19.08.1997
Lot 27977	Agricultural title Existing use: Vacant land	9.219	Freehold	5,488	26.05.1994
PT 42107	Land approved for development Existing use: Vacant land	2.000	Freehold	1,945	08.12.2010 - 07.04.2011
Lot 2227	Agricultural title Existing use: Vacant land	7.006	Freehold	4,718	14.01.2011
Lot 2236	Agricultural title Existing use: Vacant land	11.044	Freehold	16,531	28.10.2010
Lot 2229	Agricultural title Existing use: Vacant land	7.388	Freehold	7,768	27.04.2011
<b>Laju Jaya Sdn. Bhd.</b>					
PT 19379 to 19391 (13 lots), Jalan Semenyih, Kajang, Selangor	Wisma MKH. A 6-storey hotel cum office building with built-up area of 171,935 sq. ft. Existing use: 100% tenanted (Building age: 29 years)	0.585	Leasehold expiring in 2089	24,912	* 30.09.2020

## LIST OF PROPERTIES AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>Maha Usaha Sdn. Bhd.</b>					
PT 19482, Bandar Kajang, Daerah Ulu Langat, Selangor	Commercial complex with built-up area of approximately 600,000 sq. ft. Existing use: 98.70% tenanted (Building age: 27 years)	2.226	Leasehold expiring in 2089	124,550	29.09.2023 (Investment Properties stated at fair value)
Lot 10502, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	1 unit of 6-storey Shop/ Office in MKH Avenue (Building Age : 6 years)	0.112	Leasehold expiring in 2107	11,000	29.09.2023 (Investment Properties stated at fair value)
<b>Metro Tiara (M) Sdn. Bhd.</b>					
Unit 1-1, Tingkat 1, Dataran Pelangi Utama, Pelangi Utama, Jalan Masjid, PJU6A, Petaling Jaya, Selangor	1 unit of stratified office lot within a block of 6-storey shop offices with 58 bays of car park (Building age: 15.5 years)	2,971 sq. ft. (net lettable area)	Leasehold expiring in year 2101	2,575	29.09.2023 (Investment Properties stated at fair value)
PT 76622, Bandar Kajang, Daerah Ulu Langat, Selangor	Private school complex with built-up area of approximately 224,736 sq. ft. (Building age: 10 years)	5.000	Freehold	45,000	29.09.2023 (Investment Properties stated at fair value)
<b>Petik Mekar Sdn. Bhd.</b>					
Lot 43950 (Previously Lot 1014), Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	25.985	Freehold	41,703	10.07.2013
Lot 21740, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	4.241	Freehold		05.07.2013
<b>PT Maju Kalimantan Hadapan</b>					
East Kalimantan, Indonesia	Oil palm plantation, office building, CPO mill and estate quarter (built-up area of approximately 5,134,111 sq. ft.)	39,395	Leasehold of 35 years expiring in year 2042 with an option to renew for a further period of 25 years and ^	176,277	* 30.09.2020
	Jetty and ancillary facilities building (built-up area of approximately 133,215 sq. ft.)	12.000			

^ generally can be further renewed for another period of 35 years upon fulfilment of conditions

## LIST OF PROPERTIES AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>PT Sawit Prima Sakti</b>					
East Kalimantan, Indonesia	Oil palm plantation and estate quarter (built-up area of approximately 130,826 sq. ft.)	6,043	Leasehold of 35 years expiring in year 2045 with an option to renew for a further period of 25 years and ^	77,320	02.06.2016
^ generally can be further renewed for another period of 35 years upon fulfilment of conditions					
<b>PT Nusantara Makmur Jaya</b>					
East Kalimantan, Indonesia	Land approved for construction of jetty and ancillary facilities building and office	42.698	Leasehold of 20 years expiring in year 2037	1,249	19.05.2017
<b>Serba Sentosa Sdn. Bhd.</b>					
Lot 456, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Existing use: Lease out for commercial building	1.047	Leasehold expiring in year 2096	11,000	29.09.2023 (Investment Properties stated at fair value)
Lot 101100 (previously PT 35799), Seksyen 9, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Office	0.700	Leasehold expiring in year 2096	3,026	25.07.1995
Lot 42275, Seksyen 9, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Vacant land	1.857	Leasehold expiring in year 2096	4,688	25.07.1995
PT 56159, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Vacant land	3.720	Leasehold expiring in year 2103	9,703	25.07.1995
PT 69670, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant commercial land	1.194	Leasehold expiring in year 2107	3,675	25.07.1995
Lot 41078 and 41086, Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant residential land	1.011	Freehold	953	05.08.2004
Lot 10528 (Previously PT 76276), Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	522 carpark bays, a function room with an outdoor deck and a roof terrace within MKH Boulevard	3.388	Leasehold expiring in year 2111	13,815	29.09.2023 (Investment Properties stated at fair value)

## LIST OF PROPERTIES AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/Date of Acquisition
<b>Srijang Indah Sdn. Bhd.</b>					
Lot 501, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	4-storey commercial complex with built-up area of approximately 358,707 sq. ft. Existing use: 80% tenanted (Building age: 16.5 years)	1.720	Leasehold expiring in year 2102	47,000	29.09.2023 (Investment Properties stated at fair value)
Lot 43402, Bandar Baru Bangi, Daerah Ulu Langat, Selangor	1.5-storey supermarket building with built-up area of approximately 67,089 sq. ft. (Building age: 20 years)	1,774	Freehold	13,800	29.09.2023 (Investment Properties stated at fair value)
Unit G-1, G-2 & G-3, Idaman KL 128 (Saville Residence), 128, Jalan Klang Lama, Kuala Lumpur	3 units of strata shop lot within a block of 30-storey serviced apartment with 79 bays of car park (Building age: 13 years)	11,077 sq. ft. (total net lettable area)	Freehold	8,400	29.09.2023 (Investment Properties stated at fair value)
Unit G-3A, 1-3A, G-5, 1-5, G-6 & 1-6, Pangsapuri Khidmat Melawati (Saville@ Melawati), No. 2, Jalan Kolam Air, Desa Melawati, Kuala Lumpur	6 units of strata shop and office lot within two blocks of 24-storey serviced apartment with 128 bays of car park. (Building age: 9 years)	11,162 sq. ft. (total net lettable area)	Freehold	6,680	29.09.2023 (Investment Properties stated at fair value)
<b>Srijang Kemajuan Sdn. Bhd.</b>					
Part of Lot 660, 661, 662 and 663, Seksyen 10, Bandar Kajang, Part of Lot 246, 300, 1029, 1070 and 1127, Mukim Kajang, all in Daerah Hulu Langat, Selangor	Land approved for mixed development Existing use: Vacant land	224.10	Freehold	182,250	05.05.2008
Geran 94270, Lot 38631 and Geran 94269, Lot 38636, Bandar Kajang, Daerah Hulu Langat, Selangor	Agricultural title Existing use: Partly occupied	4.052	Freehold		04.01.2011
Lot 52827, Seksyen 14, Bandar Kajang, Daerah Ulu Langat, Selangor	493 carpark bays and kiosk area within Saville Kajang	5.439	Freehold	12,222	29.09.2023 (Investment Properties stated at fair value)
Unit G-25 to G-35 and 1-25 to 1-35, Block A, Saville@ Kajang, Jalan Reko, Kajang, Selangor	22 units of strata shop lot within a block of 25-storey serviced apartment with 44 bays of car park. (Building age: 6 years)	36,634 sq. ft. (total net lettable area)	Freehold	11,430	29.09.2023 (Investment Properties stated at fair value)

## LIST OF PROPERTIES

### AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>Stand Allied Corporation Sdn. Bhd.</b>					
PT 5188, Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Selangor	Vacant commercial land	1.530	Freehold	10,500	18.07.2014
<b>Sumber Lengkap Sdn. Bhd.</b>					
Lot 15694, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.105	Freehold	1,605	30.04.1999
Lot 15683, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.184	Freehold		30.04.1999
Part of Lot 15703, Mukim Semenyih, Daerah Ulu Langat, Selangor	Partly vacant residential land	1.770	Freehold	509	30.04.1999
<b>**Suria Villa Sdn. Bhd.</b>					
Lot 12684, Mukim Semenyih, Daerah Ulu Langat, Selangor (part of Lot 12684 measuring 9.56 acres will be developed by MKH Property Ventures Sdn. Bhd.)	Land approved for mixed development Existing use: Vacant land	16.524	Freehold	362,461	07.08.2015
Lot 935, 1933, 1934, PT29942, 29943, Lot 1077 & 1640, Mukim Semenyih, Daerah Ulu Langat, Selangor	Existing use: Vacant land	74.474	Freehold		07.08.2015
PT 9781 & PT 9782, Mukim Semenyih, Daerah Ulu Langat, Selangor	Existing use: Vacant land	8.736	Leasehold of 99 years expiring in 2096		07.08.2015
Lot 1935, 1936 & PT 29946, Mukim Semenyih, Daerah Ulu Langat, Selangor	Existing use: Vacant land	39.119	Freehold		19.08.2016

## LIST OF PROPERTIES

### AS AT 30 SEPTEMBER 2023

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2023 RM'000	*Date of Revaluation/ Date of Acquisition
<b>Vast Furniture Manufacturing (Kunshan) Co. Ltd.</b>					
Lot 1120101015 & Lot 1120101009, 588 Airport Road, Shipu Town, Kunshan City, Jiangsu Province, Republic of China	Office, factory buildings and partial vacant land (Building age: 23 years)	7.500	Leasehold of 50 years expiring in 2049	12,679	* 30.09.2020
	Lot 11, factory building (Building age: 18 years)	2.500		8,886	10.09.2023 (Investment Properties stated at fair value)
<b>MKH Berhad</b>					
Lot No. 2 and Lot No. 8, Jalan Bukit Mewah 66, Kajang, Selangor	Two units of 2-storey shop house with built-up area of approximately 8,802 sq. ft. (Building age: 25 years)	4,401 sq. ft. total land area	Freehold	1,190	* 30.09.2020

\* All revalued assets were as of 30 September 2020

\*\* Joint venture land

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

Issued and fully paid-up capital	:	RM654,458,655
No. of shares issued and paid-up	:	586,548,168 (inclusive of 9,132,300 shares bought-back by the Company and retained as treasury shares as at 29 December 2023)
Class of equity securities	:	Ordinary shares
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every share held
No. of shareholders	:	6,271

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 - 99	621	9.903	21,397	0.004
100 - 1,000	600	9.568	324,811	0.056
1,001 - 10,000	2,806	44.745	13,572,107	2.351
10,001 - 100,000	1,867	29.772	59,293,832	10.269
100,001 - 28,870,792	373	5.948	325,520,337	56.375
28,870,793 and above	4	0.064	178,683,384	30.945
<b>Total</b>	<b>6,271</b>	<b>100.000</b>	<b>577,415,868</b>	<b>100.000</b>

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
1 Chen Choy & Sons Realty Sdn Bhd* ("CCSR")	56,859,954	9.847	179,465,500	31.081
2 Public Bank Group Officers' Retirement Benefits Fund	53,352,059	9.240	-	-
3 Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong#	277,080	0.048	253,129,658	43.838
4 Tan Sri Datuk Chen Lok Loi^	10,602,844	1.836	245,220,987	42.469
5 Datuk Chen Fook Wah+	163,354	0.028	236,981,354	41.042

### Notes:

\* Deemed interest through shares held in nominee companies.

# Deemed interest through shares held in CCSR, Lotus Way Sdn Bhd and a nominee company.

^ Deemed interest through shares held in CCSR and a nominee company.

+ Deemed interest through shares held in CCSR, Activest Sdn Bhd and a nominee company.

## ANALYSIS OF SHAREHOLDINGS

### AS AT 29 DECEMBER 2023

#### LIST OF TOP 30 SHAREHOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Shareholdings	% <sup>(*)</sup>
1	Kenanga Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn Bhd	68,750,000	11.906
2	Chen Choy & Sons Realty Sdn Bhd	37,580,658	6.508
3	Amsec Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account - AmBank (M) Berhad For Chen Choy & Sons Realty Sdn Bhd	37,400,000	6.477
4	Kenanga Nominees (Tempatan) Sdn Bhd Qualifier: Public Bank Group Officers' Retirement Benefits Fund	34,553,134	5.984
5	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn Bhd	22,980,000	3.980
6	UOBM Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn Bhd	21,700,000	3.758
7	Chen Choy & Sons Realty Sdn. Berhad	18,879,704	3.270
8	Public Invest Nominees (Tempatan) Sdn Bhd Qualifier: Public Bank Group Officers' Retirement Benefits Fund	18,798,925	3.256
9	HLB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn Bhd	15,280,500	2.646
10	RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn Berhad	13,355,000	2.313
11	RHB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Cau Vong Holdings Sdn Bhd	11,291,747	1.956
12	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	10,635,000	1.842
13	Tan Sri Datuk Chen Lok Loi	10,602,844	1.836
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Liberty Alliance (M) Sdn Bhd	8,895,533	1.541

## ANALYSIS OF SHAREHOLDINGS AS AT 29 DECEMBER 2023

### LIST OF TOP 30 SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	% <sup>(*)</sup>
15	Rajesh Singh Bhinder a/l Pretam Singh	8,400,000	1.455
16	Lotus Way Sdn Bhd	6,169,204	1.068
17	Yong Moh Lim	5,629,700	0.975
18	Tan Sou Yee	4,321,494	0.748
19	Neoh Choo Ee & Company, Sdn. Berhad	3,814,900	0.661
20	Lee See Jin	3,680,310	0.637
21	Goh Thong Beng	3,315,100	0.574
22	Dato' Chen Way Kian	3,273,787	0.567
23	Key Development Sdn. Berhad	3,101,748	0.537
24	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: ICapital.Biz Berhad	3,011,730	0.522
25	Datareach Sdn Bhd	2,933,982	0.508
26	HLB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Selestar Realty Sdn Bhd	2,774,772	0.480
27	Citigroup Nominees (Asing) Sdn Bhd Qualifier: CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,388,187	0.414
28	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account For Teo Siew Lai	2,061,108	0.357
29	Teh Chia Teck	1,800,000	0.312
30	Sawit Kejuruteraan Sdn Bhd	1,781,952	0.309
<b>TOTAL</b>		<b>389,161,019</b>	<b>67.397</b>

Note:

<sup>(\*)</sup> Based on 577,415,868 ordinary shares (excluding 9,132,300 treasury shares).

# DIRECTORS' SHAREHOLDINGS

AS AT 29 DECEMBER 2023

## MKH BERHAD

Name of Director	No. of Ordinary Shares Held			
	Direct Interest	%	Indirect Interest	%
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong*	277,080	0.048	253,129,658	43.838
Tan Sri Datuk Chen Lok Loi <sup>^</sup>	10,602,844	1.836	245,220,987	42.469
Datuk Chen Fook Wah <sup>#</sup>	163,354	0.028	236,981,354	41.042

Notes:

- \* Deemed interest through shares held in Chen Choy & Sons Realty Sdn Bhd ("CCSR"), Lotus Way Sdn. Bhd. and a nominee company.
- <sup>^</sup> Deemed interest through shares held in CCSR and a nominee company.
- <sup>#</sup> Deemed interest through shares held in CCSR, Activest Sdn Bhd and a nominee company.

# NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Fourth Annual General Meeting (“44th AGM”) of MKH Berhad will be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Tuesday, 12 March 2024 at 10.00 a.m. to transact the following businesses:-

## AS ORDINARY BUSINESS:

- |    |   |  |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 September 2023 together with the Directors’ and Auditors’ reports thereon.  | <b>(Please refer to Explanatory Note A)</b>                      |
| 2. | To approve the payment of Directors’ fees amounting to RM227,500 for the financial year ended 30 September 2023 to the Non-Executive Directors.   | <b>(Ordinary Resolution 1)</b>                                   |
| 3. | To approve the payment of Directors’ benefits (excluding Directors’ fees) to the Non-Executive Directors from 12 March 2024 until the next Annual General Meeting of the Company.   | <b>(Ordinary Resolution 2)</b>                                   |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 112(1) of the Company’s Constitution and being eligible, have offered themselves for re-election:-<br><br>(a) Dato’ Lim Hong Shuan<br>(b) Jeffrey bin Bosra | <b>(Ordinary Resolution 3)</b><br><b>(Ordinary Resolution 4)</b> |
| 5. | To re-elect Ms. Lee Pei Yee, a Director who retires pursuant to Clause 119 of the Company’s Constitution and being eligible, has offered herself for re-election.   | <b>(Ordinary Resolution 5)</b>                                   |
| 6. | To re-appoint Deloitte PLT as the Company’s Auditors for the financial year ending 30 September 2024 and to authorise the Directors to fix their remuneration.  | <b>(Ordinary Resolution 6)</b>                                   |

## AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following ordinary resolutions:

- |    |  |                                |
|----|--|--------------------------------|
| 7. | Ordinary Resolution<br><i>Authority To Issue Shares Pursuant To Sections 75 And 76 Of The Companies Act 2016</i> | <b>(Ordinary Resolution 7)</b> |
|----|--|--------------------------------|

“**THAT** subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) or party(ies) whomsoever as the Directors may in their absolute discretion, deem fit and expedient in the best interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being **AND THAT** the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

## NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

### 8. Ordinary Resolution

(Ordinary Resolution 8)

*Proposed Renewal Of Authority For The Company To Purchase Its Own Shares*

**“THAT** subject to the Companies Act 2016 (the “Act”), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Directors of the Company be and are hereby authorised to exercise the power of the Company to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company (“Proposed Renewal of Share Buy-Back”) subject further to the following:

- (i) the aggregate number of shares purchased does not exceed 10% of the existing number of shares of the Company (“Purchased Shares”) at the point of purchase;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the total retained profits of the Company at the time of the purchase(s); and
- (iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company unless the authority is renewed subject to conditions; or
  - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (c) it is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;
 whichever occurs first,
- (iv) upon the completion of the purchase(s) of the Purchased Shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:-
  - (a) to cancel the Purchased Shares so purchased; or
  - (b) to retain the Purchased Shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resell on the market of Bursa Securities; or
  - (c) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
  - (d) to deal in such 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 authorities may allow from time to time.

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with fullest power to do all such acts and things thereafter as the Directors may deem fit and expedient in the best interest of the Company.”

## NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

### ANY OTHER BUSINESS:

9. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board,

**TAN WAN SAN** (MIA 10195)  
 (SSM Practicing Certificate No. 201908001048)  
*Group Company Secretary*  
*Kajang, Selangor Darul Ehsan*  
*Date : 30 January 2024*

### Notes:

#### 1. Appointment of Proxy

- a) *A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.*
- b) *The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.*
- c) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.*
- d) *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
- e) *Only members whose names appear in the Record of Depositors as at 5 March 2024 will be entitled to attend and vote at the 44th AGM or appoint a proxy or proxies to attend and vote on his/her behalf.*

## NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

### 1. Appointment of Proxy (Cont'd)

f) The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy of that power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") not less than 24 hours before the time appointed for the taking of the poll or no later than Monday, 11 March 2024 at 10.00 a.m.. The Form of Proxy can be submitted through either one of the following avenues:

- |      |   |   |
|------|---|---|
| (i)  | Lodgement of Form of Proxy in hard copy | To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor's Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. |
| (ii) | Electronic lodgement of Form of Proxy   | The Form of Proxy can be lodged electronically via Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> . Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for the 44th AGM.   |

### 2. To Receive The Audited Financial Statements - Explanatory Note A

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

### 3. Ordinary Resolution 1 - Payments Of Directors' Fees To Non-Executive Directors For Financial Year Ended 30 September 2023

The Proposed payment of Directors' fees amounting to RM227,500-00 for the financial year ended 30 September 2023 to be shared by the following Non-Executive Directors of the Company:-

Dato' Lim Hong Shuan	: RM	60,000-00
Ms. Hoon Shat Mei	: RM	60,000-00
Datuk Mohammad bin Maidon (Retired on 16 March 2023)	: RM	27,500-00*
Ms. Lee Pei Yee (Appointed on 1 June 2023)	: RM	20,000-00*
En. Jeffrey bin Bosra	: RM	60,000-00
	Total : RM	<u>227,500-00</u>

\*apportioned

## NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

### 4. **Ordinary Resolution 2 - Payments Of Directors' Benefits (Excluding Directors' Fees) To Non-Executive Directors**

Pursuant to Section 230 of the Act, any fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking shareholders' approval on the benefits/emoluments payable to the Non-Executive Directors which comprises of the following:-

- (a) meeting allowance of RM2,000 per meeting to be given to the Chairman of the Board Committees;
- (b) meeting allowance of RM1,000 per meeting to be given to the Board and Board Committees;
- (c) lodging allowance of RM250 and food allowance of RM220 per day as well as traveling allowance of up to RM650 to be given to outstation Non-Executive Director(s);

in relation to attending the meeting of the Board and Board Committees for the period commencing 12 March 2024 until the next AGM of the Company.

### 5. **Ordinary Resolutions 3, 4 & 5 - To Re-elect The Retiring Directors**

Dato' Lim Hong Shuan and En. Jeffrey bin Bosra are standing for re-election pursuant to Clause 112(1) and Ms. Lee Pei Yee pursuant to Clause 119 of the Company's Constitution at the 44th AGM.

The Board had via Nomination Committee assessed the retiring Directors in terms of character and integrity, experience and competency, time and commitment as well as ability to act in the best interests of the Company based on the criteria set out in the Group's Fit and Proper Policy.

The Board and the Nomination Committee are satisfied that the retiring Directors meet the Fit and Proper criteria for re-election to the Board as the aforesaid Directors have devoted sufficient time to carry out their responsibilities throughout their tenure and possess relevant qualification, knowledge and experience which complement the Board's competencies.

The Board recommends that shareholders approve the re-election of the retiring Directors at the 44th AGM. The profiles of the retiring Directors are set out in the Profile of Directors section in the Annual Report 2023.

### 6. **Explanatory Statement Pertaining To Special Business**

#### **Ordinary Resolution 7**

The Proposed Ordinary Resolution 7 is for the purpose of granting a renewed mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Forty-Third (43rd) AGM which will lapse at the conclusion of the 44th AGM to be held on 12 March 2024.

## NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

### 6. Explanatory Statement Pertaining To Special Business (Cont'd)

#### Ordinary Resolution 8

*The Proposed Ordinary Resolution 8, if passed, will give authority to the Directors of the Company to exercise the power of the Company to purchase up to 10% of the existing number of shares of the Company for the time being. This authority, unless revoked or varied 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 is required by law to be held, whichever is the earlier.*

*As at 15 January 2024, a total of 9,132,300 existing shares of the Company were purchased and held as Treasury Shares.*

*The detailed information on the Proposed Renewal of Share Buy-Back is set out in the Statement to Shareholders dated 30 January 2024 which is dispatched together with the Annual Report 2023.*

#### Personal Data Privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the participation lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

# STATEMENT ACCOMPANYING NOTICE OF FORTY-FOURTH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The profiles of the Directors who are standing for re-election (as per Resolutions 3, 4 and 5 as stated above) at the 44th Annual General Meeting of MKH Berhad are set out in the profile of Directors' section from pages 80 to 83 of the Company's Annual Report.

The information relating to the shareholding of the above Directors in the Company and its related corporation are set out on page 285 of the Company's Annual Report.



**MKH BERHAD**Registration No. 197901006663 (50948-T)  
(Incorporated in Malaysia)**Form of Proxy**

I/We \_\_\_\_\_  
 NRIC/Passport/Company No.: \_\_\_\_\_ Mobile Phone No.: \_\_\_\_\_  
 CDS Account No.: \_\_\_\_\_ Number of Shares Held: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 being a member of MKH Berhad hereby appoint:

- 1) Name of Proxy: \_\_\_\_\_ NRIC/Passport/Company No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Number of Shares Represented: \_\_\_\_\_  
 ^ or failing him/her
- 2) Name of Proxy: \_\_\_\_\_ NRIC/Passport/Company No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Number of Shares Represented: \_\_\_\_\_

\* or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-Fourth Annual General Meeting of the Company to be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Tuesday, 12 March 2024 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of Meeting with "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolutions	For	Against
Ordinary Resolution 1 Payment of Directors' Fees for financial year ended 30 September 2023		
Ordinary Resolution 2 Payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors of the Company		
Ordinary Resolution 3 Re-election of retiring Director, Dato' Lim Hong Shuan		
Ordinary Resolution 4 Re-election of retiring Director, En. Jeffrey bin Bosra		
Ordinary Resolution 5 Re-election of retiring Director, Ms. Lee Pei Yee		
Ordinary Resolution 6 Re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7 Authority for Directors to Issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 8 Proposed Renewal of Authority for Share Buy-Back		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

**Signature/Common Seal of Member**

- \* Delete the words "or failing him/her, the Chairman of the meeting" if you do not wish to appoint the Chairman of the meeting to be your proxy  
 ^ Delete if inapplicable

**Notes:-**

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.
2. The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.

4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Only members whose names appear in the Record of Depositors as at 5 March 2024 shall be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote on his/her behalf.
6. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy of that power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") not less than 24 hours before the time appointed for the taking of the poll or no later than Monday, 11 March 2024 at 10.00 a.m.. The Form of Proxy can be submitted through either one of the following avenues:
- (i) Lodgement of Form of Proxy in hard copy      To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at Tricor's Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) Electronic lodgement of Form of Proxy      The Form of Proxy can be lodged electronically via Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for the 44th AGM.

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AFFIX  
STAMP

THE COMPANY SECRETARY  
**MKH BERHAD**  
Registration No. 197901006663 (50948-T)  
c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur, Malaysia

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[www.mkhberhad.com](http://www.mkhberhad.com)

**MKH Berhad**

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