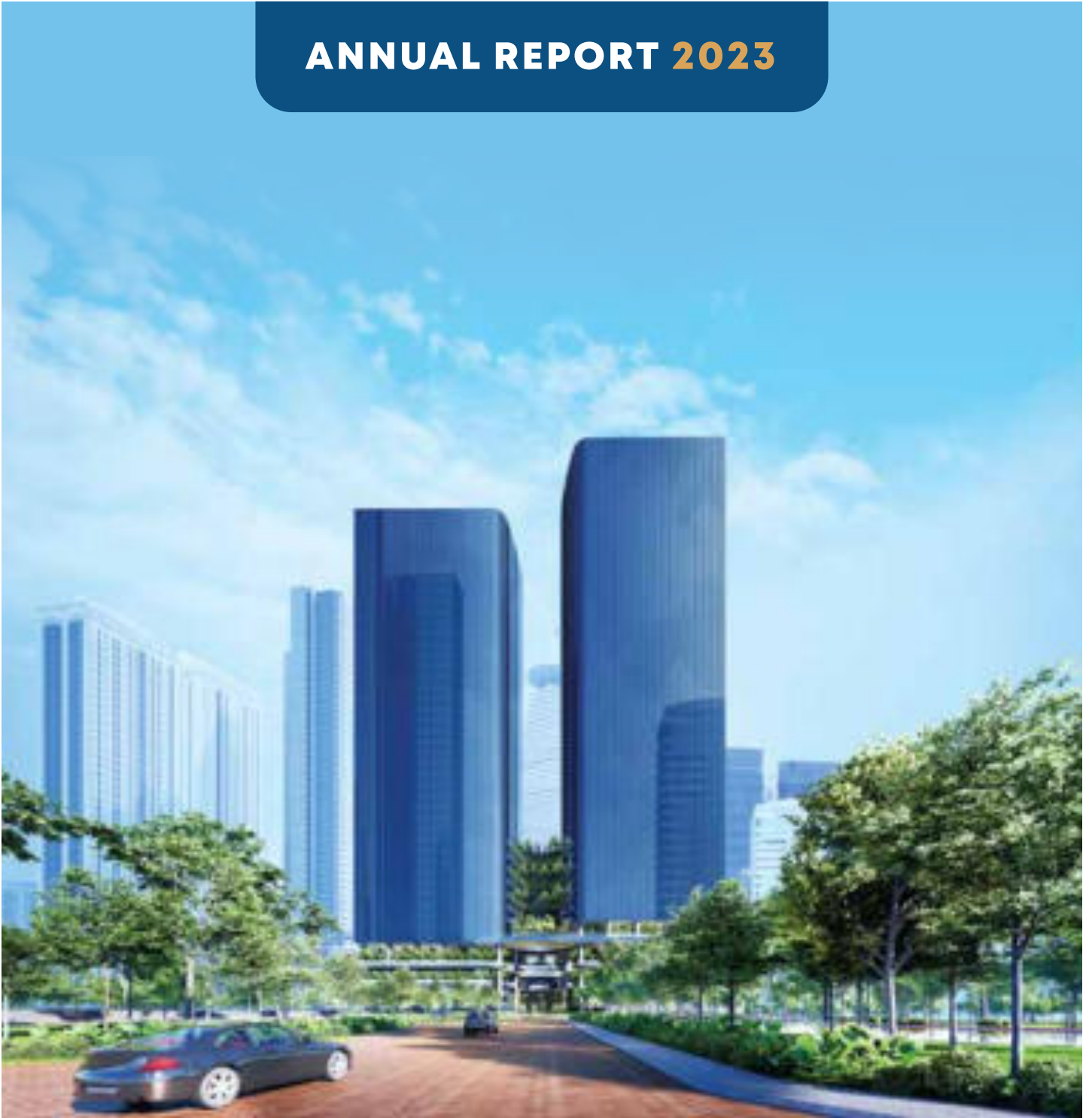


ANNUAL REPORT 2023





ABOUT THE COVER

Duo Tower - the latest development in Bangsar South - is a contemporary, future-forward office building designed to transcend the traditional office experience with an array of wellness facilities and flexible office spaces.

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Artist's Impression - Drop-Off Area, Duo Tower

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

In financial year ("FY") 2023, the nation experienced a slower growth. While the reported headline inflation eased in FY2023, the market and businesses continued to see pressure from increase in material prices and cost of labour. The Group witnessed a gradual improvement in the property sector during this period amidst the challenges faced while the general market sentiment remained soft.

In FY2023, the Group launched a residential project, namely, Aster Hill. The total property sales for UOA

Development Bhd and its subsidiaries (the "Group") amounted to approximately RM827.3 million where approximately 67% of the properties sold were in the residential segment and 33% were in the commercial segment. Revenue for the financial year was derived from both the progressive recognition of on-going development projects and sales of inventories. The continued improvement in rental income and the hospitality segment had also contributed to the Group's income during the year.

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

| YEAR ENDED 31 DECEMBER (RM'000) | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|------------|------------|------------|------------|-----------|
| Revenue | 399,392 | 451,653 | 547,484 | 844,597 | 1,104,457 |
| Profit Before Tax | 368,398 | 287,213 | 316,692 | 479,956 | 510,097 |
| Finance Cost | 131 | 148 | 475 | 1,037 | 7,375 |
| Profit After Tax | 286,406 | 222,760 | 228,344 | 399,733 | 408,422 |
| Profit Attributable To Shareholders | 279,551 | 219,937 | 222,447 | 391,288 | 399,474 |
| Paid-Up Capital | 3,071,432 | 2,953,770 | 2,821,766 | 2,519,752 | 2,286,285 |
| Shareholders' Equity | 5,413,096 | 5,741,425 | 5,628,990 | 5,418,187 | 5,064,894 |
| Total Assets Employed | 6,081,074 | 6,453,587 | 6,409,418 | 6,172,310 | 5,962,879 |
| Total Net Tangible Assets | 5,589,211 | 5,917,069 | 5,804,794 | 5,595,257 | 5,271,868 |
| Total Borrowings | 643 | 972 | 1,298 | 1,697 | 98,613 |
| Debt / Equity (times) | negligible | negligible | negligible | negligible | 0.02 |
| Basic Earnings Per Share (RM) | 0.11 | 0.09 | 0.10 | 0.19 | 0.21 |
| Net Tangible Assets Per Share (RM) | 2.24 | 2.46 | 2.50 | 2.63 | 2.68 |
| Share Price – Year High (RM) | 1.92 | 1.92 | 1.92 | 2.12 | 2.45 |
| Share Price – Year Low (RM) | 1.56 | 1.52 | 1.54 | 1.38 | 1.87 |
| Closing Share Price @ End Of Financial Year (RM) | 1.74 | 1.61 | 1.67 | 1.69 | 2.03 |
| Total Yearly Share Volume Traded ('000) | 64,794 | 72,434 | 112,711 | 139,687 | 121,029 |
| Market Capitalisation @ End Of Financial Year (RM'billion) | 4.33 | 3.88 | 3.89 | 3.59 | 3.99 |

MANAGEMENT DISCUSSION AND ANALYSIS *(CONTINUED)*

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

In FY2023, the Group recorded a total revenue from property development of RM399.4 million and a profit after tax and minority interests ("PATAMI") of RM279.6 million.

Compared to the previous financial year, the Group's revenue in FY2023 was lower at RM399.4 million, compared to RM451.7 million. The decrease in revenue was mainly due to lower progressive recognition from on-going development projects which was partially offset by higher sales of inventories.

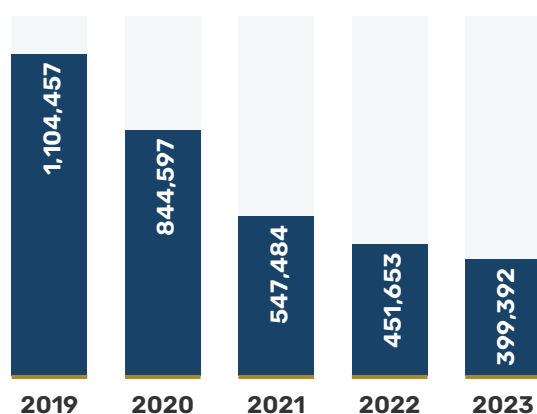
The Group registered a PATAMI of RM279.6 million in FY2023, compared to RM219.9 million in the previous financial year. The increase in PATAMI was mainly attributable to the higher other income of RM354.3 million (FY2022: RM247.4 million) and fair value gains on investment properties of RM39.4 million.

Other income rose to RM354.3 million in FY2023 from RM247.4 million in the preceding financial year, mainly due to higher rental income and income from the

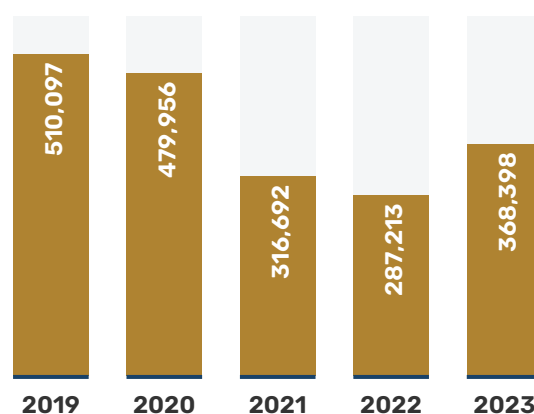
Group's hospitality division. The increase in rental income which formed a substantial part of other income was a result driven by improvements in rental across most of our rental assets, particularly in the office segment. Income from the hospitality division also saw an increase compared to the previous financial year, attributed to the normalisation of international travel after the gradual reopening of international borders in FY2022 post-pandemic, and improvement in conferences and events hosting. Corresponding to the rise in income from the hospitality division, the administrative and general expenses increased to RM269.0 million from RM202.0 million in preceding financial year.

As at 31 December 2023, the cash and cash equivalents remained robust at RM1.8 billion. The balance sheet remained strong, with a net cash position enabling potential development of investment properties and acquisitions of land development when opportunities arise.

Revenue (RM'000)



Profit Before Tax (RM'000)



REVIEW OF OPERATING ACTIVITIES

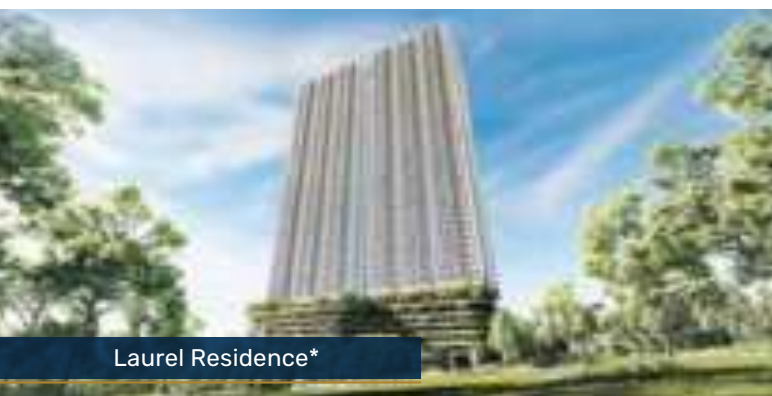
The Group registered a total property sales of RM827.3 million in FY2023. The property sales were attributable mainly to Aster Hill, Laurel Residence, The Goodwood

Residence, United Point Residence and Medical Suites. During FY2023, the Group has launched a residential project namely, Aster Hill.

MANAGEMENT DISCUSSION AND ANALYSIS *(CONTINUED)*

CURRENT DEVELOPMENTS

Laurel Residence is an on-going project located in Bangsar South and it consists of two blocks of 42-storey residential towers, housing a total of 1,260 units. Located in the heart of Bangsar South, the development is supported by ample amenities.



Laurel Residence*



Bamboo Hills Residences*

After the completion of Bamboo Hills Phase 1, which comprises unique dining pavilions and extensive outdoor spaces, Bamboo Hills Residences emerges as the latest phase of our Jalan Ipoh development. It consists of three residential blocks, housing a total of 2,517 units with a retail podium. This project is slated for launch in the first half of FY2024, with expected completion in FY2028.

The new launches in FY2024 are estimated to have a total GDV of approximately RM2.7 billion.

* Artist's Impression

ANTICIPATED / KNOWN RISKS AND MOVING FORWARD

As we move into FY2024, the Group maintains a cautious outlook on the property sector given prevailing soft market sentiments, economic uncertainties and prolonged geopolitical conflicts. Risks on rising construction and material costs and potential increases in the overnight policy rate may further impact market conditions and dampen business confidence and consumer sentiments.

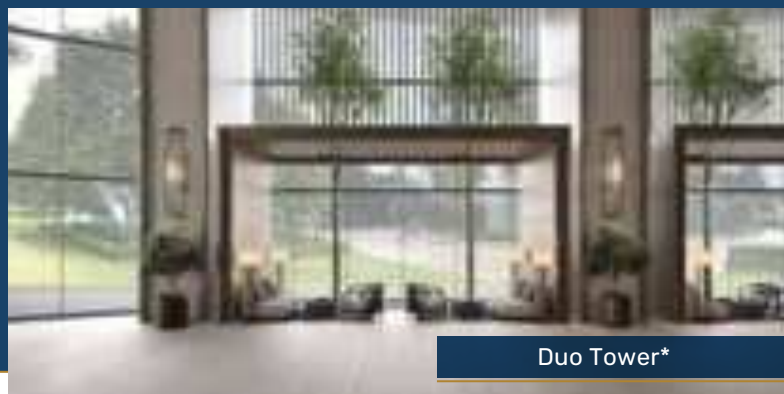


Aster Hill*

Aster Hill is a residential development located adjacent to our completed project, Aster Green Residence, within the established township of Sri Petaling and it consists of two 32-storey residential towers with a total of 1,150 units. The combined Gross Development Value (GDV) of these projects is approximately RM1.0 billion. Both projects are slated for completion in FY2026.

UPCOMING / FUTURE DEVELOPMENTS

Duo Tower is the newest Grade A office building located in Bangsar South, supported by well-established amenities and connectivity. It consists of two blocks of office towers, with a 34-storey Tower A accommodating a total of 239 office units and a 38-storey Tower B with more than 700,000 square feet of lettable area. This project commenced construction in FY2023 and it is slated for launch in the first half of FY2024, with expected completion in FY2027.



Duo Tower*

Despite the challenges, the Group remains focused on future development projects in targeted strategic locations with carefully timed launches that aligned with the economic and market conditions.

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

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This report represents UOA Development Bhd ("UOA", or "the Company") and our group of companies ("UOA Group" or "Our Group" or "the Group") annual Sustainability

Statement ("Statement"), highlighting our commitments and performances in the Economic, Environmental, Social and Governance ("EESG") aspects of sustainability.

REPORTING FRAMEWORK

In preparing this Statement, we have been guided by the key principles of the following:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, with reference to the latest edition of the issued Sustainability Reporting Guide 3rd Edition;
- Global Reporting Initiative ("GRI") Standards and its latest Universal Standards 2021;
- FTSE4Good Bursa Malaysia ("F4GBM") Index;
- United Nation Sustainability Development Goals ("UNSDGs"); and

- Task Force on Climate-related Financial Disclosure ("TCFD")*.

* *Following the publication of the inaugural ISSB Standards – IFRS S1 and IFRS S2—the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) - from 2024.*

REPORTING SCOPE

Disclosures in this Statement comprise the Company's sustainability performance from 1 January 2023 to 31 December 2023 ("FY2023"), encompassing UOA business segments which include Property Development and Construction, Property Investment and Hospitality (Hotel and Convention Centre).

Unless mentioned otherwise, this Statement excludes associates and joint ventures. They are excluded as we do

not exercise any operational control over these entities.

Where relevant, we included data from previous years to track year on year progress and to provide additional context. This Statement addresses our response to thirteen (13) material sustainability topics which impact our business and our ability in delivering value to all our stakeholder. There is no change in reporting scope as compared to previous financial year.

ASSURANCE

In strengthening the credibility of this report, data for each corresponding material topic has undergone review by our internal auditors.

ACCESSIBILITY

This Statement can be accessed and downloaded through UOA's Annual Report in the corporate website at <https://uoa.com.my/investor-relations/uoa-development/>.

FEEDBACK

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability Committee at uoa.sustainability@uoa.com.my.

SUSTAINABILITY STATEMENT *(CONTINUED)*

OUR SUSTAINABILITY JOURNEY

HIGHLIGHTS AND ACHIEVEMENTS



ECONOMIC

Tenth (10th) Times
The Edge Malaysia Top
Property Developers
Awards (TPDA)

**Sixth (6th)
Consecutive Year**
The Edge Billion Ringgit
Club (BRC) Corporate
Awards

RM279.55 Million
Group Profit After
Tax ("Group PAT")
Attributable to The
Owners

**Thirteenth (13th)
Consecutive Year**
of at least 50% (on the
Group's Realised Profit After
Tax Attributable to The
Owners) Dividend Payout

RM827.30 Million
in Property Sales

RM13.80 Billion
Gross Development Value
for On-going Projects,
Up-coming Projects and
Undeveloped Land



SOCIAL

882
Total Local Workforce

0
Fatalities Occurred in
The Workplace

47%
Women Employees

25,042
Hours of Staff Training

118
Hours Spent in
7 Sections of Free
Medical Consultation



ENVIRONMENTAL

4.9% Savings
in Electricity Bills from
Roof Top Solar Panel
Installation at Bamboo
Hills Retail Space
in FY2023

625.21 Tonnes
Total Waste Recycled

**25 Bays of EV
Charging Stations**
are outfitted at Bangsar
South, UOA Business
Park, The Sphere and
Bamboo Hills

**SILVER Provisional
GreenRE Certification**
Non Residential
Category Tower A
@ Duo Tower



GOVERNANCE

0
Corruption or Bribery
Cases Occurred

641
Total Participants in
Anti-Corruption Training

0
Whistleblowing Cases
Reported

SUSTAINABILITY STATEMENT *(CONTINUED)*







OUR SUSTAINABILITY APPROACH

Here at UOA, our approach to sustainability is driven by our Sustainability Policy ("Policy"). The Policy is built upon our sustainability framework that encompasses EESG considerations as its core pillars, all of which are aligned with the UNSDGs we have identified as the most relevant to our material topics, business strategies, principal risks, stakeholder influence and effects on our community. Out of the seventeen (17) UNSDGs, we have

adopted four (4) of them.

We strive to integrate EESG considerations into our daily operations and business management. This involves promoting our sustainability principles and practises: Awareness, Understanding, Commitment, Action, Assessment, and Monitoring, among our leaders and stakeholders, to achieve our sustainability goals.

OUR SUSTAINABILITY FRAMEWORK

| SUSTAINABILITY FRAMEWORK | | | |
|---|--|---|--|
| SUSTAINABILITY GOVERNANCE Board of Directors ("BOD") oversees sustainability practices through its governance structure. | | | |
| CORE PURPOSE | TOWARDS A SUSTAINABLE FUTURE | | |
| CORE PILLARS | ECONOMIC | ENVIRONMENTAL | SOCIAL AND GOVERNANCE |
| Material Matters | <ul style="list-style-type: none"> ▪ Economic Performance ▪ Supply Chain Management ▪ Technology, Digital Innovation & Cybersecurity ▪ Anti-Corruption | <ul style="list-style-type: none"> ▪ Energy and Emmission ▪ Waste Management ▪ Water Management ▪ Sustainable Design, Green Space and Biodiversity | <ul style="list-style-type: none"> ▪ Diversity ▪ Human Capital Management ▪ Labour Practice ▪ Health, Safety and Security ▪ Community Investment |
| Sustainability Goal | Deliver Economic Excellence | Protect Our Environment | Create Value for Our People |
| Material Matters | Products & Services Excellence <ul style="list-style-type: none"> ▪ Creating economic value for our stakeholders ▪ Prioritising safety and productivity ▪ Offering innovative solutions to our customers ▪ Competing fairly | Green Initiatives <ul style="list-style-type: none"> ▪ Respecting the environment ▪ Consistently striving to lower our energy consumption and Greenhouse Gas ("GHG") emissions ▪ Efficiently managing our wastage | Talent Management <ul style="list-style-type: none"> ▪ Prioritising the safety and well-being of our people ▪ Conducting business ethically and with transparency ▪ Engaging with and supporting our communities ▪ Compliance of all requirements from local councils and authorities |
| UNSDGs Alignment |    |  |   |

SUSTAINABILITY STATEMENT *(CONTINUED)*

OUR SUSTAINABILITY FRAMEWORK *(CONTINUED)*

GOALS AND TARGETS IN FY2024

To further strengthen UOA's commitment towards its sustainability endeavours and reporting standards, we have established the following set of goals and targets:

ECONOMIC

GOAL 1: DELIVER ECONOMIC EXCELLENCE

| MATERIAL TOPICS | INDICATORS | PROPOSED TARGETS |
|---|--|--|
| 1.1 Economic Performance – Product and Service Quality | <i>Property Development and Construction</i> Classic Score or any other equivalent Quality Assessment System for all new projects | <i>Property Development and Construction</i> Classic score or other equivalent: 70% |
| | <i>Property Investment</i> Office Building in Bangsar South City and UOA Business Park – Customer Satisfaction % | <i>Property Investment</i> Customer Satisfaction %: 70% |
| | <i>Hospitality</i> Hotel and Convention Centre – Customer Satisfaction % | <i>Hospitality</i> Customer Satisfaction %: 80% |
| 1.2 Anti-corruption | Number of corruption cases reported | Zero |
| | Number of employees participate in Anti-corruption awareness training | Minimum 80% of total number of local employees |
| 1.3 Supply Chain Management | % of procurement budget expended on local suppliers | Minimum 90% |

ENVIRONMENT

GOAL 2: PROTECT OUR ENVIRONMENT

| MATERIAL TOPICS | INDICATORS | PROPOSED TARGETS |
|---|---|---|
| 2.1 Sustainable Design, Green Space and Biodiversity | Green Building Certificate or other equivalent certificate: All new development | GreenRE Certificate or other equivalent Certificate: Minimum "Bronze" |
| | % of the development area to green spaces: All new development | More than 10% |
| 2.2 Energy and Emission | To reduce Scope 2 GHG Emission by 1% (Baseline FY2023: 16,083 tCO2e) | Reduction by 1% |
| | To broadened our reporting to encompass Scope 3 emission related to employee commutes and business travel | |
| 2.3 Waste Management | To implement identifying and segregation of waste: Number of locations | At least 1 location |

SUSTAINABILITY STATEMENT *(CONTINUED)*

OUR SUSTAINABILITY FRAMEWORK *(CONTINUED)*

GOALS AND TARGETS IN FY2024 *(CONTINUED)*

To further strengthen UOA's commitment towards its sustainability endeavours and reporting standards, we have established the following set of goals and targets: *(Continued)*

SOCIAL

GOAL 3: CREATE VALUE FOR OUR EMPLOYEE

| MATERIAL TOPICS | INDICATORS | PROPOSED TARGETS |
|--|---|------------------------------|
| 3.1 Human Capital Management | Average number of training hours per employee | Average 8 hours per employee |
| 3.2 Diversity | To maintain at least 40% females in the work force | 40% female employees |
| 3.3 Labour Practice | Number of substantiated complaints pertaining to labour standards, including human rights violation | Zero |
| 3.4 Health, Safety and Security | Number of fatalities as a result of work-related injury and ill health | Zero |

SUSTAINABILITY GOVERNANCE STRUCTURE

We have established a sustainability governance structure aligned with TCFD recommendations to integrate EESG matters into our business strategy, governance, and decision-making. The following diagram illustrates

UOA's sustainability governance structure which defines roles and responsibilities at every level for effective decision-making and implementation.



SUSTAINABILITY STATEMENT *(CONTINUED)*

STAKEHOLDER ENGAGEMENT

Acknowledging the significant role of stakeholders in our business, we engage through various channels to interact and address the specific interests and concerns of each group. This approach helps create lasting value for everyone involved.





Our key stakeholders include customers, government authorities, suppliers, contractors, consultants, shareholders, investors, fund providers, employees, management, directors, the community, and media. More details can be found in the engagement table below.

| STAKEHOLDERS | AREAS OF INTERESTS/CONCERNS | ENGAGEMENT CHANNELS |
|---|--|--|
| CUSTOMERS  | <ul style="list-style-type: none"> Quality and reliability of products and services with assurances Traffic and environmental impact Timeline and timeliness in delivery Warranties, defect liabilities and claims Sustainable maintenance of products Energy, water and resource efficiency Customer service Pricing issues and trends International and specific standards and EESG-compliant Human/labour rights and safety Business Continuity Planning on delivery Collection aging/schedule | <ul style="list-style-type: none"> Periodic and ad-hoc meetings and interactions Conduct Customer Satisfaction Survey Buyer appreciation events Buyer-Get-Buyer incentive programme Customer service and experience (UOA Care Line) UOA newsletter Website and social media channels (project-based) UOA Privilege app |
| GOVERNMENT AUTHORITIES  | <ul style="list-style-type: none"> Obtaining all required operating licenses and regulations Complying to all requirements from local councils and authorities (e.g., Department of Occupational Safety & Health and Department of Environment) Anti-Bribery & Corruption Human rights Ensuring all employees are protected by all relevant labour law and requirements Hiring only legitimate foreign workers Fair treatment to all employees Availability of whistle blowing channels and protection for whistle blower | <ul style="list-style-type: none"> On-site inspection Safekeeping and availability of records for audit Correspondences with regulators Dialogues with regulators Participation in dialogues and forums Industry representation body |
| SUPPLIERS/ CONTRACTORS/ CONSULTANTS  | <ul style="list-style-type: none"> Products and designs with updated improved technology Sustainability of materials and designs Energy, water and resource efficiency Quality and reliability of products or services with assurances Projected orders and commitments Transparency in dealings Timeline and timeliness in delivery Warranties, defect liabilities and claims Pricing issues and trends International and specific standards and EESG-compliant Human/labour rights and safety Business Continuity Planning on supply Payment aging/schedule Technology development and collaboration | <ul style="list-style-type: none"> Periodic and ad-hoc meetings and interactions Continuous quality control on suppliers, contractors, consultants' work-in-progress and products or services Regular site visits Annual assessment or evaluation |

SUSTAINABILITY STATEMENT *(CONTINUED)*

STAKEHOLDER ENGAGEMENT *(CONTINUED)*

Our key stakeholders include customers, government authorities, suppliers, contractors, consultants, shareholders, investors, fund providers, employees, management, directors, the community, and media. More details can be found in the engagement table below. *(Continued)*

| STAKEHOLDERS | AREAS OF INTERESTS/CONCERNS | ENGAGEMENT CHANNELS |
|--|---|---|
| SHAREHOLDERS/ INVESTORS/ FUND PROVIDERS  | <ul style="list-style-type: none"> Projected revenue and commitments Current and projected growth opportunities and threats Business strategy and direction Financial performance Risk management Corporate governance EESG-compliant and initiatives Board representation and diversity Succession plan | <ul style="list-style-type: none"> Timeliness and periodic corporate announcements Analysts/fund managers presentations and briefing Regular meetings with analysts, fund managers and other investors Annual General Meeting UOA Annual Report and Interim financial reports UOA newsletter |
| EMPLOYEES/ MANAGEMENT/ DIRECTORS  | <ul style="list-style-type: none"> Update on the current and future directions of UOA Update on latest threats (e.g., Covid-19 pandemic) and initiatives or action plan taken to mitigate or manage the situation Opportunities for healthy career growth, upskilling, learning and development Good working environment especially job security, health, safety, humane and respectful workplace Human rights | <ul style="list-style-type: none"> Periodic and ad-hoc meetings and interactions Intranet and internal email Employee handbook Learning and development programmes Staff induction programme Internship programme Staff engagement events Employee performance appraisal Long service award Staff-Get-Staff incentive programme Board and Board Committee meetings |
| COMMUNITY  | <ul style="list-style-type: none"> Volunteering projects Health, safety and environmental initiatives Community investments | <ul style="list-style-type: none"> Initiatives and partnerships with Non-Governmental Organization (NGO) Institution/University internship programme Community engagement programme Charitable contributions |
| MEDIA  | <ul style="list-style-type: none"> Financial performance Business continuity | <ul style="list-style-type: none"> Press releases Media interviews Product launches and corporate events Regular updates and engagement sessions |

SUSTAINABILITY STATEMENT *(CONTINUED)*

MATERIALITY ASSESSMENT

In the year under review, we have reviewed and realigned FY2023's material topics based on Bursa Malaysia Sustainability Reporting Guide 3rd Edition, their toolkits, EESG indicators and GRI Standards. As part of this realignment, we removed 'Risk Management' and 'Ethics and Compliance' from this section and instead have this included in the Corporate Governance Statement. We also combined 'Product and Service Quality', 'Customer Satisfaction and Relationship', 'Financial Performance' and 'Indirect Economic Impact' and renamed it as 'Economic Performance'. Similarly too, 'Technology Innovation and Development' and 'Cybersecurity and Information Technology' are combined into 'Technology, Digital Innovation and Cybersecurity'. We introduced 'Sustainable Design, Green Space and Biodiversity', 'Anti-Corruption' and 'Water Management' as new material topics.

Our SCWG continuously monitor the business's environment

and engage various stakeholders on an ongoing basis to ensure we have appropriately recognised the risks and opportunities presented by our operating environment, the needs of our stakeholders, as well as manage our material sustainability areas. We considered the following:

- Issues that matter to UOA's business performance
- Issues that matter to UOA's stakeholders
- Issues that presently have or could potentially have an impact on UOA

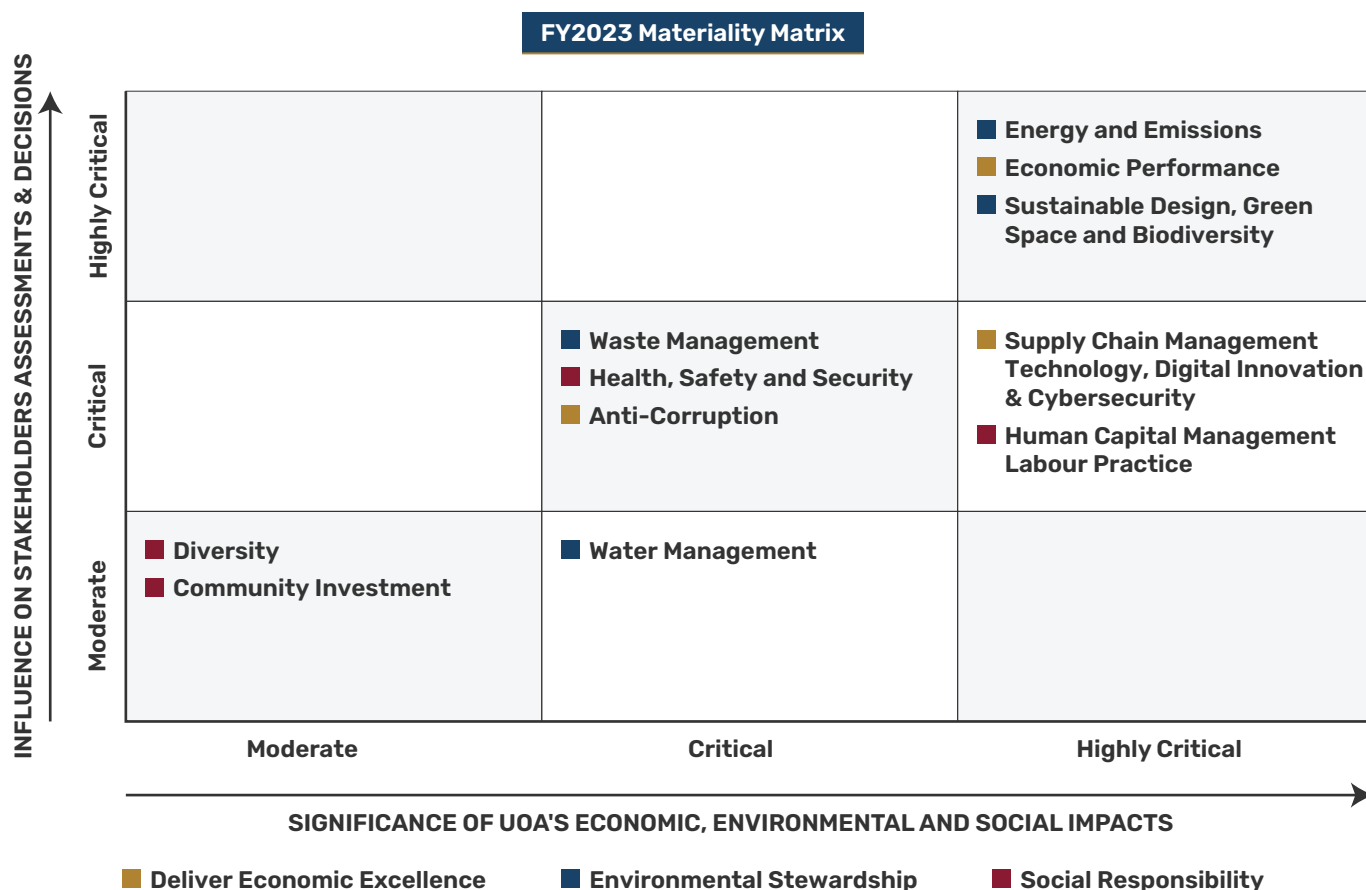
Subsequently, this initial analysis underwent refinement to pinpoint sustainability aspects of significance, guided by:

- The significance of UOA's economic, environmental, and social impacts, and
- The influence on stakeholders' assessments and decisions.

MATERIALITY ASSESSMENT

The materiality matrix below illustrates thirteen (13) material topics aligned along the x-axis to indicate their significance of our economic, environmental, and social impacts.

Simultaneously, these topics are positioned along the y-axis to reflect their influence on stakeholder assessments decisions concerning our business engagements.



SUSTAINABILITY STATEMENT *(CONTINUED)*

ECONOMIC PERFORMANCE

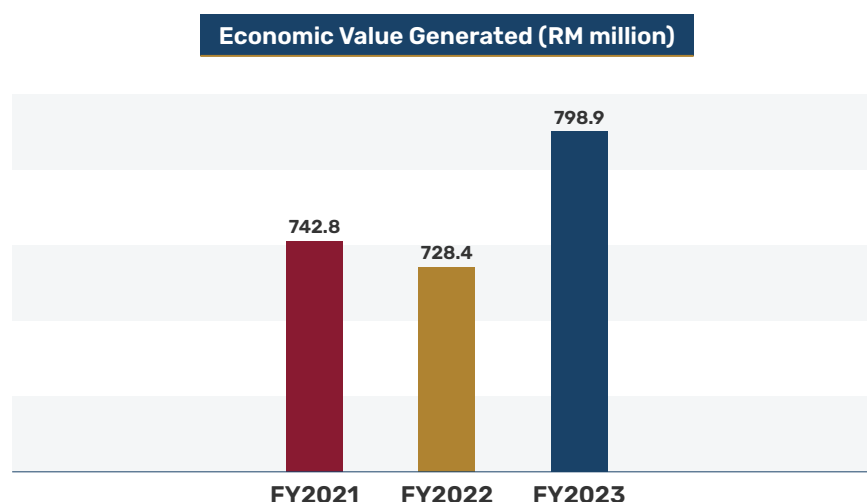
In a challenging business landscape, notably post-pandemic property trends emphasising home offices and adaptable living spaces, compounded by inflation's impact on building costs and property prices, our economic

performance remains a primary concern for our stakeholders. We aim to generate and deliver economic value to our key stakeholders – shareholders, investors, fund providers, and employees.

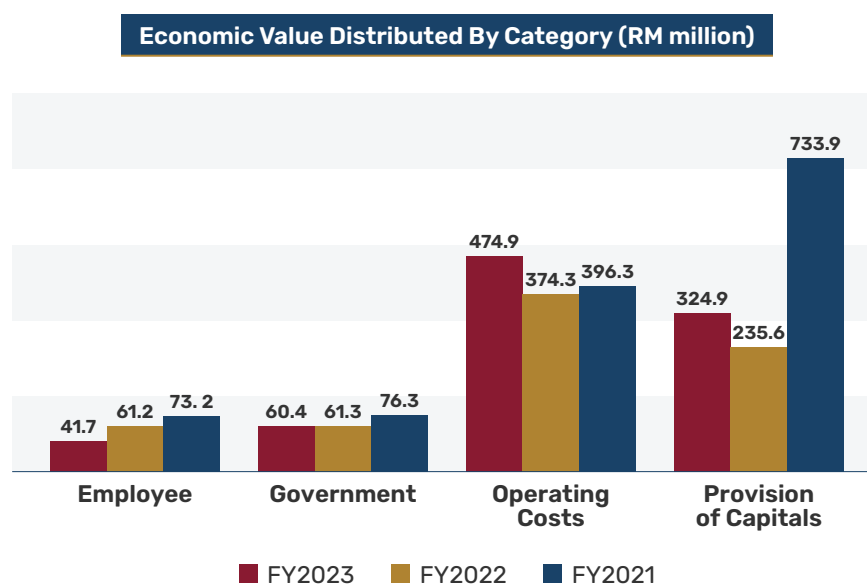
FINANCIAL PERFORMANCE

OUR DIRECT ECONOMIC IMPACT

During FY2023, we generated RM798.9 million income, reflecting the total economic value generated.



The total value distributed by category over the past three (3) years is as follows.



Further discussion on Financial Performance can be found in the Management Discussion and Analysis ("MD&A") section of this Annual Report.

SUSTAINABILITY STATEMENT *(CONTINUED)*

ECONOMIC PERFORMANCE *(CONTINUED)*

FINANCIAL PERFORMANCE *(CONTINUED)*

OUR INDIRECT ECONOMIC IMPACT

Cumulative Infrastructure Investments

UOA recognises the importance of community involvement in the areas where we operate. Hence, UOA continues to improve the quality life of local communities through constructing or upgrading surrounding amenities and infrastructure where necessary.

Bamboo Hills Retail Space

In FY2022, we completed one (1) amenity project, Bamboo Hills with a total cost of RM 83.5 million. The newly created retail spaces has enhanced the residential areas of Taman Bamboo in Jalan Ipoh. Bamboo Hills will also indirectly contributed to the economy of the neighbourhood through the creation of new job opportunities.

Bamboo Hills Highway Access

To ensure connectivity for the future community of Bamboo Hills, we built a direct access from Bamboo Hills to DUKE Highway.

Segambut 2 Railway Station

The upcoming construction of Segambut 2 Railway Station, located next to the United Point Residence development, is a hallmark of the Transit-Oriented Development ("TOD") concept that will provide the residents from United Point Residence and nearby areas the opportunity to utilise the rail service as the main mode of transport.

On 24 August 2023, the Development Agreement for the construction of the railway station between Railway Assets Corporation ("RAC") and IDP Industrial Development Sdn Bhd ("IDP") was signed between Chief Executive Officer of RAC, Azhar bin Ahmad and Director of IDP, Kong Pak Lim. The signing ceremony was witnessed by Transport Minister YB Loke Siew Fook, Minister of Youth & Sports and Segambut Member of Parliament YB Hannah Yeoh, and Deputy Transport Minister Datuk Haji Hasbi bin Hj Habibollah.

By introducing rail connectivity as the transport mode of choice in the area, it will reduce road congestion and encourage home ownership among those who want to live or work near the city centre. Slated for completion in year 2026, the station is also expected to provide a conducive and comfortable experience for commuters with modern facilities including lifts, escalators, a pedestrian overpass, covered walkway, car and motorcycle parking spots, as well as bus, taxi stops and passengers pick-up/drop-off areas.

Transit Oriented Development ("TOD")

UOA believes in Transit Oriented Development and endeavours to identify land situated close to a wide range of public transport system.

PROJECT & PUBLIC TRANSPORT

Bangsar South City

By Train

Light Rail Transit (LRT) to Kerinchi LRT Station and Universiti LRT Station.

By Bus

RapidKL bus to Universiti LRT Station and The Village, Bangsar South.

Kerinchi LRT Station is connected to The Horizon Bangsar South via a covered pedestrian link bridge across Federal Highway.

A complimentary Bangsar South shuttle service is provided from University LRT Station and The Village to Bangsar South.

UOA Business Park

Direct Pedestrian Link Bridge to Subang Jaya KTM Station and LRT Station.

Aster Green Residence & Aster Hill Residence

5 minutes from Kuchai MRT Station and Taman Naga Emas MRT Station.

The up-coming TOD project is as follows.

PROJECT

PUBLIC TRANSPORT

Bamboo Hills Residences

Kentonment MRT Station

SUSTAINABILITY STATEMENT *(CONTINUED)*

ECONOMIC PERFORMANCE *(CONTINUED)*

FINANCIAL PERFORMANCE *(CONTINUED)*

PRODUCT AND SERVICE QUALITY

Product and service quality is integral to Our Group's success, driving customer satisfaction, reputation, and competitive advantage. Our Quality Manual ensures the delivery of high-quality products to customers where we place importance on risk and impact analysis using Monitoring, Measurement, Analysis and Evaluation

methodology. Additionally, a pervasive quality culture is ingrained among all employees, fostering high standards of work ethics, procedures, and instructions. This is upheld through strict compliance to the best management practices as follows.

| ENTITY | CERTIFICATION | SCOPE | DESCRIPTION | ORIGINAL ISSUED DATE | EXPIRED DATE |
|--------|-----------------|---|---|----------------------|---------------|
| AECSB | ISO9001: 2015 | Quality Management Systems | Provision of construction services for building and civil engineering works | 8 December 2017 | 30 March 2026 |
| AECSB | ISO 45001: 2018 | Occupational Health and Safety Management Systems | Provision of construction services for building and civil engineering works | 31 March 2017 | 30 March 2026 |

AECSB - Allied Engineering Construction Sdn Bhd

Product Quality Control and Continuous Improvement

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

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

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

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

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

Examples:

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

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

For product quality, we benchmark ourselves against the Quality Assessment System in Construction ("QLASSIC") certified by the Construction Industry Development Board ("CIDB"), measuring workmanship quality based on Construction Industry Standards (CIS 7:2014), ensuring adherence to high standards.

SUSTAINABILITY STATEMENT *(CONTINUED)*

ECONOMIC PERFORMANCE *(CONTINUED)*

FINANCIAL PERFORMANCE *(CONTINUED)*

PRODUCT AND SERVICE QUALITY *(CONTINUED)*

Product Quality Control and Continuous Improvement *(Continued)*

**GOODWOOD
RESIDENCE
(76%)**

**SOUTHLINK
LIFESTYLE
APARTMENTS
(72%)**

**SENTUL
POINT SUITE
APARTMENTS
(71%)**

Our Property Development and Construction segment consistently registers a score of 70% and above under the QLASSIC scoring system.

CUSTOMER SATISFACTION AND RELATIONSHIP

a) Property Development and Construction

UOA strives to achieve long-term growth through the nurturing of customer relationship, culminating in the satisfaction of existing customers while expanding new customer base. Besides delivering our products and services with quality of high standards, we place strong emphasis on understanding and meeting the needs and expectations of our customers.

To achieve this, we have taken several initiatives as follows.

- Conduct market research and engage with potential buyers and tenants to understand their needs, preferences, and expectations regarding property features, amenities, location, pricing, and etc.
- UOA rewards our valued and loyal customers by offering an exciting array of privileges. One of the delivery tool is our UOA Privilege mobile app.
 - i. Buyer Repeat Purchase Discount
 - ii. Buyer Get Buyer Reward
 - iii. Exclusive Pre-Launch Invitation & Priority Unit Selection
 - iv. Buyer Birthday Reward
 - v. Exclusive Gift During Property Handover
 - vi. Special Renovation Package For UOA Lease Property
 - vii. After Sales Service Assistance
 - viii. Special Discount By UOA & Merchant Partners

- Address customer inquiries, concerns, and feedback promptly and courteously via UOA Care Line, the Group's centralised call centre.
- Provide comprehensive after-sales support and services to customers, including maintenance, repairs, and assistance with any issues or concerns that may arise after they have taken possession of their property for a period of 24 months.
- Foster a sense of community among residents owners and tenants within the properties developed by organising community events, social activities, and initiatives that encourage interaction and networking, and a give sense of belonging. Engage with the community to understand their needs and aspirations and incorporate their feedback into future development plans.

b) Property Investment

We continuously seek feedback to gauge customers' satisfaction levels through our annual surveys and performance monitoring. These statistics guide us in our actions, planning and commitment towards enhancing customer experience and meeting their expectations.

Our customer survey and performance score are based on the weighted average of five (5) areas:

- Info-Structure
- Contact Centre Service
- Facility Management Service
- Facility Management – Common Area
- Overall performance of UOA

Customer Satisfaction for Office Towers

PROJECT: BANGSAR SOUTH CITY ("BSC")

| FY | Very Satisfied (%) | Satisfied (%) | Dissatisfied (%) |
|------|--------------------|---------------|------------------|
| 2023 | 15 | 45 | 40 |
| 2022 | 23 | 57 | 20 |
| 2021 | 26 | 41 | 33 |

SUSTAINABILITY STATEMENT *(CONTINUED)*

ECONOMIC PERFORMANCE *(CONTINUED)*

FINANCIAL PERFORMANCE *(CONTINUED)*

CUSTOMER SATISFACTION AND RELATIONSHIP *(CONTINUED)*

b) Property Investment *(Continued)*

| Customer Satisfaction for Office Towers | | | |
|---|--------------------|---------------|------------------|
| PROJECT: UOA BUSINESS PARK ("UBP") - GLENMARIE | | | |
| FY | Very Satisfied (%) | Satisfied (%) | Dissatisfied (%) |
| 2023 | 32 | 51 | 17 |
| 2022 | 14 | 60 | 26 |
| 2021 | 11 | 50 | 39 |

The overall customer satisfaction in Bangsar South City decreased from 80% to 60%. Action plans have been taken immediately after understanding the issues from our customers by our Facility Management Team jointly with UOA Care Line Team.

c) Hospitality

UOA strives to provide excellent all-rounded service to our customers. Regular monitoring of our hotel guests' feedback from online review helps us to keep abreast of our hotel guests' comfort, convenience and expectations and this enables us to improve our service.

UOA's Hospitality Division continued to receive awards that reflect high level of customer satisfaction. VE Hotel & Residence won the 2023 Travellers' Choice Awards from Trip Advisor while Komune Living Hotel received 2023 Top Performing Hotel Group from booking.com.

We are proud that Hospitality Division consistently yield excellent customer satisfaction rating as follows.

| Customer Satisfaction for VE Hotel & Residence | | | |
|--|------------------------|----------------------|------------------------------|
| HOTEL: VE HOTEL & RESIDENCE | | | |
| FY | Exceed Expectation (%) | Meet Expectation (%) | Did Not Meet Expectation (%) |
| 2023 | 81 | 13 | 6 |
| 2022 | 85 | 10 | 5 |
| 2021 | 88 | 8 | 4 |

Customer Satisfaction for Connexion Conference & Event Centre - Nexus and The Vertical ("CCEC")

| CONVENTION CENTRE: CCEC - NEXUS AND THE VERTICAL | | | |
|---|------------------------|----------------------|------------------------------|
| FY | Exceed Expectation (%) | Meet Expectation (%) | Did Not Meet Expectation (%) |
| 2023 | 55 | 44 | 1 |
| 2022 | 42 | 57 | 1 |
| 2021 | 44 | 53 | 3 |

Performance Scores for Komune Living Hotels

| KOMUNE LIVING HOTEL @ BANGSAR SOUTH | |
|--|-----------|
| FY | Score (%) |
| 2023 | 84.7 |
| 2022 | 80.1 |
| 2021 | 79.7 |
| KOMUNE LIVING HOTEL @ KOMUNE LIVING WELLNESS CENTRE, CHERAS | |
| FY | Score (%) |
| 2023 | 82.7 |
| 2022 | 82.1 |
| 2021 | N/A* |

* Komune Living Hotel @ Komune Living Wellness Centre, Cheras commenced operation in May 2022.

SUSTAINABILITY STATEMENT *(CONTINUED)*

SUPPLY CHAIN MANAGEMENT

As a leading property developer, our collaboration with vendors, spanning suppliers, contractors, and consultants, is fundamental to the continuity of business and ensures product quality. However, we recognise the risk of illegal workers in our supply chain, which poses legal and reputational threats. To address this, we conduct due diligence, including on-site visits, to ensure proper authorisation for work in Malaysia.

Our supply chain approach aligns with principles such as compliance, equality, no forced labour, no child labour, and environmental impact. These guiding principles and our supply chain procedures, can be found in our Quality Manual, Purchasing Control Policy, New Vendor Selection and Registration, and Vendor Performance Review.

Our Purchasing Control Policy ensures purchased goods meet quality standards and supply reliability. This includes supplier selection based on track record, financial strength, and quality and supply commitment. We strictly conform to all our adopted standards, such as ISO9001 and AECSB-Quality Manual, and conduct annual assessment on our suppliers and vendors.

To avoid any unforeseen disruptions to our supply chain,

our approach to mitigating this risk is to collaborate with multiple sources and service providers. This strategic initiative enhances our supply chain's resilience and minimises vulnerabilities associated with critical materials.

LOCAL PROCUREMENT

Our commitment to responsible business practices is evident in our approach of giving preference to local suppliers, provided they meet our price, quality, performance, reliability and ethical standards. This is not only efficient but also reduces our ecological footprint and at the same time nurturing growth within our local communities. Our dedication to these principles is reflected in the portion of local content in our project developments.

| Percentage of Local Spending | | |
|------------------------------|------------|------------|
| FY2023 (%) | FY2022 (%) | FY2021 (%) |
| 100 | 100 | 100 |

SUSTAINABILITY STATEMENT *(CONTINUED)*

TECHNOLOGY, DIGITAL INNOVATION & CYBERSECURITY

In Malaysia's evolving property development scene, technology and digital innovation are transforming the industry. While adopting advanced tech offers benefits, it also underscores the importance of cybersecurity. As

we incorporate technology into our projects, securing data and systems is a key focus. We aim for zero data breaches and preserving stakeholder trust.

TECHNOLOGY AND DIGITAL INNOVATION

UOA embraced technology and digital innovation in our business operations. The initiatives implemented include the following:

| TECHNOLOGY & INNOVATION | DESCRIPTION | PROPERTIES |
|---|--|--|
| Launching of Tenant Web Portal | <p>Tenants can raise service requests and fill up all kinds of application forms.</p> <p>Tenants can track, and monitor all on-going requests and tasks.</p> <p>Tenants can receive documents including Quotation, Invoices and Official Receipts</p> <p>Tenants are kept updated on the happenings in the premises.</p> | <ul style="list-style-type: none"> ▪ The Horizon Annexe ▪ Tower 5, Avenue 7 ▪ Nexus ▪ The Sphere ▪ Vertical Business Suites ▪ UOA Corporate Tower ▪ Vertical Corporate Tower B ▪ Menara UOA Bangsar ▪ UOA Damansara ▪ UOA Centre & Wisma UOA II ▪ UOA Business Park |
| Facial Recognition Turnstiles Access System and Cloud-based Visitor Management System at buildings lobby (collaborative efforts) | <p>Function as an advanced access control system, this innovative solution allows visitors to register at the kiosk and utilise facial recognition for building access.</p> <p>Initiated in FY2022, we are progressively extending this effort to other buildings.</p> | <ul style="list-style-type: none"> ▪ Vertical Business Suite Tower A ▪ Vertical Business Suite Tower B ▪ Vertical Corporate Tower B ▪ UOA Damansara |
| Bluetooth Smart Door Lock at existing buildings' storerooms, chiller rooms, facility equipment rooms, roof top generator set entrance (collaborative efforts) | <p>Initiated in FY2022. We are progressively extending this initiative to other buildings.</p> <p>Allow more control over monitoring, and deciding who has access, and how that access is granted and revoked.</p> | <ul style="list-style-type: none"> ▪ Vertical Business Tower A ▪ Vertical Business Suite Tower B ▪ Vertical Corporate Tower B ▪ UOA Corporate Tower ▪ The Sphere ▪ Nexus ▪ UOA Centre ▪ Wisma UOA II ▪ UOA Damansara ▪ UOA Business Park |

SUSTAINABILITY STATEMENT *(CONTINUED)*

TECHNOLOGY, DIGITAL INNOVATION & CYBERSECURITY *(CONTINUED)*

TECHNOLOGY AND DIGITAL INNOVATION *(CONTINUED)*

NURTURING A BUSINESS-FRIENDLY DIGITAL ECOSYSTEM

The digital world continues to evolve as technology advances to help businesses operate innovatively and create new revenue streams or marketing channels. Two new initiatives, namely DE Rantau and e-Invoicing by Digital Trade are introduced under the Malaysia Digital Catalytic Programmes ("PEMANGKIN") by Malaysia Digital Economy Corporation ("MDEC") as part of its continuous efforts to meet the increasing technology knowledge demand, and the standardised digital accounting documents enable businesses to be interoperable, be it within the local market or cross-border business.

With a focus on establishing Malaysia as the preferred digital nomad hub in ASEAN, DE Rantau is initiated to attract more local and foreign technology professionals to help boost digital adoption in the nation. As part of cross-border commercial standardisation, the digital trade arm intends to implement e-invoicing countrywide, which is aligned with the National E-Commerce Strategic Roadmap (NESR).

In support of MDEC's intention to drive and accelerate the sustainable growth of the nation's digital economy through the Malaysia Digital ("MD") initiative, UOA established The Tech Collective, a community enhancement initiative to bring the community closer and enables networking opportunities with one another; and an ecosystem providing competitive offerings to the community.

In FY2023, several certifications under PEMANGKIN were accorded to UOA to enhance our efforts to facilitate a business-friendly digital ecosystem, and promote Malaysia as a digital hub.

- Malaysia Digital Hub at Komune Co-Working @ The Vertical enabling our support to the tech start-up community to grow and expand their businesses through carefully selected partners.
- DE Rantau Hub at Komune Living @ Bangsar South City, and Komune Living & Wellness @ Bandar Tun Razak through our co-living offerings at both of our properties, we are able to extend support to the digital nomads, a programme established by the government to boost digital adoption.
- DE Rantau Ecosystem at Komune Co-Working extending support to local and foreign digital nomads with comfortable space to work at an affordable price.

The Tech Collective community comprises:

- All occupants at MD Cybercentre @ Bangsar South City, MD Cybercentre @ UOA Damansara and MD Cybercentre @ UOA Business Park;
- All tenants at Malaysia Digital Hub at Komune Co-Working @ The Vertical;
- All DE Rantau pass holders living at Komune Living @ Bangsar South City and Komune Living & Wellness @ Bandar Tun Razak; and
- All DE Rantau pass holders occupying Komune Co-Working

Events and workshops related to funding opportunities, learning newer technologies, and exposure to the tech community via product or services showcase that were held included:

1. Panel Discussion and Showcase / AI in Workforce Optimisation With AI Rudder, Delta Spike, dotlines, Cloud Mile, 1337 Ventures and NetAssist
2. Keynote Speaker / Cyber Threats Insight With NetAssist
3. Panel Discussion / Uncovering the Dark Web With NetAssist, Delta Spike, and Sarah Yong Co.
4. Panel Discussion / A Glimpse into Future of Work with Metaverse With iTrain, Datasonic, Virtualtech Frontier, Meta Universe Solutions and Fusionex
5. Workshop / The Mentally Healthy Entrepreneur With Echo and 1337 Ventures
6. Panel Discussion / Cloud Exchange and Peering: A Key Enabler for Fintech Innovation With De-Cix, AHAM Asset Management and Fortinet
7. Breakfast Tech Sharing / Embark on the Future with Microservices and Containers With Cloud Mile
8. Technical Workshop / Accelerate Your Business Software Development with Low Code With Five
9. Engagement Session with Service Providers / National e-Invoicing With MDEC

SUSTAINABILITY STATEMENT *(CONTINUED)*

TECHNOLOGY, DIGITAL INNOVATION & CYBERSECURITY *(CONTINUED)*

CYBERSECURITY

UOA acknowledges the risks of security breaches, which can harm reputation, finances, and result in legal repercussions. To mitigate these risks, we have established a Cybersecurity Policy, applicable to all stakeholders, serving as an incident response plan. Additionally, we

comply with Malaysia's Personal Data Protection Act 2010 to safeguard customer data.

The following table summarises the key initiatives covered in our Cybersecurity Policy.

| INITIATIVE | PROTECTIVE MEASURES |
|-------------------------------------|---|
| Hardware | Security measures for our physical assets, including server rooms access control system, Closed-Circuit Television ("CCTV") surveillance, and fire alarms. Office networked computers, to prevent unauthorised access and to log access. |
| Networking | <p>Security protocols for firewalls, our internal network, and web-based applications to protect against online threats. This includes firewall rules, and regular vulnerability assessments.</p> <p>Additional cybersecurity measures include the implementation of:</p> <ul style="list-style-type: none"> ▪ Firewall, and antivirus solutions. ▪ Stringent Wi-Fi access control, disabling off-site access to the company network. |
| Integration | Ensuring secure integration between our internal network and web-based applications. This involves implementing secure Application Programming Interface ("APIs") for data exchange, encrypting data in transit, periodic audits, and monitoring. |
| Operation of System | Policies and practices related to system operations, including user access control. This includes user authentication with strong password, Role-Based Access Controls ("RBAC"), Intrusion Detection and Prevention Systems ("IDPS"), and Secure Sockets Layer ("SSL")/ Transport Layer Security ("TLS") encryption for secure data transmission, security training and awareness programs, and an incident response plan. |
| Backup and Disaster Recovery | Procedures and strategies for data backup and recovery. This includes on-site backups for crucial UOA Group's systems such as financial servers. |

For our Hospitality division, we have set up a separate Wide Area Network ("WAN") for guests, including an annual restoration test and automated fail-safe redundancy to ensure uninterrupted network service.

To address the issue of phishing, we have an ongoing communication such as email, memo regarding Anti-Phishing Awareness with our employees. This enhances awareness of fraudulent emails and communications, helping employees recognise and address potential phishing threats.

During the reporting period, we are delighted to share that we have not received any complaints concerning breaches of customer privacy and losses of customer data in FY2023.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023, FY2022 and FY2021

None

SUSTAINABILITY STATEMENT *(CONTINUED)*

ANTI-CORRUPTION

As a Malaysian property developer, we are acutely aware of the country's bribery and corruption risks, especially with a high Corruption Perception Index. Recent legal changes and law enforcement scrutiny have heightened anti-corruption efforts. Our vigilance extends to outbound bribery in property development, including land acquisition, a potential area for illicit incentives. Despite these challenges, we manage these risks through policies like our Code of Conduct, Anti-Bribery and Corruption ("ABC"), and Whistleblowing Policies.

We conduct an annual corruption risk assessment, meticulously evaluating the adequacy of our internal control mechanisms, such as our ABC Policy, and our compliance with the Malaysian Anti-Corruption Commission Act Section 17A ("MACCS17A"), in order to mitigate exposure to corruption risks. The table below summarises the percentage of operations assessed for corruption-related risks.

| Percentage of operations assessed for corruption related risks | | |
|--|------------|------------|
| FY2023 (%) | FY2022 (%) | FY2021 (%) |
| 100 | 100 | 100 |

To ensure that all employees, particularly top management, and decision-makers, have a deep understanding of our

ABC policy and procedures, we mandate their participation in formal training sessions. The table below outlines the level of engagement by employee category in our formal anti-corruption training efforts. Our goal is to conduct formal training for all key employees at least once every three years or whenever changes necessitate such training based on our risk assessments.

| Percentage of employees who have received training on anti-corruption by employee category | |
|--|------------|
| | FY2023 (%) |
| Senior Management | 54 |
| Middle Management | 77 |
| Executive | 73 |
| Non-Executive | 72 |

As an indicator of our ongoing vigilance, we are pleased to report that there have been no investigations by local authorities, and no confirmed incidents of corruption have arisen in the past three (3) years.

| Number of confirmed corruption incident in FY2023, FY2022 and FY2021 |
|--|
| None |

SUSTAINABILITY STATEMENT *(CONTINUED)*

PROTECT OUR ENVIRONMENT

CLIMATE CHANGE

With no signs of abatement in global warming, the impacts of climate change is an imperative consideration in our business operations. Given that our business revolves around real estate and in greater Kuala Lumpur, we are exposed to various climate change risks, including those related to flooding, energy security and urban heat island effect. To address these risks, UOA undertakes a process of evaluating sustainability risks within the Group and aligning them with climate-related risks in property development and construction.

We acknowledge the need to manage energy consumption

and reduce GHG emissions, and promote sustainable development in response to climate change. We maintain a continuous commitment to enhancing our approach, oversight, and transparency regarding climate change risks.

Further discussion on the Group's TCFD realignment can be found in the TCFD Realignment section of this Statement.

UOA's approaches to managing the climate risks associated with our business operations include but not limited to:

SUSTAINABLE BUILDING DESIGN

- Use of energy-efficient lighting, lifts and escalators.
- Installation of solar panels for renewable energy generation.
- Installation of Electric Vehicles ("EV") charging bays.
- Use of centralised air conditioning system to reduce the overall energy consumption in buildings.

ECOSYSTEM PRESERVATION/BIODIVERSITY

- Integration of green spaces as featured amenities.
- Tree transplantation to maintain or create natural habitats for wildlife, provide shade and help cool their surroundings.

WATER MANAGEMENT

- Use of water-efficient fittings.
- Rainwater harvesting for use as landscape irrigation, toilets and cleaning of common areas.
- Use of native or adaptive plants to reduce potable water consumption.
- Installation of flood sensor at designated buildings to monitor potential flooding and early detection so that actions can be taken promptly to safeguard against water damage and prevent water wastage.

LAND CONSERVATION

- Soil excavated during construction is stored on site in a designated area for re-use after the completion of the foundation and basement structure or send to another sites for re-use.

POLLUTION CONTROLS

- Slope protections are used during construction for both erosion and dust control.
- Silt traps and temporary earth drains with concrete lining are utilised.

INNOVATION

- Use of Durable Aluminium Formwork System in concrete construction to reduce waste associated with wood formwork as it is readily demountable and reusable on other projects.

RESOURCE MANAGEMENT

- Implementation of material order controls to minimise resource waste.
- Prioritisation of local production to reduce carbon emissions associated with long-distance transportation.

SUSTAINABILITY STATEMENT *(CONTINUED)*

PROTECT OUR ENVIRONMENT *(CONTINUED)*

ENVIRONMENTAL MONITORING

We conduct environmental monitoring assessments around our operations to ensure the well-being and quality of life of nearby communities. We continue to maintain air quality, water quality, and noise levels within the safety standards established by the Department of Environment ("DOE").

We have several initiatives in place to improve indoor air quality in our properties and manage air pollution across our operations, reflecting our efforts to enhance the well-being of our occupants and neighbouring communities. This includes:

| INITIATIVES | PROPERTY DEVELOPMENT & CONSTRUCTION | PROPERTY INVESTMENT | HOSPITALITY (HOTEL & CONVENTION CENTRES) |
|--|---|------------------------|--|
| Main Access Watering: Regular watering at the main access to minimise ambient dust emission. | ✓ | | |
| Use of Low VOC Paints: Use of materials with minimal volatile organic compounds ("VOC") and formaldehyde content such as paint and coating are used throughout the building to reduce indoor air pollutants and minimise detrimental impact on occupants' health. | ✓ | | |
| Heat Recovery Wheel: This system serves to shift lower temperature air from outside into indoor office areas by heat transfer through the heat wheel. The method reduces the air conditioning usage by bringing in lower temperature air (fresh air) into the building. | ✓ | | |
| Green Landscaping: Utilisation of native or adaptive plants that reduce the need for excessive watering and chemical pesticides help to minimise air pollution from landscaping equipment and chemical runoff. | ✓ | ✓ | |

SUSTAINABILITY STATEMENT *(CONTINUED)*

PROTECT OUR ENVIRONMENT *(CONTINUED)*

ENVIRONMENTAL MONITORING *(CONTINUED)*

We have several initiatives in place to improve indoor air quality in our properties and manage air pollution across our operations, reflecting our efforts to enhance

the well-being of our occupants and neighbouring communities. This includes: *(Continued)*

| INITIATIVES | PROPERTY DEVELOPMENT & CONSTRUCTION | PROPERTY INVESTMENT | HOSPITALITY (HOTEL & CONVENTION CENTRES) |
|--|---|------------------------|--|
| Construction of TOD Projects: Promote walking or the use of public transportation to reduce the number of private vehicles on the road and this helps in reducing the carbon emission. | ✓ | ✓ | ✓ |
| Smoke Free Zone: Prohibition of smoking in the buildings (Smoke Free Zone). | | ✓ | ✓ |
| Roll Out Mats: We implemented a strategic measure of rolling out mats at key entry points within our properties. These mats are specifically designed to trap dust, dirt, and debris from the shoes of occupants and visitors as they enter the building. | | ✓ | ✓ |
| Sustainable Procurement: Source for cleaning service providers who utilise bio-degradable and eco-friendly products or materials for hotel operations to minimise emissions throughout the supply chain. | | | ✓ |
| Guest Engagement and Education: Engage guests in sustainable practices by providing signage on promotion of water-saving and encourage to participate in linen and towel reuse programme to conserve water. | | | ✓ |

SUSTAINABILITY STATEMENT *(CONTINUED)*

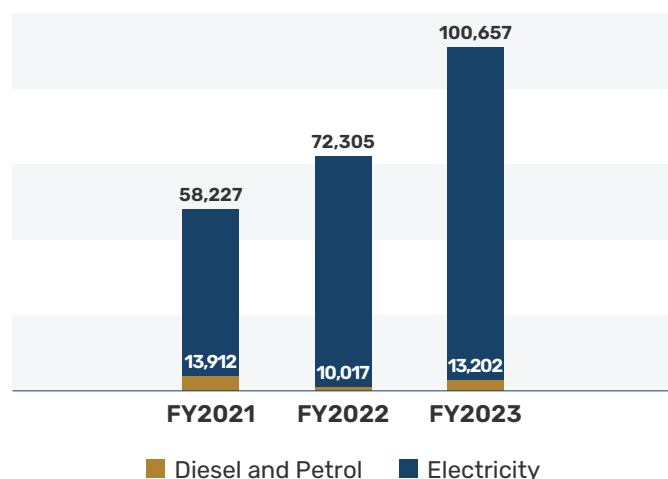
ENERGY CONSUMPTION AND EMISSIONS

ENERGY

We are acutely aware of the potential impacts of climate change on the reliability of electricity supply for our operations. These concerns extend beyond adverse weather conditions affecting power plants and transmission grids and encompass challenges in the coal and natural gas mining regions vital for Malaysia's power generation. Hence, we are dedicated to monitor our energy consumption and to reduce our carbon footprint through innovative and sustainable design, construction, and property management practices.

Our energy consumption is mainly from purchased electricity (88.4%), which is utilised in our construction sites, corporate offices, office building and retail spaces as well as hotel and convention centres. In FY2023, we recorded a total energy consumption of 113,859 Gigajoule ("GJ").

Total Energy Consumption (Gj) By Type



Energy conversion factors used for vehicles is based on fuel or diesel litre consumption derived from UK Government GHG Conversion Factors for Company Reporting 2023, 2022, and 2021.

Energy consumption for the Group has been on the increasing trend since FY2021 by 57.8%. This is partly due to the recovery of operations returning to normal after the lifting of the Movement Control Order during the COVID-19 pandemic in FY2021 and the expansion of operations, namely Komune Living Wellness Centre and Bamboo Hills Retail.

RENEWAL ENERGY

In addition to energy-saving and energy-efficient initiatives, we continued our efforts in the production of sustainable energy with the installation of solar panels. We are actively exploring other renewable energy solutions, other than solar panels, across our properties.

Currently, we have a rooftop solar system with a capacity of 382 kWp for self-consumption in Bamboo Hills Retail. This system reduces our reliance on grid power, lowers electricity bills, and decreases the carbon footprint of the Bamboo Hills development. This solar panels generated 467.86 MWh of solar power in FY2023, equivalent to a carbon emissions reduction of 273.70 tCO₂.

Looking ahead, we are exploring potential solar panel partnerships with GSPARX Sdn Bhd and Tenaga Nasional Berhad ("TNB") on their lease-back initiatives in FY2024 for our operations in Bangsar South. These initiatives mark significant steps toward integrating renewable energy sources into our operations.

EMISSIONS

Emissions monitoring and control are crucial for UOA, given the potential for substantial GHG emissions stemming from our energy-intensive industry. Our carbon emissions primarily result from energy consumption, which includes the direct combustion of fossil fuels (Scope 1) and purchased electricity (Scope 2), a common scenario in industries such as construction and property development. While we recognise the importance of addressing and reducing these emissions, we also acknowledge that we have not yet established a formal emissions management framework, indicating an area where we aim to make improvements. Despite the absence of specific roadmaps, our commitment to monitoring and addressing Scope 1 and Scope 2 GHG emissions remains unwavering, underscoring our dedication to responsible emissions management.

Scope 1 GHG Emissions

UOA Scope 1 emissions are direct GHG emissions from company-owned vehicles and machineries.

SUSTAINABILITY STATEMENT (CONTINUED)

ENERGY CONSUMPTION AND EMISSIONS (CONTINUED)

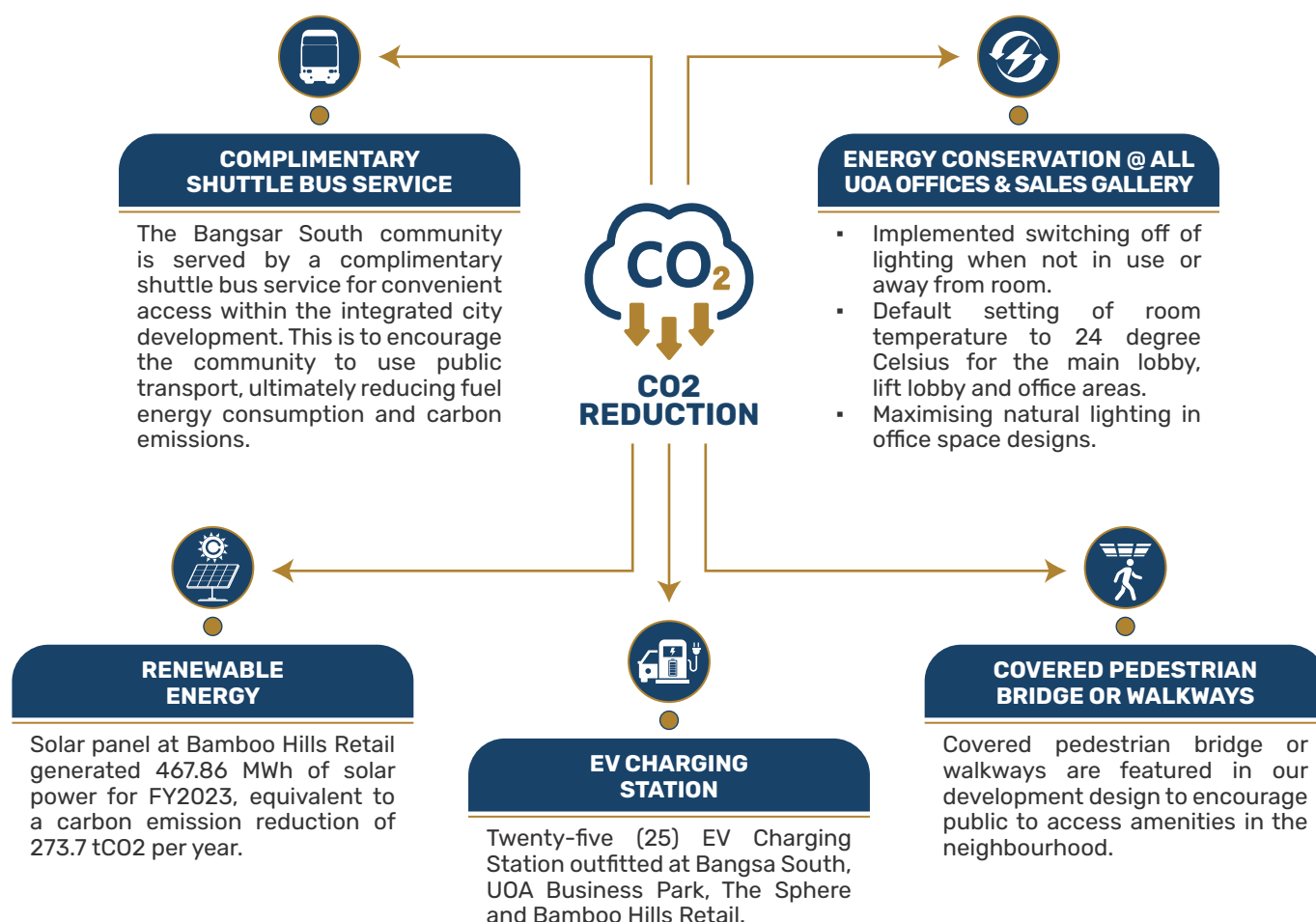
EMISSIONS (CONTINUED)

A summary of our emission profile is as follows:

| Emission Type | Source | FY2023 (tCO2e) | FY2022 (tCO2e) | FY2021 (tCO2e) |
|---------------|-----------------------|-------------------|-------------------|-------------------|
| Scope 1 | Petrol and diesel | 1,072 | 833 | 1,059 |
| Scope 2 | Purchased electricity | 16,083 | 11,750 | 9,462 |
| Total, tCO2e | | 17,155 | 12,583 | 10,521 |

1. Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the Group. Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2023, 2022, and 2021.
2. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. Emission Conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation – 0.585 tCO2/MWh.
3. We have not begun tracking Scope 3 for the reporting year.

UOA continues to take active actions to reduce GHG emissions from our business operations.



SUSTAINABILITY STATEMENT *(CONTINUED)*

WASTE MANAGEMENT

We are acutely aware of the risks to environment and the regulatory guidelines on proper waste disposal and management. Effective waste management remains one of the environmental challenges we face. Our commitment to effective waste management and disposal includes waste reduction and responsible disposal methods, such as recycling, reusing, and proper handling of hazardous

waste. We acknowledge that more can be done to recycle waste and we continue to expand these efforts.

We have implemented various initiatives in our business segments to address these concerns. These include the following:

PROPERTY DEVELOPMENT AND CONSTRUCTION INITIATIVES

- Use of Durable Aluminium Formwork System instead of plywood also reduces concrete waste.
- We identify and segregate construction waste at project sites so that waste can be managed and disposed accordingly. We set up different bins for general waste, debris and steel scrap. Additionally, we resell steel scrap to recycling companies, diverting them from landfills.

OFFICES AND SALES GALLERY INITIATIVES

- Minimise paper consumption by encouraging:
 - a. Printing and Photocopying on need basis only;
 - b. The Practice of double-sided printing and photocopying;
 - c. The use of electronic devices and soft copies for work and
 - d. The use of recycled paper and envelopes for internal circulation.

HOSPITALITY (HOTEL AND CONVENTION CENTRES) INITIATIVES

- Komune Living Hotel in Bangsar South and Komune Living and Wellness Hotel in Cheras replaced PET bottled water with glass jugs, reducing plastic waste. Filter water dispenser are also located on every floor for guests.
- Eliminate single use plastic.
- Any unused assets or materials will be transferred to other business units in need to prevent the waste of resources (such as linen, towel, furniture and fittings, AV equipment, etc.).
- We disposed our used cooking oil from kitchen operations to operators that are able to repurpose them sustainability, hence, minimising waste.

PROPERTY INVESTMENT INITIATIVES

- Recycle festive decoration materials to reduce wastage.
- Identify and segregate waste initiated at Bamboo Hills.
- Cashless and ticketless visitor parking system.
- Implementation of e-billing system (Initiating with Tenants of Retail).

The waste generated from our operations, including domestic and scheduled waste, is collected by contractors at a cost. UOA strives to protect the environment, and comply with the Environmental Quality (Scheduled Wastes) Regulation, 2005. We employ contractors that are licensed by Department of Environment ("DOE") to collect and dispose of our scheduled waste at approved facilities.

UOA implemented the 3Rs Principle of "Reduce, Reuse and Recycle" at Bamboo Hills Retail in February 2023. Recyclable waste (i.e. paper/ cardboard, plastic, glass, metal etc) are identified and segregated from general waste.

SUSTAINABILITY STATEMENT *(CONTINUED)*

WASTE MANAGEMENT *(CONTINUED)*

TOTAL WASTE GENERATED

In FY2023, UOA generated 14,596.3 tonnes of waste. We diverted 625.2 tonnes through recycling and reuse, while 13,971.1 tonnes were properly disposed off. For scheduled

waste, we strictly adhere to the Environmental Quality (Scheduled Wastes) Regulations, 2005, employing DOE licensed contractors for collection and disposal.

| Category | FY2023 (Tonne) | FY2022 (Tonne) | FY2021 (Tonne) |
|------------------------------|-------------------|-------------------|-------------------|
| Waste directed to disposal | 13,971.1 | 33,775.5 | 47,164.0 |
| Waste diverted from disposal | 625.2 | 434.6 | 482.1 |
| Total Waste Generated | 14,596.3 | 34,210.1 | 47,646.1 |

Breakdown of Waste Generated in FY2023:



WATER MANAGEMENT

UOA recognises the importance of water as a finite and critical resource. Hence we are committed to conserving water usage across all our operations and to manage it in accordance with industry best practises.

Water is extensively used in our property development, during both construction and ongoing usage of our

properties. Across all our business segments, we rely on municipal water supply as our primary source.

In the event of water disruptions, we are able to sustain operation without compromise for 1 to 3 days as we have in-built water tanks as reserve.

Duration each building can last during water disruption

| | < 1 DAY | 1 - 3 DAYS |
|--|---------|------------|
| Office buildings @ Bangsar South and UOA Business Park | | ✓ |
| Retail spaces/ areas | ✓ | |
| Hotels and convention centre operation | ✓ | |

SUSTAINABILITY STATEMENT *(CONTINUED)*

WATER MANAGEMENT *(CONTINUED)*

WATER EFFICIENCY

We incorporate various water-efficient practices in all our business operations including:

| INITIATIVES | PROPERTY DEVELOPMENT & CONSTRUCTION | PROPERTY INVESTMENT | HOSPITALITY (HOTEL & CONVENTION CENTRES) |
|--|-------------------------------------|---------------------|--|
| Rainwater Harvesting: for landscape irrigation, toilets and cleaning of common areas. | ✓ | ✓ | ✓ |
| Non-chemical water treatment systems for cooling towers: To reduce the risk of airborne diseases and minimise the environmental impact associated with traditional chemical treatments. | ✓ | ✓ | ✓ |
| Sustainable landscaping choices: We favour native or adaptive plant species to minimise potable water consumption. | ✓ | ✓ | ✓ |
| Water-saving sanitary features: Self-closing basin taps, dual-flush toilet cisterns, and spray bidets, effectively reducing water flow rates. | ✓ | ✓ | ✓ |
| Pipeline Maintenance and Leak Repair: We carry out pipe preventive maintenance and repair pipe/meter leaks. | | ✓ | ✓ |

FLOOD PREVENTION AND MANAGEMENT

At UOA, we recognise the growing risks associated with climate change. One that strikes close to home is flooding. To address this challenge effectively, we have incorporated in our project design features to mitigate and manage flood water. We have also implemented a range of proactive flood prevention measures. On-Site Detention Tanks ("OSDT") is designed as part of our climate adaptation strategy, to capture and temporarily store rainwater runoff, reducing

flood risk and minimising the impact of heavy rainfall on the local environment.

Flood sensor is also installed at designated buildings to monitor potential flooding and early detection as well as to safeguard against water damage and prevent water waste.

SUSTAINABILITY STATEMENT *(CONTINUED)*

WATER MANAGEMENT *(CONTINUED)*

WATER CONSUMED

During the year, our total water consumption is estimated at 468.9 Megalitres. Our water consumption does not adversely affect the communities in which we operate as our primary water supply is sourced from local municipal water supply systems.

At present, we have not initiated the tracking of water consumption from our rainwater harvesting system; nevertheless, we intend to implement this practice in the future.

Total Water Withdrawal from Public Water Supply

| UNIT | FY2023 | FY2022 | FY2021 |
|------|--------|--------|--------|
| ML | 468.9 | 412.4 | 346.5 |

Water Consumed = Water Withdrawal

We acknowledge the significance of wastewater management and water quality compliance. Wastewater generated during our operations is subjected to treatment at publicly owned treatment facilities, ensuring full compliance with local regulations set forth by DOE.

WATER POLLUTION

To prevent potential water pollution due to our operations, we have implemented a range of initiatives to ensure the protection of water bodies.

These measures include:

PROPERTY DEVELOPMENT AND CONSTRUCTION INITIATIVES

Construction site washing troughs:
Prevent soil and dirt spillage.

Silt fences:
Silt fences act as barriers to prevent sediment from being carried away by surface runoff.

Silt traps:
Strategically placed silt traps capture sediments, preventing their entry into nearby water bodies.

Slope protection:
We established slope protection measures to minimise soil erosion and sediment displacement.

HOSPITALITY (HOTEL AND CONVENTION CENTRES) INITIATIVES

Sustainable Procurement:
Source for cleaning service providers that utilise bio-degradable and eco-friendly products or materials for hotel operations to minimise the water pollution into the drainage system.

SUSTAINABILITY STATEMENT *(CONTINUED)*

SUSTAINABLE DESIGN, GREEN SPACE AND BIODIVERSITY

We are aware of the potential impact our operations may have on the natural environment. Hence, we continue to promote green space integration and biodiversity. We prioritise safe, efficient, and environmentally conscious practices that not only extend to sustainable building techniques, such as using energy-efficient materials and

installing solar panels, but also emphasise the importance of preserving and enhancing the natural environment. These efforts are integral to our commitment to reducing our carbon footprint while actively promoting green space integration and biodiversity.

SUSTAINABLE DESIGN

We understand that sustainable green building design encompasses both the physical structure and the environmentally responsible processes achieved throughout the building's planning, design, and construction phases. We place a strong emphasis on minimising water consumption, optimising energy efficiency, conserving natural resources, reducing waste generation, and creating healthier spaces for occupants.

Our aim is to create properties that operate efficiently, offering comfort, safety, and a healthy environment for those living, occupying, working, and visiting the premises. Therefore, in our new and upcoming projects, we emphasise the integration of green building principles into our design, planning, and construction phases to ensure the creation of eco-friendly properties.

The list of our green building properties is as below:

| LIST OF PROPERTIES | GREEN BUILDING CERTIFICATION |
|--|---|
| Goodwood Residence, Bangsar South | GBI Rating : Gold (Design Assessment) Building Category : Residential New Construction (RNC) Effective Date : 1 December 2022 Expiry date : 30 November 2025 |
| Laurel Residence, Bangsar South | GBI Rating : Bronze (Provisional) Building Category : Residential (RES) Date of issuance : 17 January 2023 Expiry date : One (1) year after CCC |
| Duo Tower (Tower A) | GBI Rating : Silver (Provisional) Building Category : Non-Residential Building (NRB) Date of issuance : 27 September 2023 Expiry date : One (1) year after CCC |



Our target : Duo Tower (Tower B)
 GBI Rating : Gold (Provisional)
 Building Category : Non-Residential Building (NRB)

SUSTAINABILITY STATEMENT *(CONTINUED)*

SUSTAINABLE DESIGN, GREEN SPACE AND BIODIVERSITY *(CONTINUED)*

SUSTAINABLE DESIGN (CONTINUED)

DESIGN AND PLANNING

- Emphasising Sustainable Development Principles
- Integration of Green Building Principles in Design
- Application of Green Principles at Project Initiation

OPERATIONS AND MAINTENANCE

- Incorporating Renewable Energy Sources
- Implementing Water-Efficient Systems
- Promoting Indoor Air Quality
- Maintaining Sustainable Landscaping
- Regular Building Performance Assessments

CONSTRUCTION

- Meeting Environmental & Sustainable Requirements
- Prioritising Local Materials and Resources
- Implementing Efficient Construction Waste Management
- Monitoring Environmental Impact
- Ensuring a Safe Working Environment
- Promoting Sustainable Water and Energy Consumption
- Safeguarding Biodiversity and Conservation

POST-OCCUPANCY

- Monitoring Energy Efficiency
- Collecting User Feedback
- Adapting to Changing Needs
- Continuous Improvement and Innovation

OUR GREEN BUILDING FEATURES



ENERGY EFFICIENCY

- Use of energy-efficient lighting, lifts and escalators.
- Solar panels and EV charging bays to promote the use of renewable energy.
- Double glazed windows to improve energy efficiency.



GREEN FEATURES AND INNOVATIONS

- Reuse condensate of AHU*/FCU to AC make up tank.
- Siphonic rainwater discharge.
- Recycle water from fire-fighting system test.



WATER EFFICIENCY

- Water-efficient fittings that are certified under the Water Efficiency Products Labelling Scheme (WEPLS).
- Harvest rainwater for landscape irrigation.



CARBON EMISSION OF DEVELOPMENT

- Use low carbon products to reduce environmental impact and minimise carbon emission.



ENVIRONMENTAL PROTECTION

- Use of green concrete, more efficient CUI* and other eco-friendly products for sustainable construction.
- Promote to use of LRT stations.



INDOOR ENVIRONMENTAL QUALITY

- Use low VOC paints to reduce indoor air pollutants.
- Building ventilation system to provide acceptable IAQ* under normal operating hours.

*CUI - Concrete Usage Index
*FCU - Fan Coil Unit

*AHU - Air-handling Unit
*IAQ - Indoor Air Quality

SUSTAINABILITY STATEMENT *(CONTINUED)*

SUSTAINABLE DESIGN, GREEN SPACE AND BIODIVERSITY *(CONTINUED)*

GREEN SPACE AND BIODIVERSITY

We value green spaces and biodiversity in our projects to support the conservation of the environment and enhance the well-being of our occupants. We recognise the significance of incorporating green spaces and fostering biodiversity in our developments to create a harmonious coexistence with nature.

In adhering to stringent environmental and social assessment, as well as landscape planning requirements, our dedication goes beyond mere compliance. It benefits us in multiple ways. Because of our projects are predominantly centralise in Federal Territory, landscape planning helps to reduce the urban heat island effect and provide natural buffers against extreme weather events.

Our 60-acre flagship Bangsar South City development is further complemented by a 6-acre Central Park with 40% green space and landscape areas. This 6-acre Central Park comprises landscaped boulevards, water features, and pedestrian streets. It is a green oasis and a welcoming recreational space for the community residential, commercial and retail. Recognition by the Institute of Landscape Architects Malaysia, in the category of Professional Landscape Design and Planning (Malaysia Landscape Architecture Awards 2012) is a testament to our environmental sensitivity and sustainability. Bangsar South's lifestyle hub, The Sphere was accorded a Landscape Design Honour Award in the Professional Category of the 11th Malaysia Landscape Architecture Awards (MLAA) as well. The Sphere intertwines green landscaping and flowing water features for a fresh, vibrant environment. Modern steel and glass architecture creates a spacious layout that integrates both the indoor and outdoor sections of the hub. The MLAA has recognised The Sphere as exemplary in landscape design and has deemed it an inspiration to future design trends alongside several other selected projects.

Our Komune Living & Wellness hospitality property, located in Bandar Tun Razak, offers a holistic living environment concept to our occupants. This concept is exemplified by the property's location, which is situated within an

expansive 2.06-acre site next to Taman Tasik Permaisuri, Cheras' largest public park. UOA adopted a section of the park and contributed to the preservation and maintenance. Sustaining the biodiversity, this has brought much benefits to the occupants. The development of the property next to the lake, was carefully carried out without disrupting its natural state, preserving these habitats and the local ecosystem. Additionally, it involves the creation of green buffer zones or set back for the residents.

The 16-acre site of our Bamboo Hills is another example of the incorporation of green space at our property. Lush bamboo landscapes, water features, and pockets of greenery at every corner, not only offer a serene space for city dwellers but also contribute to the environment.

Green spaces can also be promoted as featured amenities, as seen in our project, The Goodwood Residence. Featured amenities such as discovery ponds, a fragrance garden, and a garden pool, all of which also enhance the overall experience for our occupants.

Based on our efforts to enhance green spaces and biodiversity in our properties, for the past three (3) years, we have planted more than 11,000 trees across our developments.

| Number of Trees | | | |
|-----------------|--------|--------|--------|
| FY2023 | FY2022 | FY2021 | TOTAL |
| 1,665 | 6,144 | 3,650 | 11,459 |

Moving forward, we aim to maintain our allocation of green spaces by more than 10% whenever possible.

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE

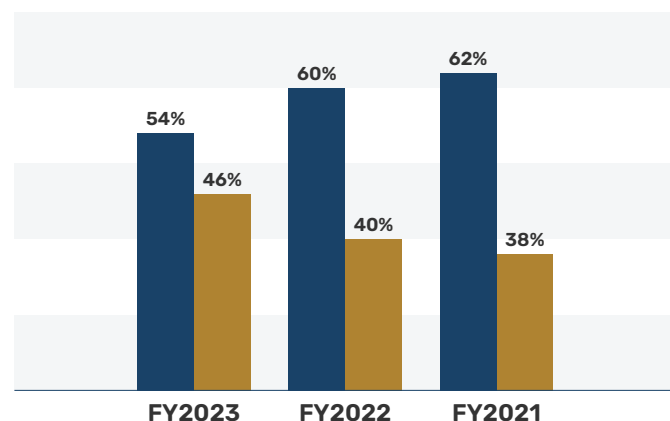
DIVERSITY

At UOA, we acknowledge the value of diversity, which significantly enriches the Group's ability to access a wide range of insights and perspectives for decision-making, risk awareness, and adaptability to change. However, our primary focus is on ensuring equal opportunities for all, where talent is selected based on their qualifications and merit. Therefore, we do not set specific diversity targets, as our recruitment process is merit driven.

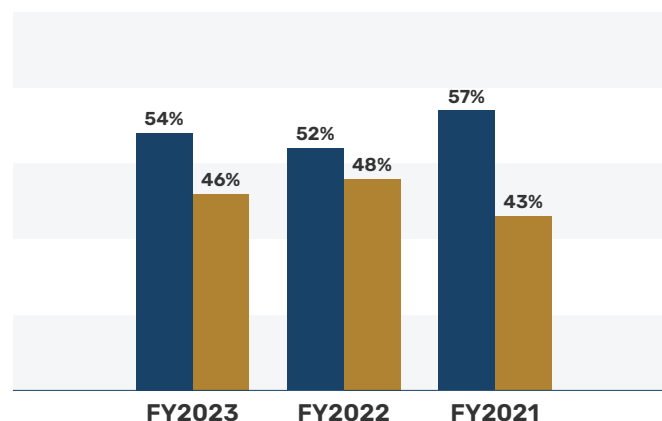
Nevertheless, we are pleased to highlight that we consistently maintain a healthy level of diversity while upholding a meritocratic approach in all our hiring procedures. The following tables provide a breakdown of the gender, age, and diversity composition of our local and foreign employees across our business.

Gender Diversity by Employee Category

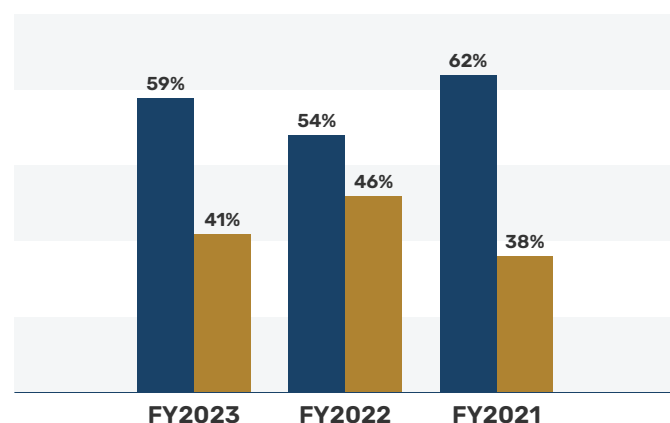
SENIOR MANAGEMENT



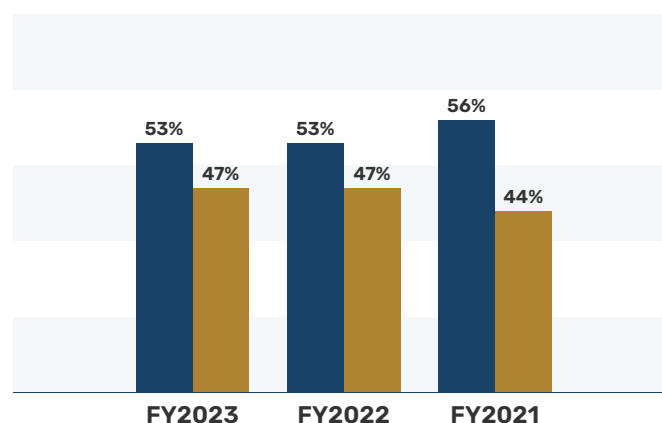
NON-EXECUTIVE



MIDDLE MANAGEMENT

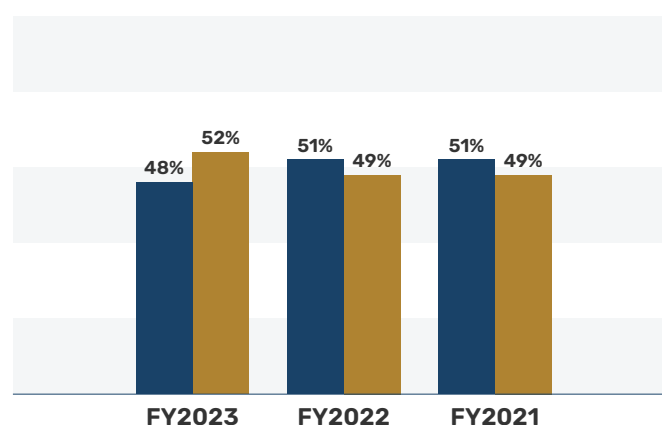


OVERALL COMPOSITION



■ Male ■ Female

EXECUTIVE



SUSTAINABILITY STATEMENT *(CONTINUED)*

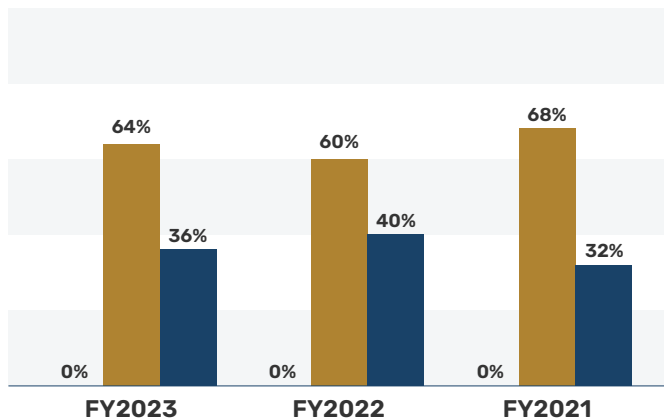
CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

DIVERSITY *(CONTINUED)*

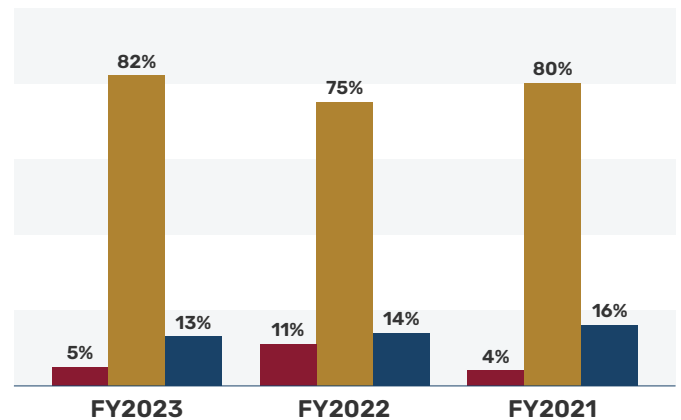
The following tables provide a breakdown of the gender, age, and diversity composition of our local and foreign employees across our business. *(Continued)*

Age Diversity by Employee Category

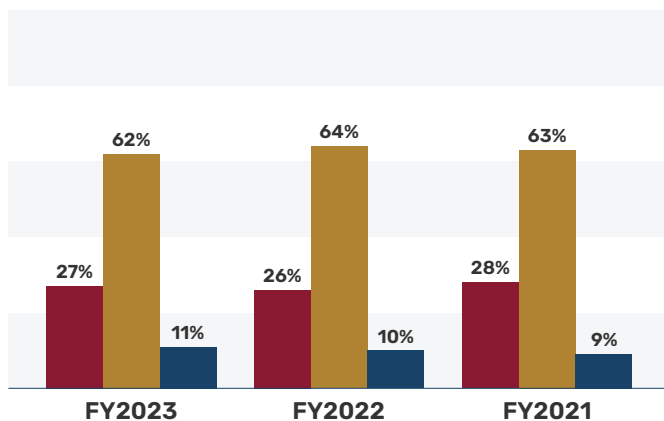
SENIOR MANAGEMENT



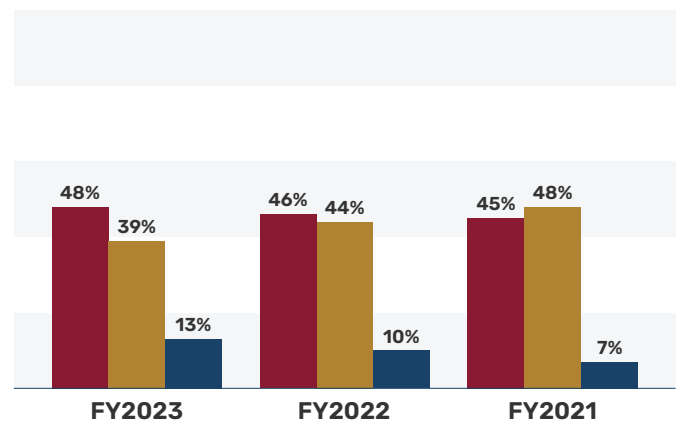
MIDDLE MANAGEMENT



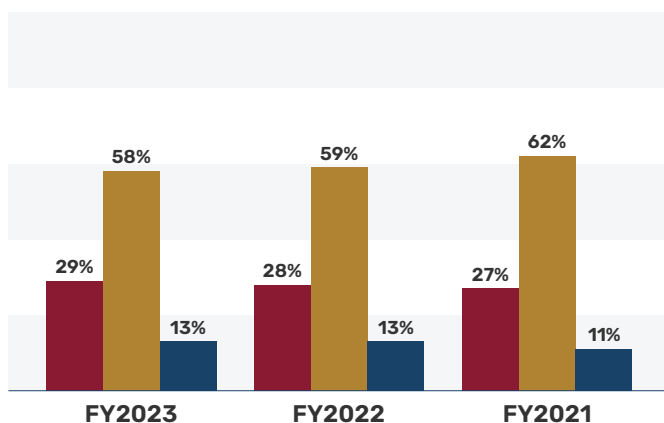
EXECUTIVE



NON-EXECUTIVE



OVERALL COMPOSITION



■ <30 ■ 30 - 50 ■ >50

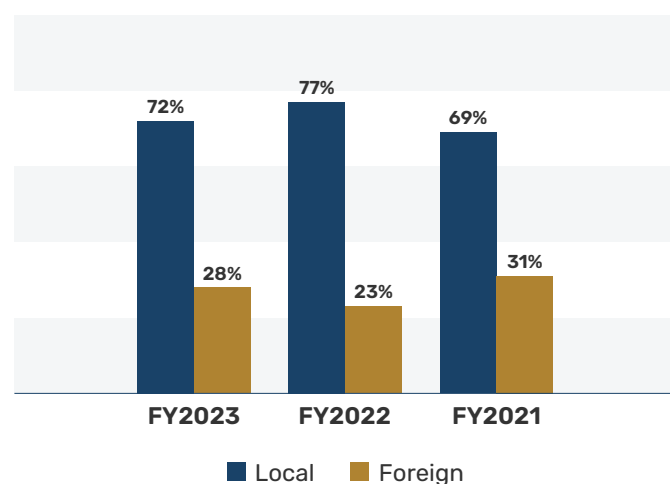
SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

DIVERSITY *(CONTINUED)*

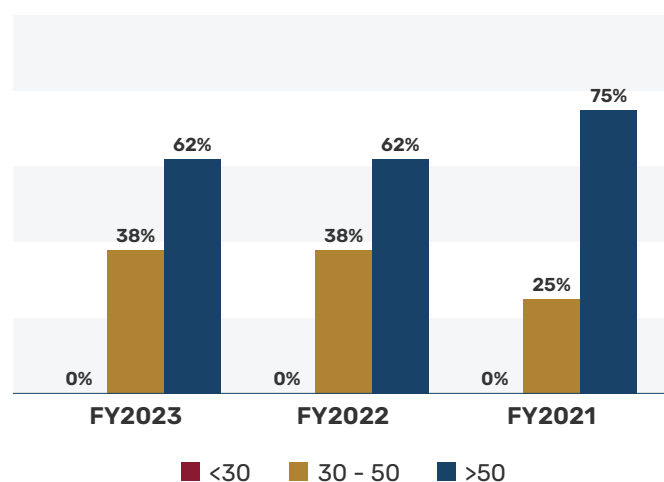
UOA prioritises the hiring of local employees for our operations. The following provides a breakdown of the composition of our local and foreign workforce.

Composition



In terms of age diversity, the BOD is currently represented with 38% from age 30-50 and 62% from the age 50 and above.

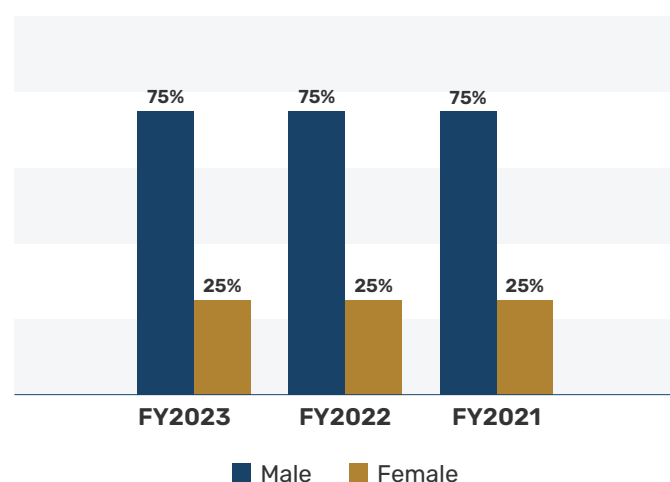
Age Diversity by Board of Directors



BOARD DIVERSITY

UOA is governed by a diverse Board of Directors who oversees the operational performance of the Company and ensures that a culture of excellence is embedded across all business segments. In FY2023, 25% of the Board was represented by women, while 75% of our Board members were male. Currently, the Board has not adopted a female representation target as part of its diversity policy.

Gender Diversity by Board of Directors



ZERO DISCRIMINATION AND EQUAL OPPORTUNITY

We provide equal opportunities and maintain a workplace free from unlawful discrimination and harassment. Our Code explicitly prohibits discrimination based on factors like race, colour, and gender. We conduct training programs, including topics such as discrimination, cultural and anti-harassment that are aimed to bring awareness and improve on inclusivity across all levels.

In line with our commitment to inclusivity, we focus on enhancing workplace accessibility for differently abled employees, offering amenities like handicapped parking, wheelchair ramps, and universally accessible toilets. We also strive to promote inclusion in the local communities where we operate.

As a result of our efforts to promote zero discrimination and inclusivity in the workplace, we are pleased to report that there are zero incidents of discrimination reported to our Human Resources ("HR") team throughout our operations.

Number of substantiated complaints concerning discrimination in the workplace received in FY2023, FY2022 and FY2021

None

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HUMAN CAPITAL MANAGEMENT

At UOA, our employees are our most valuable asset, playing a pivotal role in delivering our value proposition to our customers. As such, it is of utmost importance for us to not only attract and develop skilled professionals but also retain them. This is especially critical considering key challenges such as a skills gap among young graduates compared to

industry demands, the rise of the gig economy, an aging workforce in our primary markets, and higher attrition rates, particularly among the post-millennial generation.

To address these challenges, we have implemented a range of initiatives aimed at attracting, nurturing, and retaining talent.

TALENT RECRUITMENT

To draw in and establish connections with skilled individuals, we utilise our initiatives and actively participate in a range of events and platforms.

CAMPUS ENGAGEMENT AND RECRUITMENT

- Foster strong ties with chosen educational institutions and student organisations/initiatives.
- Provide internships and engage in career expos to cultivate our pipeline of early-career talent.

INTERNSHIP PROGRAMME

- Offer on-the-job training and exposure lasting 3 to 6 months for interns, allowing them to enhance their skills while receiving ongoing guidance and engagement through mentorship and evaluation.
- Evaluate the interns' performance to determine their readiness for transitioning into permanent employees, providing the company with fresh perspectives and resources.

SOCIAL MEDIA ENGAGEMENT

- We regularly create posts that highlight current achievements, values, engagement & CSR activities and career journeys within the company, thereby expanding the reach and visibility of our content to better engage with talented individuals.



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HUMAN CAPITAL MANAGEMENT *(CONTINUED)*

TRAINING AND DEVELOPMENT

To align with our business requirements and empower our workforce to maximize their potential, we have implemented comprehensive training and development programs. These encompass training initiatives in areas

such as health, essential work skills, and personal development. All trainings at UOA is coordinated by UOA Academy as the guardian of employees training and development across UOA.

| PROGRAMME | DESCRIPTION |
|---|---|
| <ul style="list-style-type: none"> ▪ Supervisory Development Skills ▪ Time Management ▪ Managing Performance of Others ▪ Coaching & Mentoring ▪ Problem Solving & Decision Making ▪ Emotional Intelligence ▪ Strategic Communication for Executive | <ul style="list-style-type: none"> ▪ To equip employees with the essential soft skills required to become engaged and productive contributors to UOA. This includes enhancing efficiency, fostering teamwork, and promoting innovation in the workplace. ▪ We support the development of soft skills, including critical thinking, negotiation, emotional intelligence, and effective coaching. |
| <ul style="list-style-type: none"> ▪ Microsoft Excel (Fundamentals, Intermediate, Advance) ▪ Microsoft Powerpoint (Fundamentals, Intermediate, Advance) ▪ QLASSIC Awareness Training ▪ Process Improvement For Building Facilities Management - Operation And Maintenance ▪ Hazard Identification, Risk Assessment & Risk Control (HIRARC) ▪ Food Safety Management: Food Fraud, Security & Defence | <ul style="list-style-type: none"> ▪ To offer employees technical knowledge to enhance and update their skillsets. ▪ We create opportunities for employees to become subject-matter experts who can share their knowledge through the program. |
| <ul style="list-style-type: none"> ▪ Leadership Development Programme | <ul style="list-style-type: none"> ▪ To provide our middle-to-senior management employees with the necessary skills to excel in future leadership positions. ▪ We support the development of various traits essential for effective leadership, including emotional intelligence, the ability to influence others, complex problem-solving, and emotional intelligence. |
| <ul style="list-style-type: none"> ▪ Toolbox Briefing/General Toolbox Meeting | <ul style="list-style-type: none"> ▪ To improve safety awareness and practices among employees. ▪ It covers safety updates, risk assessment, skill enhancement, open communication, and promotes a safety-focused culture. |

SUSTAINABILITY STATEMENT *(CONTINUED)*

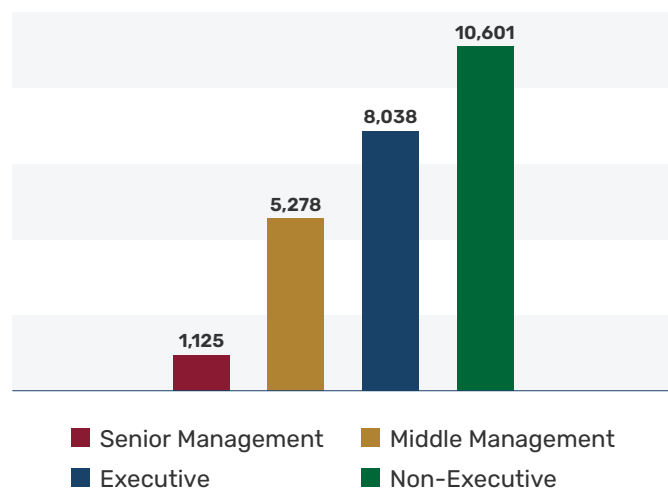
CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HUMAN CAPITAL MANAGEMENT *(CONTINUED)*

TRAINING AND DEVELOPMENT *(CONTINUED)*

Total training hours for our employees for FY2023 are as following.

Training Hours by Employee Category



SUCCESSION PLANNING

Establishing effective succession planning is crucial to ensure a continuous talent pipeline that can sustain the Company even during staffing changes. Therefore, UOA incorporates succession planning into its talent development initiatives.

COMPENSATION AND BENEFITS

Compensation and benefits are vital for employee retention, and we are dedicated to offering competitive remuneration packages to our staff. This encompasses:

TYPE OF EMPLOYEE BENEFITS

Leaves:

Annual, parental, marriage, compassionate, sick and hospitalisation, examination.

Medical:

Hospitalisation, dental coverage for employee, extended wellness coverage to include Traditional Chinese Medicine ("TCM").

Insurance:

Inpatient coverage through appointed insurance company, outpatient coverage for staff and immediate family members, personal accident coverage.

Travel:

Business travel, office parking, mileage, taxi and outstation claims, accommodation, per diem, and telephone charges.

Allowances:

Overtime, meal, travel, transportation, entertainment claims, marriage token, cash relief for staff on parent's demise.

Awards and Bonus:

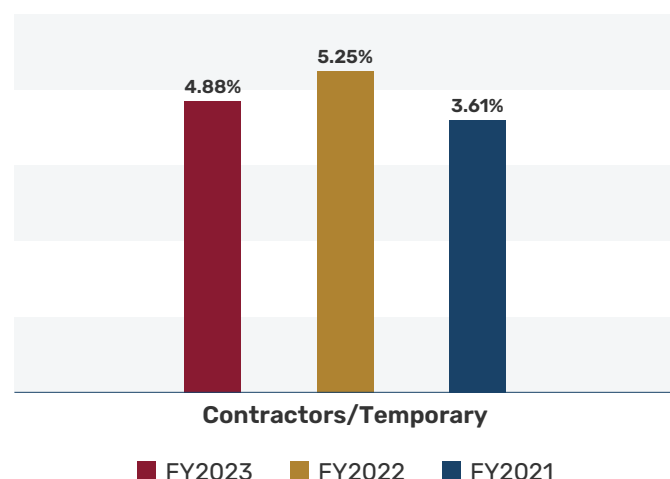
Annual increment, performance bonus, long service award, zero MC award.

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HUMAN CAPITAL MANAGEMENT *(CONTINUED)*

UTILISATION OF CONTRACTORS/TEMPORARY STAFF



In FY2023, 4.88% of our employees during the year are temporary staff/contractors.

For UOA, the utilisation of contractors/temporary staff is determined by our operational needs. We hire senior citizens/retirees who have completed their permanent terms with UOA, bringing them on board as staff members based on our requirements. This ensures continuity in operations and allows us to leverage their extensive experience and knowledge in efficiently managing our work processes.

EMPLOYEE APPRAISALS

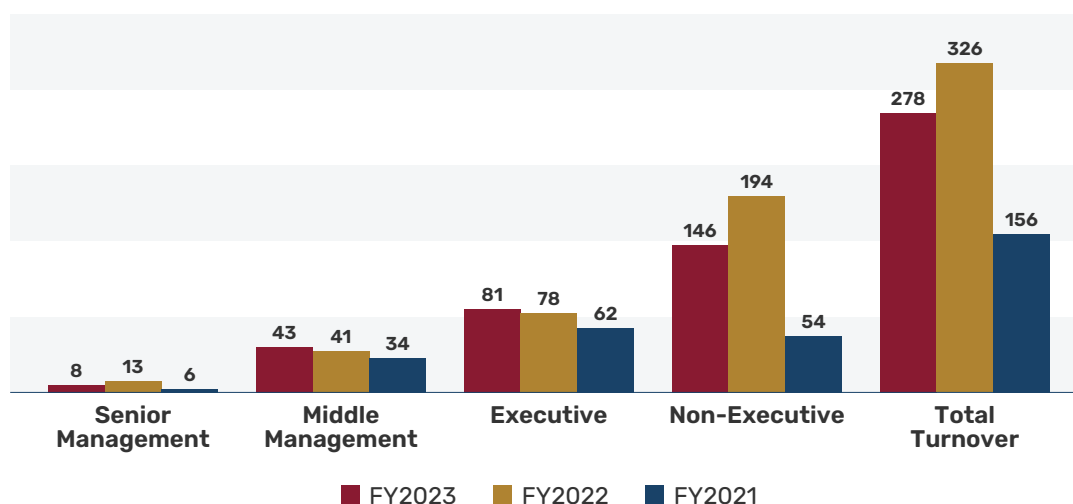
We conduct performance and career development review for all employees annually, evaluating performance and aligning training with our business objectives, underscoring

our unwavering commitment to employee development and its integral role in our Group's overall success.

EMPLOYEE TURNOVER

In FY2023, 278 employees resigned. Recognising the importance of retaining our workforce, the Company is

consistently evaluating our total rewards package for key positions and employees.



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

LABOUR PRACTISE

Upholding labour rights is essential at UOA to build and maintain trust with our stakeholders. We adhere to local employment regulations, including the Malaysian Employment Act 1955, and industry standards such as the Responsible Business Alliance ("RBA"). Our commitment includes prohibiting child and forced labour, ensuring fair working conditions, wages, and a safe workplace, and promoting humane treatment and non-discrimination for our workforce. This principle applies throughout the entire Group.

UOA provides working condition that is safe and healthy to all employees. We also do not sanction any employments which may expose the people to hazardous working conditions, either at our own sites or as part of any business relationships we are involved in. All employees are entitled to reasonable rest breaks and access to toilets, rest facilities, and potable water at their place of work.

Among our initiatives in respecting our labour rights include:

| INITIATIVES | DESCRIPTION |
|---|---|
| Grievance Mechanism | <ul style="list-style-type: none"> An avenue to escalate and address concerns while also offering the option for anonymous complaints. |
| Expatriate/Migrant Worker Management | <ul style="list-style-type: none"> Expatriates: Treated as permanent employees, receiving the same terms and benefits as Malaysian employees. Migrant workers: <ol style="list-style-type: none"> No recruitment fees or tie themselves up in debt by joining us. Own bank accounts for direct wage remittance, Keep possession of their passports. |
| Labour Accommodation | <ul style="list-style-type: none"> Ensure compliance with Act 446 ("Accommodation Act") for all labour quarters. |

NO CHILD, FORCED OR COMPULSORY LABOUR

The Group is committed to ensuring that child, and forced labour are not tolerated, in accordance with both local and international laws. We have set 18 as the minimum employment age, and we require supplier acknowledgment of our expectations before engaging in business, which include prohibiting the exploitation of child, forced, and compulsory labour in their operations.

EQUAL PAY FOR EQUAL WORK

UOA is committed to the principle of equal pay for equal work, aligning with Malaysian laws. Our compensation is determined based on job responsibilities, qualifications, and performance, without discrimination. We strictly adhere to the legal provisions in the Employment Act 1955, ensuring that all employees, regardless of protected characteristics, receive fair compensation matching their roles.

WORKING HOURS AND REST PERIODS

The Group strictly follows the Employment Act 1955, ensuring compliance with regulations for fair employment practices, including working hours, rest periods, and overtime. Our employees work an average of 8 hours per day, and 40 hours per week. Nonetheless, the supervisor is empowered to reschedule the working hours of the department to suit operational needs. All of our employees are also entitled to all public holidays gazetted by the Malaysian government each year. Our commitment is to maintain a lawful and employee-focused work environment, regularly adapting to any changes in the Employment Act to uphold ethical employment standards in Malaysia.

During this reporting period, we are pleased to report there is no reported incidents or complaints pertaining to UOA's labour standards, including human rights violation such as discrimination, child labour or forced labour in the Group or in our supply chain.

Number of substantiated complaints pertaining to UOA's labour standards, including human rights violation in FY2023, FY2022 and FY2021

None

SUSTAINABILITY

STATEMENT (CONTINUED)

CREATE VALUE FOR OUR PEOPLE (CONTINUED)

HEALTH, SAFETY AND SECURITY

The incorporation of effective health and safety measures plays a vital role in our business's overall success. We consistently adhere to the Occupational Safety and Health Act 1994 (OSHA) in our operations to maintain a safe working environment. Our target is to zero work-related incidents across our operations.

HEALTH AND SAFETY GOVERNANCE

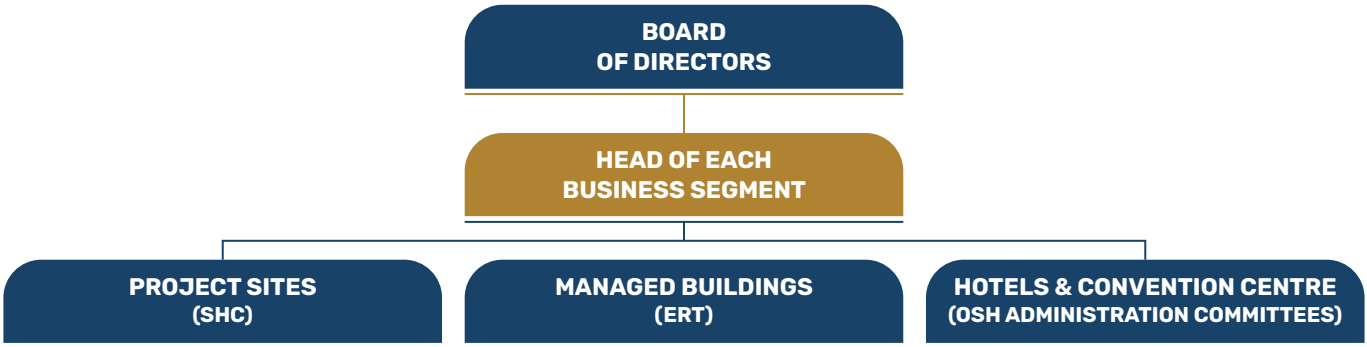
Under the direct supervision of our Board of Directors ("BOD"), UOA maintains a structured approach to ensure compliance with safety and health protocols aligned with the Occupational Safety and Health Act and Regulations. Within our organisation, Head of each business segment play a pivotal role in this endeavour.

At project sites, Safety and Health Committees ("SHC") are established, each chaired by an authorised Project Manager and composed of representatives from both UOA and sub-contractors. The roles covered by SHC encompass reviewing safety and health procedures, investigating related complaints, addressing accidents, and conducting workplace inspections.

For our managed buildings, an Emergency Response Team ("ERT") is established at each location, led by the respective building heads. Similarly, in hotels and convention centres, Occupational Safety and Health Administration (OSHA) Committees are formed, each chaired by the respective heads of these establishments.

To ensure safety, every building has an Emergency Response Plan ("ERP") in place. The ERTs are well-prepared to respond promptly to various emergencies, including fire outbreaks, natural disasters, medical emergencies, accidents, robberies, civil disturbances, discovering deceased individuals, and suicide attempts. Each ERT member is assigned a specific and critical role, ensuring the safety and security of all individuals within the buildings and venues.

This multi-tiered approach ensures a comprehensive and diligent focus on health and safety across our various operations.



SAFETY MANAGEMENT SYSTEM

We hold ISO 45001:2018 for safety. We audit internally annually to assess the effectiveness and efficiency of our Health and Safety Policy and procedures, and SHC ensures monthly site safety compliance. This oversight extends to monitoring contractors' adherence to our safety rules for structures, machinery, workers, and facilities.

The project managers implemented corrective actions focusing on improving safety by addressing issues, deficiencies, root causes, and non-conformities. Audit findings are shared with relevant stakeholders, promoting safety enhancements by SHC and employees at project sites.

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HEALTH, SAFETY AND SECURITY *(CONTINUED)*

HEALTH AND SAFETY STATISTICS

We closely monitor health and safety across our business operations to protect workers and communities. During this reporting year, we did not register any work-related fatalities and Loss Time Incident Rate ("LTIR").

| Safety statistics | | | |
|--|--------|--------|--------|
| | FY2023 | FY2022 | FY2021 |
| Number of fatalities as a result of work-related injury and ill health | None | None | None |
| Loss Time Incident Rate ("LTIR") | None | None | None |

HEALTH AND SAFETY TRAINING AND AWARENESS

We invest in enhancing the health and safety capabilities of our employees and construction workers through various training programs. In FY2023, we conducted fourteen (14) health and safety learning sessions encompassed basic occupational health and safety, first aid, fire safety, and etc. In FY2023, 298 employees attended these training sessions.

| Number of employees trained on health and safety standards | | | |
|--|--------|--------|--------|
| | FY2023 | FY2022 | FY2021 |
| | 298 | 54 | 2 |

SAFETY FEATURES AND SECURITY

Our commitment to UNSDG 11 for Sustainable Cities and Communities drives us to embed sustainable, resilient safety attributes in our commercial properties and residential buildings. Our buildings feature up-to-date fire and security systems. We also take a hands-on approach by training our own auxiliary police and security personnel at Bangsar South City and UOA Business Park to maintain a secure environment. The following represents the number of auxiliary police and security personnel hired per square foot of our properties for three (3) consecutive years.

Number of auxiliary police and security personnel

| FY2023 | FY2022 | FY2021 |
|--------|--------|--------|
| 154 | 119 | 118 |

We emphasise on effective crisis management, conducting routine testing and training to address various scenarios such as electricity power failure, lifts trap in, gas leak, fuel leak, fire alarms, water supply disruptions, and flooding. Our collaboration with the Fire Department ("BOMBA") involves fire drills that familiarize tenants and co-owners with evacuation procedures.

Our lifts are periodically checked, inspected, maintained, and repaired to maintain our properties in optimal condition, meet necessary standards, and obtain maintenance certifications. Qualified and certified chargemen oversee electrical wiring and installations, ensuring safety and proper upkeep.

Other safety features in our properties encompass women's parking facilities at The Sphere, along with lightning arrestors designed to safeguard residents and household electrical appliances from lightning strikes. To enhance accessibility and safety, we have implemented disabled-friendly features, including ramps, accessible parking, and toilets. These features create a safer and more inclusive environment for all our tenants and visitors.

Our Security Response team ensures rapid responses to security incidents and emergencies, further enhancing safety. We are proud to report zero cases of security negligence and no major building-related incidents within our properties for three (3) consecutive years.

Number of cases of security negligence and major building-related incidents in FY2023, FY2022 and FY2021

None

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

HEALTH, SAFETY AND SECURITY *(CONTINUED)*

EMPLOYEE HEALTH AND WELFARE

UOA acknowledges the importance of employee well-being as it influences our value to customers and shareholders. We go beyond legal requirements by offering wellness initiatives that encompass activities promoting mental and physical health, such as dental and health screenings, weekly fitness dances, as well as benefits such as business travel insurance, paid time off, TCM and more. Furthermore, we foster a conducive workplace by integrating cultural and anti-harassment aspects into our training programs.

We provide a range of welfare benefits which are extended to both full-time and contracted employees.

Our key welfare benefits include:

- Group's Hospital and Surgical treatment, Term Life and Personal Accident insurance coverage.
- Medical and Dental benefits
- Maternity and Paternity leaves

Our foreign employees' welfare and well-being are covered by work injury compensation and medical insurance through the Foreign Worker Hospitalisation and Surgical Insurance Scheme ("SKHPPA") scheme. We annually review and renew insurance policies to ensure adequate coverage for all employees.

SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

COMMUNITY INVESTMENT

UOA recognises the importance of community involvement in the areas where we operate. Hence, we are engaged in relevant programmes to contribute positively to our society.

UOA's community programmes focus on the following areas:

YOUTH AND EDUCATION

BACK TO SCHOOL CAMPAIGN FOR 750 UNDERPRIVILEGED CHILDREN



In February 2023, UOA Group reactivated its annual community support initiative after a two-year break due to Covid-19, with the *Kempen Kembali Ke Sekolah*. School bags, stationery, and water bottles were distributed to 750 underprivileged children in Kerinchi during the back-to-school campaign. Coinciding with the new school term in March, it aimed to alleviate the financial strain on families and prepare the children for school. The event was graced by YB Fahmi Fadzil, Minister of Communications & Digital and Member of Parliament for Lembah Pantai, and supported by ADRF Malaysia.

Impacted: 750 underprivileged children

CREATIVE ENGLISH & CHILDREN MOTIVATIONAL WORKSHOP

(for 7 - 15 years old underprivileged school children in Kerinchi)

Held in December 2023, the Creative English Workshop - Winning Mindset for Kids (3-Day Course) is an exciting and innovative programme designed to empower children with essential language skills and cultivate a positive and growth-oriented mindset. Through a combination of interactive language learning activities and mindset building exercises, this course aimed to provide young learners with a solid foundation in English while instilling in them the confidence and determination to succeed in various aspects of their lives.



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

COMMUNITY INVESTMENT *(CONTINUED)*

YOUTH AND EDUCATION *(CONTINUED)*

RM60,000 SPONSORSHIP OF E-PAPER ACCESS FOR UNIVERSITY STUDENTS



In August 2023, UOA sponsored RM60,000 worth of The Star ePaper subscriptions for several universities under the media group's University Sponsorship Programme 2023. Aimed at fostering a habit of newspaper reading among university students, the initiative also serves to broaden perspectives and sharpen critical thinking skills. Catering to the digital preferences of students often on the move, the ePaper format ensures they stay informed on local and global events. This effort underscores the significance of English proficiency in a globalised world, supporting the enhancement of English skills across the nation.

Impacted: 250 tertiary students

FITNESS AND HEALTH

ADVOCATING ACTIVE RETIREMENT LIVING

The importance of retirement living in Malaysia has never been more pronounced. With an aging population set to define the next decade, providing quality living conditions tailored for the elderly is paramount. Recognising this demographic shift, the Malaysia Healthcare Travel Council (MHTC) is ready to redefine the golden years by collaborating with exceptional wellness residences such as Komune Living & Wellness to establish Malaysia as a premier destination for active retirement living.

In August 2023, a pilot programme – Rejuvenate with Malaysia Healthcare – was introduced by MHTC to address the difficulties posed by the 'silver tsunami' and an ageing society in a proactive manner. According to Farizal Jaafar, Acting Chief Executive Officer of MHTC, the programme is a testament to its commitment to providing world-class healthcare services, and promoting Malaysia as a preferred choice for active retirement living and holistic wellness. By partnering with Komune Living & Wellness, MHTC is confident in its efforts to create awareness of the programme, designed to allow seniors to age actively, surrounded by various experiential facilities and personal care.



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

COMMUNITY INVESTMENT *(CONTINUED)*

FITNESS AND HEALTH *(CONTINUED)*

TONG XIN TANG FREE MEDICAL SERVICES



Tong Xin Tang Healthcare International Sdn Bhd ("TXT") has been part of the UOA Group since year 2022.

It was established in year 2008 and adheres to the principle of developing the Traditional Chinese Medicine ("TCM") healthcare industry. TXT focuses on three major segments: TCM Medical Treatment, TCM Recreation, and Health Care Products Retailing.

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

During the FY2023, TXT has been continuously carrying out free medical consultation services events, with the aim to raise the community's awareness on health, understanding their body conditions, early detection of certain diseases, early prevention, and early treatment. A total of 7 events been carried out in FY2023.

Impacted: 360 persons

BLOOD DONATION CAMPAIGNS

In the spirit of helping the community and contributing to society, UOA continued its support to the blood donation drives that were held in United Point for April, June and October 2023. Complemented by free health check (BMI, glucose and diabetic test), eye check and organ pledge services, the campaign garnered positive response from the public and drew a total of more than 280 blood donors.

Impacted: 280 blood donors



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

COMMUNITY INVESTMENT *(CONTINUED)*

FITNESS AND HEALTH *(CONTINUED)*

BANGSAR SOUTH COMMUNITY WELLNESS DAY



Held in November 2023, the inaugural Bangsar South Community Wellness Day is a collective UOA Group event dedicated to promoting a healthy lifestyle, wellness, and overall well-being among the Bangsar South community. The event was graced by YB Hannah Yeoh, Minister of Youth and Sports, and supported by event partners and sponsors including the National Cancer Society of Malaysia, Unilever and Nestle.

Anchored by three main pillars - Fitness, Lifestyle and Mental Wellness, the Bangsar South Community Wellness Day aimed to create awareness on the importance of healthy living, and presented a holistic approach to wellness by offering a diverse array of health and wellness talks, comprehensive health assessments, and a vibrant exhibition showcase of healthy products, and food and beverage booths.

The Bangsar South Community Wellness Day was intended to encourage people to take a break from the hustle and bustle of everyday life, and embark on a journey towards greater physical and mental wellness. With categories spanning fitness, nutrition, health and lifestyle, the event featured a wide range of wellness offerings that cater to various preferences, as well as individuals and groups of different age and abilities.

SOCIAL INITIATIVE AND WELFARE

RAYA GROCERY HAMPERS DISTRIBUTION TO 260 SINGLE PARENTS & OKU(S)

UOA held the *Sambutan Aidilfitri* in Kerinchi in March 2023 to share festive cheer and happiness with the underprivileged and their families for the *Hari Raya Aidilfitri* celebration. Some 260 grocery hampers together with *duit raya* were distributed to single parents and *Orang Kurang Upaya* (OKUs) in the presence of YB Fahmi Fadzil, Minister of Communications & Digital and Member of Parliament for Lembah Pantai, and supported by ADRF Malaysia. Each hamper comprised basic necessities and groceries including cooking oil, rice, flour, sugar, milo, biscuits and canned food.

Impacted: 260 single parents and OKU



SUSTAINABILITY STATEMENT *(CONTINUED)*

CREATE VALUE FOR OUR PEOPLE *(CONTINUED)*

COMMUNITY INVESTMENT *(CONTINUED)*

Through our initiatives in FY2023, we managed to contribute an estimated RM410,000 to the community supporting 2,400 beneficiaries.

| | FY2023 | FY2022 | FY2021 |
|---|--------|--------|--------|
| Total amount invested in external community (MYR million) | 0.41 | 1.35 | 1.40 |
| Total number of individuals benefited | 2,400 | 1,631 | 4,255 |

The data for number of beneficiaries is based on our best estimate given the difficulty in tracking exact number of beneficiaries for some of our initiatives.

CONCLUSION

As a responsible developer, our commitment centres on sustainable growth and the seamless integration of sustainability throughout our business. We remain dedicated to adapting and enhancing our sustainability practices in response to evolving regulatory requirements, continually

improving our sustainability journey. Our goal is to set a benchmark for our customers, known for our innovative approaches, all while fortifying our business against economic and climate-related challenges.

SUSTAINABILITY STATEMENT *(CONTINUED)*

TCFD REALIGNMENT

The Company's strategy for adopting the recommendations of the TCFD revolved around four key pillars, which are:

- a. Governance: Disclosing climate-related governance, including Board involvement and management's role in assessment.
- b. Strategy: Revealing climate risks/opportunities in business, strategy, and finance.
- c. Risk Management: Disclosing the process of how we identify, assess, and manage climate-related risks through the climate risk impact assessment process.
- d. Metrics and Targets: Describing climate metrics, encompassing energy consumption, scope 1 and 2 emissions.

The table below summarised UOA's responses to TCFD disclosure recommendations:

| RECOMMENDATIONS | OUR RESPONSES | | | | |
|---|--|------|--|--------|--|
| GOVERNANCE <ol style="list-style-type: none"> a. Describe the board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities. | <p>The Board holds responsibility for providing guidance on climate-related risks, ensuring the incorporation of sustainability best practices in critical decision-making processes, and approving the sustainability and risk management framework, while also deliberates on matters pertaining to sustainability and risk governance. Additionally, the Sustainability Committee reviews and recommends climate-risks strategies and performance targets for UOA on a group-wide basis as disclosed in the Sustainability Governance section of our Sustainability Statement.</p> | | | | |
| STRATEGY <ol style="list-style-type: none"> a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>UOA has yet to perform the climate scenario analysis on the physical and transitional risks. Therefore, we have not identified the Company's resilience strategy in different climate-related scenarios.</p> <p>However, we continue to identify the risks and opportunities posed by climate change as follows:</p> <p><u>Risks posed by climate change:</u></p> <p>a. Climate-Induced Project Disruptions</p> <table> <tr> <td>Risk</td><td>Increased occurrences of extreme weather events can lead to project delays, structural damage, and escalated UOA construction costs.</td></tr> <tr> <td>Impact</td><td> <ul style="list-style-type: none"> ▪ Delays in project timelines. ▪ Increased construction and repair costs. ▪ Potential harm to both the structural integrity of the infrastructure and the safety of people during such events. </td></tr> </table> | Risk | Increased occurrences of extreme weather events can lead to project delays, structural damage, and escalated UOA construction costs. | Impact | <ul style="list-style-type: none"> ▪ Delays in project timelines. ▪ Increased construction and repair costs. ▪ Potential harm to both the structural integrity of the infrastructure and the safety of people during such events. |
| Risk | Increased occurrences of extreme weather events can lead to project delays, structural damage, and escalated UOA construction costs. | | | | |
| Impact | <ul style="list-style-type: none"> ▪ Delays in project timelines. ▪ Increased construction and repair costs. ▪ Potential harm to both the structural integrity of the infrastructure and the safety of people during such events. | | | | |

SUSTAINABILITY STATEMENT *(CONTINUED)*

TCFD REALIGNMENT *(CONTINUED)*

The table below summarised UOA's responses to TCFD disclosure recommendations: *(Continued)*

| RECOMMENDATIONS | OUR RESPONSES | | | | | | | | |
|---------------------|---|---------------------|--|------|---|--------|--|---------------------|---|
| STRATEGY | <p>However, we continue to identify the risks and opportunities posed by climate change as follows: <i>(Continued)</i></p> <p><u>Risks posed by climate change: <i>(Continued)</i></u></p> <p>a. Climate-Induced Project Disruptions <i>(Continued)</i></p> <table> <tr> <td>Our Mitigation Plan</td><td> <ul style="list-style-type: none"> ▪ Incorporate climate resilience into project planning and design. Further details on our dedication to sustainable practices can be found in the Sustainable Design, Green Space, and Biodiversity section of our Sustainability Statement. ▪ Enhance preparedness by updating emergency response plans as needed and establishing clear evacuation procedures. ▪ Implement risk assessment procedures considering climate-related factors. ▪ Utilise sustainable construction materials and methods. ▪ Regularly update project timelines and budgets based on climate risk assessments. </td></tr> </table> <p>b. Property Management Risks from Climate Change</p> <table> <tr> <td>Risk</td><td>Climate change may impact the property management by elevating maintenance issues, diminishing property value, and affecting tenant satisfaction.</td></tr> <tr> <td>Impact</td><td> <ul style="list-style-type: none"> ▪ Increased maintenance costs. ▪ Decline in property value. ▪ Tenant dissatisfaction due to climate-related issues </td></tr> <tr> <td>Our Mitigation Plan</td><td> <ul style="list-style-type: none"> ▪ Regularly assess and update property insurance coverage. ▪ Invest in sustainable building practices and green building certifications for long-term resilience. Further details on this can be found in the Sustainable Design, Green Space, and Biodiversity topic of this Sustainability Statement. ▪ Implement proactive maintenance schedules to address climate-related wear and tear. ▪ Engage with tenants to understand and address their concerns related to climate impacts. </td></tr> </table> | Our Mitigation Plan | <ul style="list-style-type: none"> ▪ Incorporate climate resilience into project planning and design. Further details on our dedication to sustainable practices can be found in the Sustainable Design, Green Space, and Biodiversity section of our Sustainability Statement. ▪ Enhance preparedness by updating emergency response plans as needed and establishing clear evacuation procedures. ▪ Implement risk assessment procedures considering climate-related factors. ▪ Utilise sustainable construction materials and methods. ▪ Regularly update project timelines and budgets based on climate risk assessments. | Risk | Climate change may impact the property management by elevating maintenance issues, diminishing property value, and affecting tenant satisfaction. | Impact | <ul style="list-style-type: none"> ▪ Increased maintenance costs. ▪ Decline in property value. ▪ Tenant dissatisfaction due to climate-related issues | Our Mitigation Plan | <ul style="list-style-type: none"> ▪ Regularly assess and update property insurance coverage. ▪ Invest in sustainable building practices and green building certifications for long-term resilience. Further details on this can be found in the Sustainable Design, Green Space, and Biodiversity topic of this Sustainability Statement. ▪ Implement proactive maintenance schedules to address climate-related wear and tear. ▪ Engage with tenants to understand and address their concerns related to climate impacts. |
| Our Mitigation Plan | <ul style="list-style-type: none"> ▪ Incorporate climate resilience into project planning and design. Further details on our dedication to sustainable practices can be found in the Sustainable Design, Green Space, and Biodiversity section of our Sustainability Statement. ▪ Enhance preparedness by updating emergency response plans as needed and establishing clear evacuation procedures. ▪ Implement risk assessment procedures considering climate-related factors. ▪ Utilise sustainable construction materials and methods. ▪ Regularly update project timelines and budgets based on climate risk assessments. | | | | | | | | |
| Risk | Climate change may impact the property management by elevating maintenance issues, diminishing property value, and affecting tenant satisfaction. | | | | | | | | |
| Impact | <ul style="list-style-type: none"> ▪ Increased maintenance costs. ▪ Decline in property value. ▪ Tenant dissatisfaction due to climate-related issues | | | | | | | | |
| Our Mitigation Plan | <ul style="list-style-type: none"> ▪ Regularly assess and update property insurance coverage. ▪ Invest in sustainable building practices and green building certifications for long-term resilience. Further details on this can be found in the Sustainable Design, Green Space, and Biodiversity topic of this Sustainability Statement. ▪ Implement proactive maintenance schedules to address climate-related wear and tear. ▪ Engage with tenants to understand and address their concerns related to climate impacts. | | | | | | | | |

SUSTAINABILITY STATEMENT *(CONTINUED)*

TCFD REALIGNMENT *(CONTINUED)*

The table below summarised UOA's responses to TCFD disclosure recommendations: *(Continued)*

| RECOMMENDATIONS | OUR RESPONSES | | | | | | |
|---------------------|---|------|--|--------|---|---------------------|---|
| STRATEGY | <p>However, we continue to identify the risks and opportunities posed by climate change as follows: <i>(Continued)</i></p> <p><u>Risks posed by climate change: <i>(Continued)</i></u></p> <p>c. Water supply disruptions and energy price volatility</p> <table> <tr> <td>Risk</td><td> <ul style="list-style-type: none"> Climate change can lead to variations in precipitation patterns, potentially resulting in water scarcity or interruptions in the water supply. Extreme weather conditions can contribute to fluctuations and increased volatility in energy prices. </td></tr> <tr> <td>Impact</td><td> <ul style="list-style-type: none"> Potential operational disruptions. Elevated operational costs due to higher energy bills and potential budget uncertainties. </td></tr> <tr> <td>Our Mitigation Plan</td><td> <ul style="list-style-type: none"> Implement water-saving technologies and water security initiative such as rainwater harvesting. Invest in energy-efficient technologies and explore renewable energy sources to mitigate the impact of energy price volatility. As of now, a rooftop solar system with a capacity of 382 kWp has been installed for self-consumption and we are currently exploring potential solar panel partnerships with GSPARX and TNB lease-back initiatives in FY2024 for all our operations in Bangsar South. </td></tr> </table> | Risk | <ul style="list-style-type: none"> Climate change can lead to variations in precipitation patterns, potentially resulting in water scarcity or interruptions in the water supply. Extreme weather conditions can contribute to fluctuations and increased volatility in energy prices. | Impact | <ul style="list-style-type: none"> Potential operational disruptions. Elevated operational costs due to higher energy bills and potential budget uncertainties. | Our Mitigation Plan | <ul style="list-style-type: none"> Implement water-saving technologies and water security initiative such as rainwater harvesting. Invest in energy-efficient technologies and explore renewable energy sources to mitigate the impact of energy price volatility. As of now, a rooftop solar system with a capacity of 382 kWp has been installed for self-consumption and we are currently exploring potential solar panel partnerships with GSPARX and TNB lease-back initiatives in FY2024 for all our operations in Bangsar South. |
| Risk | <ul style="list-style-type: none"> Climate change can lead to variations in precipitation patterns, potentially resulting in water scarcity or interruptions in the water supply. Extreme weather conditions can contribute to fluctuations and increased volatility in energy prices. | | | | | | |
| Impact | <ul style="list-style-type: none"> Potential operational disruptions. Elevated operational costs due to higher energy bills and potential budget uncertainties. | | | | | | |
| Our Mitigation Plan | <ul style="list-style-type: none"> Implement water-saving technologies and water security initiative such as rainwater harvesting. Invest in energy-efficient technologies and explore renewable energy sources to mitigate the impact of energy price volatility. As of now, a rooftop solar system with a capacity of 382 kWp has been installed for self-consumption and we are currently exploring potential solar panel partnerships with GSPARX and TNB lease-back initiatives in FY2024 for all our operations in Bangsar South. | | | | | | |



The Sphere, Bangsar South

SUSTAINABILITY STATEMENT *(CONTINUED)*

TCFD REALIGNMENT *(CONTINUED)*

The table below summarised UOA's responses to TCFD disclosure recommendations: *(Continued)*

| RECOMMENDATIONS | OUR RESPONSES |
|------------------------|---|
| STRATEGY | <p>However, we continue to identify the risks and opportunities posed by climate change as follows: <i>(Continued)</i></p> <p><u>Opportunities posed by climate change:</u></p> <ol style="list-style-type: none"> Actively seeking green building certifications, including GBI and LEED, for both our existing and upcoming properties serves to elevate the sustainability credentials of our developments. This initiative not only underscores our commitment to environmentally responsible practices but also positions our properties as appealing choices for investors and tenants who prioritise ecological consciousness. Detailed updates on the advancement of green building certifications for our properties are available in the dedicated "Sustainable Design/Green Building" section of this Sustainability Statement. Encourage the use of eco-friendly materials, energy-efficient systems, and environmentally friendly designs in our properties in response to heightened climate change concerns. More details of the sustainable design building initiatives are explained in "Sustainable Design/Green Building" section of this Sustainability Statement. We also actively seek partnerships with solar panel providers, as outlined in the "Energy and Emissions Management" section of our Sustainability Statement. This strategic initiative not only allows us to contribute significantly to a greener future but also opens avenues for potential cost savings. Building a reputation as a dependable property developer known for reliability in the face of climate change induced erratic and extreme weather patterns. |
| RISK MANAGEMENT | <ol style="list-style-type: none"> Describe the organisation's processes for identifying and assessing climate-related risks. Describe the organisation's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. <p>We conduct a climate risk impact assessment, evaluating climate change risks for their significance. When relevant, these risks are further assessed within the Enterprise Risk Management ("ERM") framework. The results, including identified material risks, are presented to the board for guidance and advice.</p> |

SUSTAINABILITY STATEMENT *(CONTINUED)*

TCFD REALIGNMENT *(CONTINUED)*

The table below summarised UOA's responses to TCFD disclosure recommendations: *(Continued)*

| RECOMMENDATIONS | OUR RESPONSES |
|---|--|
| METRICS & TARGETS | |
| a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | Our key material metrics include: a. Energy consumption (Refer to Energy and Emissions section). b. Scope 1 and 2 emissions (Refer to Energy and Emissions section). |
| b. Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks. | The Company discloses Scope 1 and 2 emissions in the Energy and Emissions section. However, we have excluded Scope 3 emission information, given that we have yet to put in place the requirement to collate information from our employees and counterparties. Currently, we have no plans to disclose Scope 3 information. |
| c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | While the Company has not established specific targets for our energy and emissions, we aim to continuously monitor emissions and prioritise energy efficiency to mitigate increasing electricity costs. This approach also helps us monitor our overall operational efficiency. |

PERFORMANCE DATA TABLE

| | Measurement Unit | 2021 | 2022 | 2023 |
|--|------------------|------|------|------|
| <u>BURSA (SUPPLY CHAIN MANAGEMENT)</u> | | | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 100 | 100 | 100 |
| <u>BURSA (DATA PRIVACY AND SECURITY)</u> | | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | 0 |
| <u>BURSA (ANTI-CORRUPTION)</u> | | | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | | | |
| ▪ Senior Management | Percentage | - | - | 54 |
| ▪ Middle Management | Percentage | - | - | 77 |
| ▪ Executive | Percentage | - | - | 73 |
| ▪ Non-Executive | Percentage | - | - | 72 |

Internal Assurance

External Assurance

No Assurance

(*)Restated

SUSTAINABILITY STATEMENT *(CONTINUED)*

PERFORMANCE DATA TABLE

| | Measurement Unit | 2021 | 2022 | 2023 |
|---|------------------|--------|--------|--------|
| <u>BURSA (ANTI-CORRUPTION) (CONTINUED)</u> | | | | |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100 | 100 | 100 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 | 0 |
| <u>BURSA (ENERGY MANAGEMENT)</u> | | | | |
| Bursa C4(a) Total energy consumption | Megawatt | 20,039 | 22,867 | 31,627 |
| <u>BURSA (WATER)</u> | | | | |
| Bursa C9(a) Total volume of water used | Megalitres | 346.5 | 412.4 | 468.9 |
| <u>BURSA (DIVERSITY)</u> | | | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | | | |
| Age Group by Employee Category | | | | |
| ▪ Senior Management Under 30 | Percentage | 0 | 0 | 0 |
| ▪ Senior Management Between 30-50 | Percentage | 68 | 60 | 64 |
| ▪ Senior Management Above 50 | Percentage | 32 | 40 | 36 |
| ▪ Middle Management Under 30 | Percentage | 4 | 11 | 5 |
| ▪ Middle Management Between 30-50 | Percentage | 80 | 75 | 82 |
| ▪ Middle Management Above 50 | Percentage | 16 | 14 | 13 |
| ▪ Executive Under 30 | Percentage | 28 | 26 | 27 |
| ▪ Executive Between 30-50 | Percentage | 63 | 64 | 62 |
| ▪ Executive Above 50 | Percentage | 9 | 10 | 11 |
| ▪ Non-Executive Under 30 | Percentage | 45 | 46 | 48 |
| ▪ Non-Executive Between 30-50 | Percentage | 48 | 44 | 39 |
| ▪ Non-Executive Above 50 | Percentage | 7 | 10 | 13 |
| Gender Group by Employee Category | | | | |
| ▪ Senior Management Male | Percentage | 62 | 60 | 54 |
| ▪ Senior Management Female | Percentage | 38 | 40 | 46 |
| ▪ Middle Management Male | Percentage | 62 | 54 | 59 |
| ▪ Middle Management Female | Percentage | 38 | 46 | 41 |
| ▪ Executive Male | Percentage | 51 | 51 | 48 |
| ▪ Executive Female | Percentage | 49 | 49 | 52 |
| ▪ Non-Executive Male | Percentage | 57 | 52 | 54 |
| ▪ Non-Executive Female | Percentage | 43 | 48 | 46 |

Internal Assurance

External Assurance

No Assurance

(*)Restated

SUSTAINABILITY STATEMENT *(CONTINUED)*

PERFORMANCE DATA TABLE *(CONTINUED)*

| | Measurement Unit | 2021 | 2022 | 2023 |
|---|------------------|-----------|-----------|---------|
| <u>BURSA (DIVERSITY) (CONTINUED)</u> | | | | |
| Bursa C3(b) Percentage of directors by gender and age group | Percentage | 75 | 75 | 75 |
| ▪ Male | Percentage | 25 | 25 | 25 |
| ▪ Female | Percentage | 0 | 0 | 0 |
| ▪ Under 30 | Percentage | 25 | 38 | 38 |
| ▪ Between 30-50 | Percentage | 75 | 62 | 62 |
| ▪ Above 50 | Percentage | | | |
| <u>BURSA (LABOUR PRACTICES AND STANDARDS)</u> | | | | |
| Bursa C6(a) Total hours of training by employee category | | | | |
| ▪ Senior Management | Hours | - | - | 1,125 |
| ▪ Middle Management | Hours | - | - | 5,278 |
| ▪ Executive Hours | Hours | - | - | 8,038 |
| ▪ Non-Executive Hours | Hours | - | - | 10,601 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 3.61 | 5.25 | 4.88 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | |
| ▪ Senior Management | Number | 6 | 13 | 8 |
| ▪ Middle Management | Number | 34 | 41 | 43 |
| ▪ Executive | Number | 62 | 78 | 81 |
| ▪ Non-Executive | Number | 54 | 194 | 146 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | 0 | 0 |
| <u>BURSA (HEALTH AND SAFETY)</u> | | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0 | 0 | 0 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 2 | 54 | 298 |
| <u>BURSA (COMMUNITY/SOCIETY)</u> | | | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 1,400,000 | 1,350,000 | 410,000 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 4,225 | 1,631 | 2,400 |

Internal Assurance

External Assurance

No Assurance

(*)Restated

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kong Pak Lim

Chairman

Non-Independent Director

Kong Chong Soon @ Chi Suim

Managing Director

Non-Independent Director

Ang Kheng Im

Executive Director

Non-Independent Director

Fong Heng Boo

Independent Non-Executive Director

Tuan Haji Ramley Bin Alan

Independent Non-Executive Director

Eugene Lee Chin Jin

Independent Non-Executive Director

Kong Sze Choon

Alternate Director to Kong Chong Soon @ Chi Suim

Stephanie Kong Pei Zen

Alternate Director to Kong Pak Lim

AUDIT AND RISK MANAGEMENT COMMITTEE

Fong Heng Boo

Chairman

Independent Non-Executive Director

Tuan Haji Ramley Bin Alan

Independent Non-Executive Director

Eugene Lee Chin Jin

Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Fong Heng Boo

Chairman

Independent Non-Executive Director

Tuan Haji Ramley Bin Alan

Independent Non-Executive Director

Eugene Lee Chin Jin

Independent Non-Executive Director

SECRETARIES

Yap Kai Weng

MAICSA No.: 74580

Wong Yoke Leng

MAICSA No.: 7032314

COMPANY NO.

200401015520 (654023-V)

REGISTERED OFFICE

No. 9, Jalan Indah 16, Taman Cheras Indah

56100 Kuala Lumpur

Telephone : +603 9287 1000

Facsimile : +603 9287 2000

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone : +603 2783 9299

Facsimile : +603 2783 9222

PRINCIPAL PLACE OF BUSINESS

Suite G-1, Vertical Corporate Tower B, Avenue 10
The Vertical, Bangsar South City, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone : +603 2245 9188

Facsimile : +603 2245 9128

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP 0022494-LCA & AF No. 0737)
Level 11, Sheraton Imperial Court, Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone : +603 2692 4022

Facsimile : +603 2691 5229

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

RHB Bank Berhad

United Overseas Bank (M) Bhd

CIMB Bank Berhad

Industrial and Commercial Bank of China

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

STOCK CODE

5200

WEBSITE

www.uoa.com.my

INVESTOR RELATIONS

Email : uoacare@uoa.com.my

Telephone : 1 300 88 6668

FINANCIAL CALENDAR

FINANCIAL YEAR

1 January to 31 December 2023

ANNOUNCEMENT OF QUARTERLY RESULTS

22 May 2023

Announcement of unaudited consolidated results for the first quarter ended 31 March 2023

24 August 2023

Announcement of unaudited consolidated results for the second quarter ended 30 June 2023

27 November 2023

Announcement of unaudited consolidated results for the third quarter ended 30 September 2023

27 February 2024

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

ANNUAL REPORT & ANNUAL GENERAL MEETING

29 April 2024

Date of notice of 20th Annual General Meeting and issuance of Annual Report 2023

28 May 2024

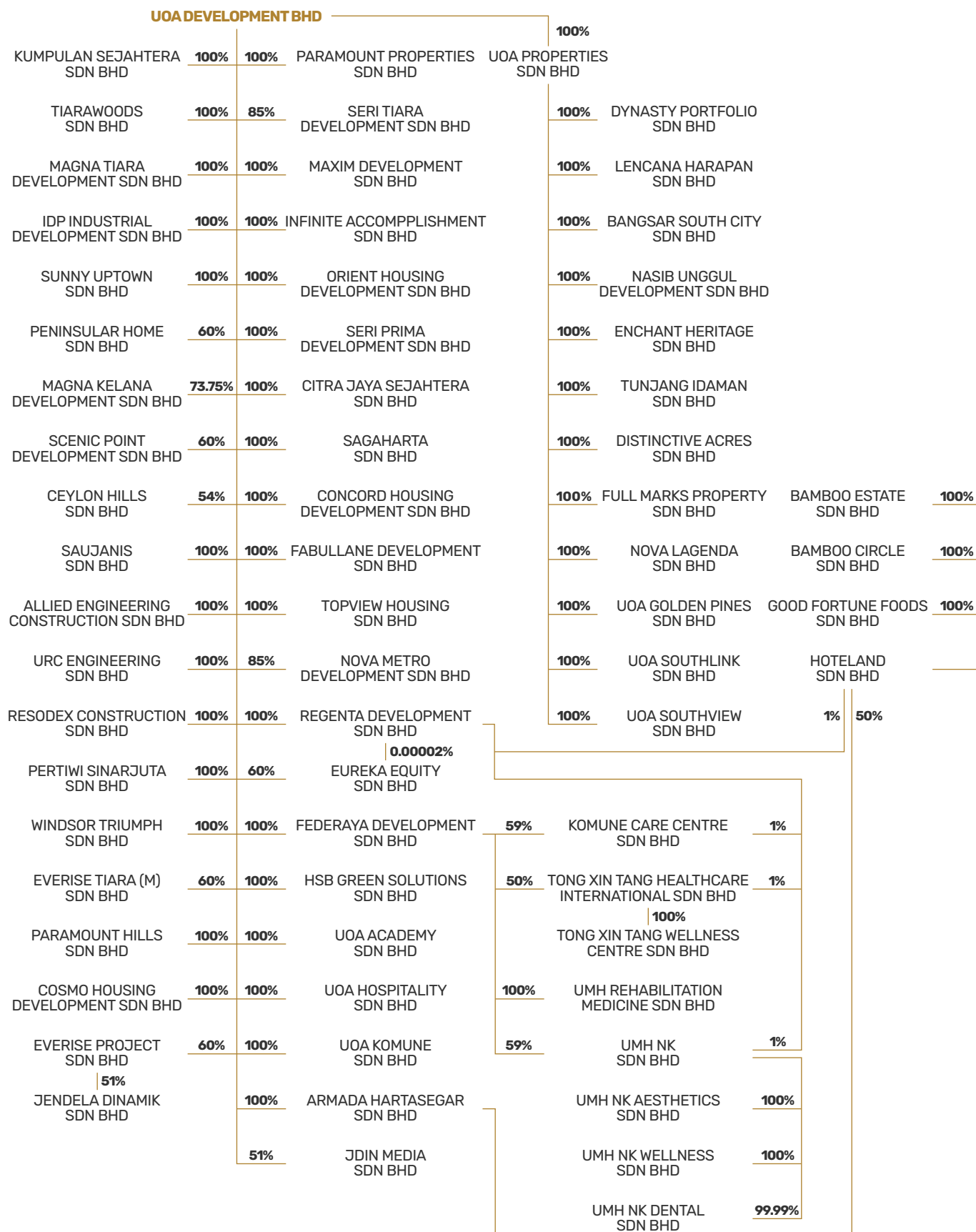
Date of 20th Annual General Meeting

DIVIDEND

To be proposed at the 20th Annual General Meeting

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2023



BOARD OF DIRECTORS

The members of the Board of Directors are as follows:

KONG PAK LIM

Chairman / Non-Independent Director

KONG CHONG SOON @ CHI SUIM

Managing Director / Non-Independent Director

ANG KHENG IM

Executive Director / Non-Independent Director

FONG HENG BOO

Independent Non-Executive Director

TUAN HAJI RAMLEY BIN ALAN

Independent Non-Executive Director

EUGENE LEE CHIN JIN

Independent Non-Executive Director

KONG SZE CHOON

Alternate Director to Kong Chong Soon @ Chi Suim

STEPHANIE KONG PEI ZEN

Alternate Director to Kong Pak Lim

PROFILE OF BOARD OF DIRECTORS

KONG PAK LIM

Chairman / Non-Independent Director

Kong Pak Lim, Malaysian, male, aged 71, was appointed a Director of the Company on 27 May 2004. He oversees the planning and design of the Group's commercial and residential projects and is also responsible for the identification and negotiation of all new land acquisitions. He was appointed Chairman of the Board of Directors on 8 April 2022.

Mr. Kong has over 45 years of experience in the construction, mining and property development industries in both Malaysia and Australia. He has worked extensively in various capacities in Australia, among them as Project Engineer in Davis Wemco in charge of mining design, construction and material handling and as a Director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil & gas and mining equipment.

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

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

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

KONG CHONG SOON @ CHI SUIM

Managing Director / Non-Independent Director

Kong Chong Soon @ Chi Suim, Malaysian, male, aged 83, was appointed a Director of the Company on 27 May 2004. He is responsible for the overall group management and strategy development. He has over 39 years of experience in the construction and property development industries, both in Malaysia and Singapore. He played a key role as Project Advisor to the Harapan group of companies where he was instrumental in overseeing the successful construction of three internationally-rated hotels in Singapore, namely Hotel Meridien, Glass Hotel and Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, Mr. Kong co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 33 years, our Parent Group together with other Group members have successfully completed numerous residential, industrial and commercial developments in various parts of Kuala

Lumpur. He has in the past served in various capacities in several public-listed companies both in Malaysia and Singapore which included Raleigh Bhd, Town and City Properties Ltd and Tuan Sing Holdings Ltd.

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

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

ANG KHENG IM

Executive Director / Non-Independent Director

Ang Kheng Im, Malaysian, female, aged 58, was appointed a Director of the Company on 11 April 2018. She has been the Chief Financial Officer of our Parent Group since 1994. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company. She is responsible for our finance and accounts departments and also oversees the internal control function, company secretarial compliance, tax compliance, management information system and legal matters. Prior to joining our Group, she spent four years as a Senior Auditor at Khoo Wong and Chan. She completed the final year of professional education at Emile Woolf College, London,

United Kingdom in 1992 and obtained her professional qualification from the Association of Chartered Certified Accountants in London, United Kingdom in the same year. She is a Chartered Accountant of Malaysia and is a member of the Malaysian Institute of Accountants.

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

PROFILE OF BOARD OF DIRECTORS (CONTINUED)

FONG HENG BOO

Independent Non-Executive Director

Fong Heng Boo, Singaporean, male, aged 74, was appointed an Independent Non-Executive Director to the Company on 12 October 2021. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

He was a Fellow and Council Member of the Institute of Singapore Chartered Accountants. He has over 48 years of experience in auditing, finance, business development, corporate governance and management. He graduated in 1973 from the University of Singapore with a Bachelor of Accountancy (Honours).

Mr. Fong currently sits on several listed and private companies in Singapore and Hong Kong, SAR China. In

the past he occupied the position of Chief Financial Officer at Easy Call International Pte Ltd, Director-Special Duties at Singapore Totalisator Board, Senior Vice President-Corporate Service at Singapore Turf Club, General Manager-Corporate Development at Amcol (Holdings) Ltd (Singapore), Assistant Auditor General at Auditor-General's Office.

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

TUAN HAJI RAMLEY BIN ALAN

Independent Non-Executive Director

Tuan Haji Ramley Bin Alan, Malaysian, male, aged 69, was appointed an Independent Non-Executive Director to the Company on 18 August 2022. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

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

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

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

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

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

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

PROFILE OF BOARD OF DIRECTORS (CONTINUED)

EUGENE LEE CHIN JIN

Independent Non-Executive Director

Eugene Lee Chin Jin, Malaysian, male, aged 49, was appointed an Independent Non-Executive Director to the Company on 18 August 2022. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

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

Mr. Lee started his career as a Manager Business Banking at Hong Leong Bank from 1997 to 2001. He was a Team Head Business Banking at AmBank Bhd from 2001 to 2004.

He was appointed General Manager of Corporate Affairs and was responsible for overseeing all corporate affairs matters of UOA Development Bhd from 2004 to 2016. He is currently an Executive Director in Jemco Group of Companies, involving in manufacturing and trading of heavy machinery and automobile spare parts with presence in China, Singapore, Indonesia and Malaysia since 2016.

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

KONG SZE CHOON

Alternate Director to Kong Chong Soon @ Chi Suim

Kong Sze Choon, Singaporean, male, aged 47, was appointed on 20 August 2015 as Alternate Director to Mr. Kong Chong Soon @ Chi Suim, who is Managing Director of the Company. He is a graduate of Curtin University of Technology, Perth, Australia with a Bachelor of Commerce degree in Finance. He has worked in financial institutions in Singapore where he was involved in managing and growing the investment portfolio of high net worth individuals. He was part of the management team of UOA Asset Management Sdn Bhd ("UOA Asset Management") which is the Manager for UOA Real Estate Investment Trust, and held the position of Assets Management Manager prior to his appointment as Chief Executive Officer of UOA Asset Management.

Mr. Kong joined UOA Holdings Group in 2002 and his roles in UOA Holdings Group were predominantly in leasing as

well as sales and marketing of commercial and residential developments of the Group. Apart from his key role in the Leasing department, he was also involved in business development of UOA Holdings Group.

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

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

STEPHANIE KONG PEI ZEN

Alternate Director to Kong Pak Lim

Stephanie Kong Pei Zen, Malaysian, female aged 39, was appointed on 12 October 2017 as Alternate Director to Mr. Kong Pak Lim, who is the Executive Director of the Company. She is a First Class Honours graduate from The University of Sydney, Australia with a Bachelor degree in Mechanical/Biomedical Engineering.

Ms. Kong worked at The Agency for Science, Technology & Research (A*Star), Singapore as a Commercialisation Manager for over four years. Her role focused on technical assessment and analysis of innovative science and technology to identify commercial opportunities for intellectual property. As the link between scientific research and industry, she raised both internal gap funding and industry capital to bring early stage technologies to the market. She led several projects that focused on diagnostic

product development, most noteworthy were the setup of an international MNC R&D investment business in Singapore and the licensing arrangement for the diagnostic test used in Singapore for the 2009 H1N1 flu epidemic.

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

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

KEY MANAGEMENT TEAM

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

The members of the key management team, as at 31 December 2023, are as follows:

KONG PAK LIM

Malaysian
Chairman / Non-Independent Director

STEPHANIE KONG PEI ZEN

Malaysian
Alternate Director to Kong Pak Lim

KONG CHONG SOON @ CHI SUIM

Malaysian
Managing Director

KONG SZE CHOON

Singaporean
Alternate Director to Kong Chong Soon @ Chi Suim

ANG KHENG IM

Malaysian
Executive Director / Chief Financial Officer

CECELIA CHAN

Singaporean
Property Director

TONG EE PING

Malaysian
Chief Operating Officer (Construction)

KONG SZE HOU

Singaporean
Head of Hospitality

YAP KANG BENG

Malaysian
Head of Corporate Affairs

PROFILE OF KEY MANAGEMENT TEAM

CECELIA CHAN

Property Director

Cecelia Chan, Singaporean, female, aged 69, was Property Director of UOA Holdings Sdn Bhd from 1989 to 2004, a position she held until the establishment of UOA Real Estate Investment Trust (UOA REIT) in 2005. She was then appointed as Chief Executive Officer of UOA Asset Management Sdn Bhd (Manager for UOA REIT), a position she held until her resignation on 14 January 2011. Whilst at UOA Asset Management Sdn Bhd, she oversaw the property leasing and building management activities of UOA REIT. At UOA Holdings Sdn Bhd as Property Director, she was responsible for leading and formulating its marketing and sales strategies. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company and redesignated as our Property Director. Before joining United Overseas Australia Ltd ("Parent Group"), she held various positions in a number of private property development companies in Singapore. She graduated from YMCA in 1974 with a Diploma in Marketing Management.

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

KONG SZE HOU

Head of Hospitality

Kong Sze Hou, Singaporean, male, aged 40, heads the hospitality division of UOA Group. He joined our Group in 2016 and is responsible for the expansion, branding and operation of the Hospitality department.

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

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

TONG EE PING

Chief Operating Officer (Construction)

Tong Ee Ping, Malaysian, male, aged 65, who is our Chief Operating Officer (Construction) has been with our Parent Group since 1988. He is responsible for overseeing our Parent Group's construction activities undertaken through Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd. Following the reorganisation pursuant to the listing of our Company, he was transferred to our Company. Prior to joining our Group, he was Senior Site Foreman at Progressive Builders Pte Ltd between 1985 and 1988 where he supervised building works. He holds a Bachelor of Science degree in BioChemistry with Honours from Punjab Agricultural University where he graduated in 1981.

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

YAP KANG BENG

Head of Corporate Affairs

Yap Kang Beng, Malaysian, male, aged 48, who is our Head of Corporate Affairs, joined UOA Group in 2010. He is responsible for corporate affairs and investor relations matters. He is also involved in leasing as well as sales and marketing of commercial developments of the Group.

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

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

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

CORPORATE GOVERNANCE STATEMENT

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

As such, the Board strives to adopt the substance behind

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

A. BOARD OF DIRECTORS

BOARD RESPONSIBILITIES

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

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

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

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

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

The Board has also adopted a Fit and Proper Policy pursuant to paragraph 15.01A of the Listing Requirements, setting out the minimum requirements for appointment or re-appointment of Directors, assessment of fit and propriety of Directors.

INDEPENDENCE AND TIME COMMITMENT

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

SUPPLY OF INFORMATION

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

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

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

CORPORATE GOVERNANCE STATEMENT *(CONTINUED)*

BOARD COMPOSITION

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

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

The Independent Non-Executive Directors bring independent advice and unbiased judgement on issues of strategy, business performance and standard of conduct, and thus help to ensure that the interest of shareholders and stakeholders of the Company are safeguarded. There is a clear segregation of responsibilities between the Chairman

and the Managing Director to ensure a balance of power and authority. The Chairman's primary role is to lead and manage the Board, and is responsible for conducting meetings of the Board and shareholders. He also ensures that the Directors are properly briefed during Board discussion and shareholders are informed of any subject matters requiring their approval in General Meeting. The Managing Director has the primary responsibility of managing the Group's business and resources, and is also responsible for the development, implementation of strategy, and overseeing and managing the day-to-day operations of the Group.

The Board having reviewed its size and composition, is satisfied that its current size and composition is well balanced, with diverse professional backgrounds, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and fairly reflects the investment in the Company by shareholders.

BOARD MEETINGS

The Board meets at least once every quarter and additional meetings are convened as and when necessary. The Board is provided in advance with the agenda together with reports and supporting documents for Board Meetings.

All proceedings of the Board Meetings are duly minuted and signed by the Chairman of the meeting. During the financial year under review, the Board met five (5) times and the attendance record for each Director is as follows:

| DIRECTORS | TOTAL MEETING ATTENDED | PERCENTAGE OF ATTENDANCE (%) |
|--|------------------------|------------------------------|
| Kong Pak Lim | 5/5 | 100 |
| Kong Chong Soon @ Chi Suim | 5/5 | 100 |
| Ang Kheng Im | 5/5 | 100 |
| Fong Heng Boo | 5/5 | 100 |
| Eugene Lee Chin Jin | 5/5 | 100 |
| Tuan Haji Ramley Bin Alan | 5/5 | 100 |
| Stephanie Kong Pei Zen (Alternate Director to Mr. Kong Pak Lim) | 4/5 | 80 |
| Kong Sze Choon (Alternate Director to Mr. Kong Chong Soon @ Chi Suim) | 4/5 | 80 |

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

CORPORATE GOVERNANCE STATEMENT *(CONTINUED)*

BOARD COMMITTEES

The Board delegates specific responsibilities to various committees such as the Audit and Risk Management Committee, and the Nomination and Remuneration Committee to assist in discharging their duties. All committees have written terms of reference and the Board receives reports of their proceedings and deliberations,

▪ Audit and Risk Management Committee

The Audit and Risk Management Committee also oversees the risk management and internal control functions of the Company. The key functions and responsibilities of the Audit and Risk Management Committee, its activities during the financial year, details of attendance of each member and the number of

meetings held, are set out in the Audit and Risk Management Committee Report contained in this Annual Report. The Audit and Risk Management Committee meets with the external auditors to assess their independence and reviews their reports on the audit of the Company's financial statements.

▪ Nomination and Remuneration Committee

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

There is a clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Nomination and Remuneration Committee is of the opinion that the Board is adequate and functions well as a whole.

The Nomination and Remuneration Committee determines the policy and structure of the remuneration package of the Executive Directors. In the case of the Independent Non-Executive Directors, determination of their remuneration is a matter for the Board as a whole. The respective directors will abstain from deliberation of their own remuneration. The Nomination and Remuneration Committee held two (2) meetings during the financial year ended 31 December 2023.

The Nomination and Remuneration Committee also reviews the term of office and performance of the

meetings held, are set out in the Audit and Risk Management Committee Report contained in this Annual Report. The Audit and Risk Management Committee meets with the external auditors to assess their independence and reviews their reports on the audit of the Company's financial statements.

Audit and Risk Management Committee annually and determines whether the Audit and Risk Management Committee has functioned effectively during the year under review. As the members of both committees are the same Directors, the Audit and Risk Management Committee is assessed as a whole based on its achievements in reviewing the external auditors' and internal auditors' reports and bringing up significant issues to the Board. The last review by way of an assessment form was performed on 26 March 2024.

In regards to new appointments and re-election to the Board, there are various disclosure, declaration and confirmation forms for Directors to complete, verify and confirm their suitability as directors and for Independent Directors, confirmation of their independence. The Nomination and Remuneration Committee is guided by the Fit & Proper Policy of the Company.

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

During the financial year, the Nomination and Remuneration Committee had conducted an assessment of the Directors who are seeking re-election at the forthcoming Annual General Meeting. It was concluded that Mr. Kong Chong Soon @ Chi Suim and Mr. Fong Heng Boo are eligible for re-election.

CORPORATE GOVERNANCE STATEMENT *(CONTINUED)*

RETIREMENT BY ROTATION AND RE-ELECTION TO THE BOARD

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to retirement and re-election by shareholders at the next annual general meeting subsequent to their appointment. The Constitution also provides that one-third (1/3) of the

Directors shall be subject to retirement by rotation and be eligible for re-election at each annual general meeting. All Directors shall retire from office, once every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

DIRECTORS' TRAINING

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

The Board has taken on the responsibility in evaluating and determining the specific and continuous training

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

| DIRECTORS | TRAINING / SEMINARS ATTENDED |
|--|---|
| Kong Pak Lim | 1) Management of Cyber Risk |
| Kong Chong Soon @ Chi Suim | 1) Management of Cyber Risk |
| Ang Kheng Im | 1) Cybersecurity: Risk Factors and Cost Implications 2) TTCS Virtual Tax Conference 3) Bursa – Exploring the Intersection of Digitalisation and ESG 4) MIA – Navigating ESG Priorities and Enhanced Sustainability Disclosures 5) EY – e-Invoicing: Are You Ready? 6) EY – Developing a Robust Whistle Blowing Programme |
| Fong Heng Boo | 1) #Digital4ESG Forum: Exploring the Intersection of Digitalisation and ESG |
| Eugene Lee Chin Jin | 1) E-Invoice: Modernising Business Transactions |
| Tuan Haji Ramley Bin Alan | 1) MAP Part II |
| Stephanie Kong Pei Zen (Alternate Director to Kong Pak Lim) | 1) Harrasment in the Workplace 2) Anti-Bribery and Corruption |
| Kong Sze Choon (Alternate Director to Kong Chong Soon @ Chi Suim) | 1) Dealings in Listed Securities, Closed Period and Insider Trading 2) Technical Analysis Series, Challenging Trend Trading Strategies for Traders 3) MAP Part II |

CORPORATE GOVERNANCE STATEMENT *(CONTINUED)*

B. DIRECTORS' REMUNERATION

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

concerned abstaining from deliberations on their own remuneration.

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

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

| DIRECTORS | FEES RM'000 | SALARIES RM'000 | BONUSES RM'000 | OTHER EMOLUMENTS* RM'000 | BENEFITS IN KIND RM'000 | TOTAL RM'000 |
|----------------------------|----------------|--------------------|-------------------|--------------------------------|-------------------------------|-----------------|
| Kong Pak Lim | – | 1,317 | 1,500 | 339 | 152 | 3,308 |
| Kong Chong Soon @ Chi Suim | – | 1,317 | 1,500 | 260 | 115 | 3,192 |
| Ang Kheng Im | – | 1,020 | 380 | 169 | 12 | 1,581 |
| Fong Heng Boo | 60 | – | – | 10 | – | 70 |
| Eugene Lee Chin Jin | 60 | – | – | 7 | – | 67 |
| Tuan Haji Ramley Bin Alan | 60 | – | – | 7 | – | 67 |

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

CORPORATE GOVERNANCE STATEMENT *(CONTINUED)*

C. SHAREHOLDERS

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

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

D. ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

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

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

RELATED PARTY TRANSACTIONS

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control furnished on pages 76 to 79 of this Annual Report provides an overview on the status of internal controls within the Group.

RELATIONSHIP WITH EXTERNAL AUDITORS

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

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

COMPLIANCE WITH THE PRACTICES OF THE CG CODE

The Board of Directors has taken measures to ensure that the Group fully complies with all the practices of corporate governance as identified in the CG Code throughout the financial year ended 31 December 2023. The CG Report can be viewed at the Company's website, www.uoa.com.my.

The disclosure of this Statement on Corporate Governance was approved by the Board on 16 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

FORMATION

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

COMPOSITION

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

- i. **Fong Heng Boo**
Independent Non-Executive Director / Chairman of the ARMC
- ii. **Eugene Lee Chin Jin**
Independent Non-Executive Director
- iii. **Tuan Haji Ramley Bin Alan**
Independent Non-Executive Director

SUMMARY OF TERMS OF REFERENCE

1. COMPOSITION

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

- Comprise at least three (3) members of whom the majority shall be independent
- All members must be Non-Executive Directors
- All members should be financially literate and at least one member must be a member of the Malaysian Institute of Accountants or similar professional accounting association or body
- The Chairman shall be an Independent Director

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(CONTINUED)*

SUMMARY OF TERMS OF REFERENCE (CONTINUED)

2. FREQUENCY AND ATTENDANCE OF MEETINGS

A minimum of four (4) meetings a year shall be planned and any additional meetings will be on a need basis.

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

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

The Chairman of the ARMC engages on a continuous basis with Senior Management, such as the Chief Operating Officer, the Chief Financial Officer, the Head of Internal Audit, and the External

Auditors in order to keep abreast of matters affecting the Group.

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

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

The ARMC held five (5) meetings during the financial year ended 31 December 2023. The details of attendance of the ARMC are as follows:

| DIRECTORS | TOTAL MEETING ATTENDED |
|---------------------------|------------------------|
| Fong Heng Boo | 5/5 |
| Eugene Lee Chin Jin | 5/5 |
| Tuan Haji Ramley Bin Alan | 5/5 |

3. KEY FUNCTIONS & RESPONSIBILITIES

The key functions and responsibilities of the ARMC shall be:

EXTERNAL AUDIT

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

INTERNAL AUDIT

- To review the internal audit plans, consider the major findings of internal audits and management's responses

and ensure coordination between the internal and external auditors;

- To review the adequacy of the scope, functions, competency and resources of the internal audit departments, and ensure that it has the necessary authority to carry out its work;
- To review the audit reports; and
- To direct internal auditors to any specific area or procedure where necessary.

The Internal Audit Function of the Company is performed in-house, undertaken by the Internal Audit Department of the ultimate holding company, United Overseas Australia Ltd. The share of cost for the Internal Audit Function amounted to approximately RM240,152 for the financial year ended 31 December 2023.

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(CONTINUED)*

SUMMARY OF TERMS OF REFERENCE *(CONTINUED)*

3. KEY FUNCTIONS & RESPONSIBILITIES *(CONTINUED)*

FINANCIAL REPORTING REVIEW

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

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

RELATED PARTY TRANSACTIONS

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

INTERNAL CONTROL SYSTEMS

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

OTHER MATTERS

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

4. SUMMARY OF ACTIVITIES OF THE ARMC DURING THE YEAR

The ARMC met five (5) times during the financial year ended 31 December 2023. The activities of the ARMC for the financial year were as follows:

- i. Reviewed the quarterly financial results announcements and year-end financial statements of the Group examining:
 - the overall performance of the Group
 - the prospects for the Group
 - the implementation of major accounting policies and practices
 - compliance with accounting standards and other legal requirements
- ii. Discussed any significant audit findings in respect of the financial statements of the Group with External Auditors.
- iii. Reviewed the External Auditors' Audit Progression Memorandum, Audit Completion Memorandum and Audit Plan.
- iv. Reviewed the reports and statements for the Annual Report 2022.
- v. Reviewed and approved the internal audit plan for year ending 31 December 2024.
- vi. Reviewed the internal audit reports including details of planned activities that were carried out, audit findings and recommendations, which were tabled at the quarterly ARMC Meetings. A summary of internal audit activities are as follows:
 - Reviewed the Group wide risk register and heat map subsequent to the risk assessment.
 - Reviewed the audit on procurement, tendering and payment process of capital expenditure for UOA Komune Living & Wellness.
 - Reviewed the audit on contract management for Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd.
 - Reviewed the audit on sales & marketing and credit control for Laurel Residence.
 - Reviewed the audit on purchasing function for Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd.
 - Reviewed the hospitality audit for Connexion Conference & Event Center.
- vii. Reviewed the independence and performance of the External Auditors and the non-audit services of the External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

BOARD'S RESPONSIBILITIES

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

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

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

INTERNAL AUDIT FUNCTION

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

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

The Internal Auditors engage in regular communication with the management team and various departments within the organisation in relation to its internal audit activities and efforts for continuous improvement in operations and systems. Internal audit activities are carried out by the Internal Auditors based on the internal audit plan presented

to and approved by the ARMC. The internal audit plan is designed based on a risk-based approach, which takes into consideration the risk profile of the Group and Board's risk appetite. During internal audit assignments, the Internal Audit Department also undertook, wherever relevant, the following:

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

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

The professionalism and competency of internal auditors are being emphasised through continuous training, regular performance evaluation by the ARMC and attaining professional certification. For the year ended 31 December 2023, the Internal Audit Department comprises three (3) internal auditors. The Head of Internal Audit Department is a Certified Internal Auditor and a member of The Institute of Internal Auditors Malaysia. All internal audit personnel are free from any relationship or conflict of interest, which could impair their independence and objectivity.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

KEY ELEMENTS OF INTERNAL CONTROL

- Established a conducive internal control environment in respect of the overall attitude, awareness and actions of Directors and management regarding the internal control system and its importance to the Group.
- Clear Group vision, mission, corporate philosophy, and strategic direction which are communicated to employees at all levels.
- Relevant Board Committees with formal Terms of References clearly outlining their functions and duties delegated by the Board. The authorities and accountabilities are further emphasised in the Board Charter.
- Key responsibilities and accountability in the organisational structure are clearly defined, with clear reporting lines up to the Board and its committees. Established delegation of authority which sets out the appropriate authority levels for decision making, including matters requiring Board's approval. A process of hierarchical reporting has been established which provides a documented and auditable trail of accountability.
- Internal policies and guidelines are effectively communicated to all employees through memos and internal information portals.
- Establishment of an effective segregation of duties via independent checks, reviews, and reconciliation activities to prevent human errors, fraud, and abuses.
- Continuous quality improvement initiatives to obtain accreditation for all operating subsidiaries such as ISO QMS 9001, QCLASSIC and BuildQAS certification.
- Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to periodical review and update to reflect changing risks to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Internal Auditors to the Board via the ARMC.
- The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operational plans. The management team formulates and communicates action plans to address areas of concern.
- A budget is prepared and regular budget meetings are held to ensure variances are promptly identified and addressed by the management.
- Establishment of an in-house Internal Audit Department which undertakes the responsibility as independent reviewer of internal control to provide sufficient and reasonable assurance to ARMC.
- A Whistle Blowing Policy has been implemented to provide a channel for staff to voice any concerns.
- Human Resources Department periodically informed the staff through employee engagement and new policies to govern staff code of conduct, cultivate corporate culture and define employee performance and ethical behaviour.
- The ARMC regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The ARMC reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control system.
- The preparation of periodic and annual results and the state of affairs of the Group is reviewed and approved by the Board before release of the same to the regulators whilst the full year financial statements are audited by the external auditors prior to their issuance to the regulators and shareholders.
- Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- Directors regularly attend training in areas that are relevant to them in the discharge of their duties as Directors.
- Implementation of proper guidelines for hiring and termination of staff, formal training programmes for staff, annual performance appraisals, and other procedures are in place to ensure professionalism and competency of staff have been emphasised through continuous training and regular performance evaluation.
- Safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations have been considered and complied with, as appropriate.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

RISK MANAGEMENT

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

With the assistance rendered by the internal auditors, the RMWC has formulated and developed a Risk Management Policy which was reviewed by the ARMC and approved by the Board. The Risk Management Policy is aimed to:

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

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

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

For year 2023, the Group identified major risks and mitigating actions were undertaken within appropriate timeframes. The major risks identified are as follow:

Instability in property market

Slowdown of the economy and political instability could cause instability in the property market, hence leading to slower sales and lower revenue. To mitigate this risk, management regularly reviewed its products to ensure product competitiveness for retaining customer loyalty and attracting new customers. In addition, attractive and flexible sales packages were offered to entice purchasers. Aggressive sales and marketing initiatives including social media marketing are in place to reach out to more potential customers.

Increase in construction cost

Increase costs in building materials, transportation and labour have caused an increase in construction cost. Management constantly monitored the construction cost and one of the measures was ensuring that our purchases were made in accordance to budget. The increase in building material price and labour cost were also considered during budget preparation. Regular budget meeting were held to monitor actual construction cost and ensure that it remained within the budget. It is also the Company's practice to purchase building materials in bulk for better pricing and greater saving.

Inability to lease out properties

Inability to lease out properties could result in the decrease of occupancy rate and income. To mitigate this risk, management constantly reviewed the rental rates and monitored the market rental rates to ensure competitiveness of our products. In addition, our marketing initiatives through agents and on-line platform enabled us to reach out to more potential tenants. Regular maintenance works and building upgrading works when conducted when necessary to ensure that our properties remain in good condition to retain and attract tenants.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

RISK MANAGEMENT STRATEGIES

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

Risk Mitigation / Reduction

Taking steps to reduce the risk of loss by implementing more internal controls, introducing policies and procedures, providing training to staff and continuous monitoring.

Risk Transfer

Taking steps to transfer the risk by using business strategies, opportunities, negotiation, outsourcing, sharing business risk via joint venture or partnership, and transferring financial risk via insurance coverage.

Risk Avoidance

Taking steps to avoid the risk by either stopping business dealings/processes that potentially may give rise to threats to the Group, avoiding unnecessary business ventures which the Group is unfamiliar with and altering processes to avoid those risks.

Risk Acceptance

In cases where risks are insignificant or inherent due to business nature, the RMWC and the Board would accept the risk as long as it meets the objective of the Group and processes are efficiently and effectively carried out at the minimal cost to the Group.

OTHER RISKS AND CONTROL PROCESS

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

Review of monthly financial information which includes actual results compared against budget, an explanation on

significant variances and management actions taken, where necessary. In addition, the ARMC and the Board review the quarterly results and year-end financial statements. Where areas of improvement in the internal control system are identified, the Board considered the recommendations made by the ARMC.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guides 3 ("AAPG 3") issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to

their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

THE BOARD'S COMMITMENT

The Board is committed to maintaining a sound system of internal control and is of the view that the current system of internal control is responsive to the business environment of the Group. In addition, the Board is of the

view that the Group could attain its business objective and operational efficiency by continuous commitment to a sound system of internal control. The Board continues to take measures to enhance the system of internal control.

ADDITIONAL COMPLIANCE INFORMATION

SHARE BUY BACKS

There were no share buy backs during the financial year ended 31 December 2023.

As at 31 December 2023, there were 1,133,800 treasury shares held by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options granted or convertible securities issued during the financial year ended 31 December 2023.

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

There were no ADR or GDR sponsored by the Company during the financial year ended 31 December 2023.

SANCTIONS AND / OR PENALTIES

There were no public sanctions and / or penalties imposed on the Company and its subsidiaries, Directors and Management by the relevant regulatory bodies during the financial year ended 31 December 2023.

NON-AUDIT FEES

Non-audit fees paid/payable to External Auditors of the Company and the Group for the financial year ended 31 December 2023 amounted to RM7,000 (2022: RM5,000) and RM35,800 (2022: RM33,800) respectively. The non-audit fees were in respect of review of the Statement on Risk Management and Internal Control of the Company and reporting on the Housing Development Accounts.

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

VARIATION IN RESULTS

There were no profit estimations, forecasts and projections made or released by the Company during the financial year ended 31 December 2023.

PROFIT GUARANTEE

There were no profit guarantees given by the Company and its subsidiaries during the financial year ended 31 December 2023.

MATERIAL CONTRACTS

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

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company did not have any ESOS in place for the year ended 31 December 2023.

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting of the Company held on 22 May 2023, the Company had obtained the approval from its shareholders for the proposed renewal of shareholders' mandate and proposed new mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 22 May 2023 and will continue until the conclusion of the forthcoming Annual General Meeting of the Company. The Company will be seeking its shareholders' approval to renew this mandate at the forthcoming general meeting. Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in Note 38 to the Financial Statements in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

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

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

In preparing the financial statements, the Directors have:

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

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

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CORPORATE INFORMATION

DIRECTORS

Kong Chong Soon @ Chi Suim
Kong Pak Lim
Ang Kheng Im
Fong Heng Boo
Eugene Lee Chin Jin
Tuan Haji Ramley Bin Alan
Kong Sze Choon (*alternate for Kong Chong Soon @ Chi Suim*)
Stephanie Kong Pei Zen (*alternate for Kong Pak Lim*)

SECRETARIES

Yap Kai Weng (*MAICSA 74580*)
(*SSM Practicing Certificate No. 201908003526*)
Wong Yoke Leng (*MAICSA 7032314*)
(*SSM Practicing Certificate No. 201908004035*)

AUDITORS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Suite G-1, Vertical Corporate Tower B
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

| | GROUP RM'000 | COMPANY RM'000 |
|-----------------------------------|-----------------|-------------------|
| Attributable to: | | |
| Owners of the Company | 279,551 | – |
| Non-controlling interests | 6,855 | – |
| Net profit for the financial year | 286,406 | 690,822 |

DIVIDENDS

During an Annual General Meeting held on 22 May 2023, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Scheme ("DRS").

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

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

- A first and final single tier dividend of 10 sen per ordinary share amounting to RM240,744,940 in respect of the financial year ended 31 December 2022, as proposed in the Directors' report for that financial year; and
- A first interim single tier dividend of 20 sen per ordinary share amounting to RM486,159,760 in respect of the financial year ended 31 December 2023.

The total dividends of RM726,904,700 were settled as follows:

- RM117,661,989 was reinvested via the issuance of 82,969,100 new ordinary shares pursuant to the DRS to shareholders who have elected for the DRS; and
- RM609,242,711 was paid to shareholders who elected to receive the dividends in cash.

The Directors now recommend a final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM249,041,850 based on 2,490,418,500 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in the statements of changes in equity as an appropriation of retained profits in the financial year ending 31 December 2024.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM2,953,770,369 to RM3,071,432,358 by way of issuance of 82,969,100 new ordinary shares pursuant to the DRS of the Company.

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

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

SHARE OPTIONS

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

TREASURY SHARES

During an Annual General Meeting held on 22 May 2023, the shareholders of the Company resolved to approve the Company's share buy-back of up to 10% of the Company's issued and paid-up ordinary shares.

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

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

HOLDING COMPANIES

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

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

SUBSIDIARY COMPANIES

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

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS

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

| | |
|----------------------------|--|
| Kong Chong Soon @ Chi Suim | Eugene Lee Chin Jin |
| Kong Pak Lim | Tuan Haji Ramley Bin Alan |
| Ang Kheng Im | Kong Sze Choon (<i>alternate for Kong Chong Soon @ Chi Suim</i>) |
| Fong Heng Boo | Stephanie Kong Pei Zen (<i>alternate for Kong Pak Lim</i>) |

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

| | |
|---------------------|-----------------------|
| Chang Cheng Wah | Tong Ee Ping |
| Martin Yap Lu Hoong | Vyshnevi Vijayanandan |
| Foong Kin Fai | Carol Philomena Clark |
| Yap Woon Bin | Chan Cecelia |
| Koh Koek Hung | Albert Chan Kin Soong |
| Lan Leong Chung | Yong Suan Mooi |
| Kong Sze Hou | Cao Qiang |
| Ng Yoong Duong | |

DIRECTORS' INTERESTS

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

| | NUMBER OF ORDINARY SHARES | | | |
|---|---------------------------|------------|------|---------------|
| | AT 1.1.2023 | BOUGHT/DRS | SOLD | AT 31.12.2023 |
| The Company | | | | |
| <u>Direct interests</u> | | | | |
| Kong Sze Choon | 121,600 | 26,700 | – | 148,300 |
| Ang Kheng Im | 186,820 | 41,100 | – | 227,920 |
| <u>Indirect interests</u> | | | | |
| Kong Chong Soon @ Chi Suim* | 1,741,504,340 | 58,400 | – | 1,741,562,740 |
| Kong Pak Lim* | 1,741,238,020 | – | – | 1,741,238,020 |
| Kong Sze Choon* | 44,700 | 9,800 | – | 54,500 |
| United Overseas Australia Ltd (ultimate holding company) | | | | |
| <u>Direct interests</u> | | | | |
| Kong Chong Soon @ Chi Suim | 2,943,082 | 228,300 | – | 3,171,382 |
| <u>Indirect interests</u> | | | | |
| Kong Chong Soon @ Chi Suim* | 1,132,336,048 | 47,279,856 | – | 1,179,615,904 |
| Kong Pak Lim* | 869,230,110 | 29,883,794 | – | 899,113,904 |

* Deemed interests by virtue of their shares in Griyajaya Sdn Bhd, Transmetro Corporation Sdn Bhd, Transmetro Sdn Bhd, Amerena Sdn Bhd, Accomplished Portfolio Sdn Bhd, United Overseas Corporation Pty Ltd, Metrowana Development Sdn Bhd, Global Transact Sdn Bhd, KMSA Investments Pte Ltd, CSCH Global Pte Ltd, Zedra Trust Company (Singapore) Limited and close family members.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

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

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

| | NUMBER OF ORDINARY SHARES | | | |
|--|---------------------------|--------|------|---------------|
| | AT 1.1.2023 | BOUGHT | SOLD | AT 31.12.2023 |
| Directors' interest in subsidiary companies | | | | |
| <u>Indirect interests</u> | | | | |
| Kong Chong Soon @ Chi Suim#: | | | | |
| Peninsular Home Sdn Bhd | 40 | — | — | 40 |
| Scenic Point Development Sdn Bhd | 100,000 | — | — | 100,000 |
| Ceylon Hills Sdn Bhd | 90,000 | — | — | 90,000 |
| Everise Tiara (M) Sdn Bhd | 120,000 | — | — | 120,000 |
| Everise Project Sdn Bhd | 120,000 | — | — | 120,000 |

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

DIRECTORS' BENEFITS

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

| | INCURRED BY THE GROUP (RM) | INCURRED BY THE COMPANY (RM) |
|---|----------------------------|------------------------------|
| Directors' fees | 180,000 | 180,000 |
| Directors' remunerations and other benefits* | 8,105,136 | 8,105,136 |
| Insurance paid for Directors' indemnity given | 18,295 | 18,295 |

* Included in the Directors' remunerations and other benefits are benefits-in-kind (based on estimated monetary value) for the Group and the Company of RM279,135 and RM279,135 respectively.

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

OTHER STATUTORY INFORMATION

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

- a. to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- b. to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

- a. which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- b. which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- c. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- d. not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

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

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

In the opinion of the Directors:

- a. no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- b. the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- c. there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The total amount of fees paid to or receivable by the auditors, Grant Thornton Malaysia PLT, as remuneration for their services as auditors of the Group and the Company for the financial year ended 31 December 2023 are amounted to RM544,000 and RM87,000 respectively. Further details are disclosed in Note 33 to the Financial Statements.

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

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

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

KONG PAK LIM

KONG CHONG SOON @ CHI SUIM

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 93 to 152 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

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

KONG PAK LIM

KONG CHONG SOON @ CHI SUIM

26 March 2024

STATUTORY DECLARATION

I, Ang Kheng Im, being the Director primarily responsible for the financial management of UOA Development Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 93 to 152 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
26 March 2024)

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

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of UOA Development Bhd, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 93 to 152.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

Fair value of investment properties

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

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

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

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

Revenue and cost of sales recognition for property development activities

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

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

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

The Group's disclosures regarding property development activities are included in Notes 3.7, 6, 10, 29 and 30 to the Financial Statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UOA DEVELOPMENT BHD

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

OTHER MATTER

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

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

Kuala Lumpur
26 March 2024

LIM SOO SIM
(NO.: 03335/11/2025 J)
CHARTERED ACCOUNTANT

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | NOTE | GROUP | | COMPANY | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 374,415 | 359,510 | 6,798 | 5,150 |
| Investment properties | 5 | 1,652,152 | 1,624,119 | – | – |
| Inventories | 6 | 433,614 | 421,947 | – | – |
| Investment in subsidiary companies | 7 | – | – | 2,329,913 | 2,492,568 |
| Equity investments | 8 | 87,205 | 85,842 | 17,445 | 12,917 |
| Deferred tax assets | 9 | 33,998 | 34,962 | – | – |
| Total non-current assets | | 2,581,384 | 2,526,380 | 2,354,156 | 2,510,635 |
| Current assets | | | | | |
| Inventories | 6 | 1,403,518 | 1,421,655 | – | – |
| Contract assets | 10 | 65,777 | 24,501 | – | – |
| Trade receivables | 11 | 71,784 | 189,906 | – | – |
| Other receivables | 12 | 40,448 | 79,597 | 3,780 | 1,842 |
| Amount owing by ultimate holding company | 13 | 5 | – | – | – |
| Amount owing by subsidiary companies | 14 | – | – | 111,693 | 198,336 |
| Amount owing by related companies | 15 | 699 | 205 | 22 | 1 |
| Current tax assets | | 71,338 | 47,973 | 1,936 | 2,199 |
| Short term investments | 16 | 1,443,665 | 1,315,904 | 597,334 | 149,428 |
| Fixed deposits with licensed banks | 17 | 206,106 | 232,070 | 33,008 | 30,987 |
| Cash and bank balances | 18 | 196,350 | 615,396 | 5,533 | 128,824 |
| Total current assets | | 3,499,690 | 3,927,207 | 753,306 | 511,617 |
| Total Assets | | 6,081,074 | 6,453,587 | 3,107,462 | 3,022,252 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 19 | 3,071,432 | 2,953,770 | 3,071,432 | 2,953,770 |
| Merger reserve | 20 | 2,252 | 2,252 | – | – |
| Fair value reserve | 21 | 7,487 | 6,124 | 8,569 | 4,041 |
| Retained earnings | | 2,334,044 | 2,781,398 | 17,934 | 54,017 |
| Treasury shares | 22 | (2,119) | (2,119) | (2,119) | (2,119) |
| Equity attributable to owners of the Company | | 5,413,096 | 5,741,425 | 3,095,816 | 3,009,709 |
| Non-controlling interests | 7 | 176,115 | 175,644 | – | – |
| Total Equity | | 5,589,211 | 5,917,069 | 3,095,816 | 3,009,709 |

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (CONTINUED)

| | NOTE | GROUP | | COMPANY | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Amount owing to non-controlling shareholders of subsidiary companies | 23 | 1,761 | 1,948 | – | – |
| Lease liabilities | 24 | 276 | 431 | 164 | 259 |
| Borrowings | 25 | 166 | 212 | – | – |
| Deferred tax liabilities | 26 | 50,613 | 45,883 | – | – |
| Total non-current liabilities | | 52,816 | 48,474 | 164 | 259 |
| Current liabilities | | | | | |
| Trade payables | 27 | 178,446 | 213,820 | – | – |
| Other payables | 28 | 208,377 | 223,126 | 10,121 | 11,593 |
| Amount owing to immediate holding company | 13 | 194 | 308 | 1 | 18 |
| Amount owing to subsidiary companies | 14 | – | – | 1,117 | 244 |
| Amount owing to related companies | 15 | 326 | 436 | 148 | 282 |
| Amount owing to non-controlling shareholders of subsidiary companies | 23 | 45,784 | 45,500 | – | – |
| Lease liabilities | 24 | 155 | 285 | 95 | 147 |
| Borrowings | 25 | 46 | 44 | – | – |
| Current tax liabilities | | 5,719 | 4,525 | – | – |
| Total current liabilities | | 439,047 | 488,044 | 11,482 | 12,284 |
| Total Liabilities | | 491,863 | 536,518 | 11,646 | 12,543 |
| TOTAL EQUITY AND LIABILITIES | | 6,081,074 | 6,453,587 | 3,107,462 | 3,022,252 |

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | NOTE | GROUP | | COMPANY | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Revenue | 29 | 399,392 | 451,653 | 731,337 | 162,738 |
| Cost of sales | 30 | (225,724) | (238,291) | – | – |
| Gross profit | | 173,668 | 213,362 | 731,337 | 162,738 |
| Fair value gain/(loss) on investment properties | | 39,359 | (4,244) | – | – |
| Finance income | | 45,266 | 29,879 | 9,222 | 670 |
| Other income | 31 | 354,279 | 247,422 | 9,353 | 6,064 |
| Reversal of impairment losses/(impairment losses) on financial assets | | 5,389 | 2,793 | (10,099) | – |
| Reversal of impairment losses/(impairment losses) on non-financial assets | | 21,629 | 4,013 | – | (7,100) |
| Inventories written down | | (2,523) | (3,899) | – | – |
| Administrative and general expense | | (192,414) | (146,790) | (46,069) | (44,183) |
| Other expenses | | (76,124) | (55,175) | – | – |
| Finance costs | 32 | (131) | (148) | (13) | (18) |
| Profit before tax | 33 | 368,398 | 287,213 | 693,731 | 118,171 |
| Tax expenses | 34 | (81,992) | (64,453) | (2,909) | (1,377) |
| Net profit for the financial year | | 286,406 | 222,760 | 690,822 | 116,794 |
| Other comprehensive income: <i>Item that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Fair value gain/(loss) on remeasurement of financial assets | | 1,363 | (7,100) | 4,528 | (7,100) |
| Total comprehensive income for the financial year | | 287,769 | 215,660 | 695,350 | 109,694 |
| Net profit for the financial year attributable to: | | | | | |
| Owners of the Company | | 279,551 | 219,937 | | |
| Non-controlling interests | | 6,855 | 2,823 | | |
| | | 286,406 | 222,760 | | |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 280,914 | 212,837 | | |
| Non-controlling interests | | 6,855 | 2,823 | | |
| | | 287,769 | 215,660 | | |
| Earnings per share (RM) - Basic and Diluted | 35 | 0.11 | 0.09 | | |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | – ATTRIBUTABLE TO OWNERS OF THE COMPANY – | | | | | | Non-controlling interests RM'000 | Total equity RM'000 |
|--|---|-------------------------|--------------------------|------------------------------|-----------------------------|---------------------------|-------------------------------------|------------------------|
| | NOTE | Share capital RM'000 | Merger reserve RM'000 | Fair value reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total RM'000 | |
| GROUP | | | | | | | | |
| Balance at 1 January 2022 | | 2,821,766 | 2,252 | 13,224 | 2,793,867 | (2,119) | 5,628,990 | 5,804,794 |
| Total comprehensive income for the financial year | | – | – | (7,100) | 219,937 | – | 212,837 | 215,660 |
| Dividends to non-controlling shareholders of subsidiary companies | | – | – | – | – | – | – | (2,996) |
| Dividends to shareholders of the Company | | – | – | – | – | – | – | – |
| Acquisition of additional shares in existing subsidiary companies | 36 | 132,004 | – | – | (232,647) | – | (100,643) | (100,643) |
| Dilution in stake in an existing subsidiary company | | – | – | – | – | – | – | 249 |
| | | – | – | – | 241 | – | 241 | 5 |
| Balance at 31 December 2022 | | 2,953,770 | 2,252 | 6,124 | 2,781,398 | (2,119) | 5,741,425 | 5,917,069 |
| Total comprehensive income for the financial year | | – | – | 1,363 | 279,551 | – | 280,914 | 287,769 |
| Dividends to non-controlling shareholders of subsidiary companies | | – | – | – | – | – | – | (4,992) |
| Dividends to shareholders of the Company | | – | – | – | – | – | – | – |
| Acquisition of shares in new subsidiary company | 36 | 117,662 | – | – | (726,905) | – | (609,243) | (609,243) |
| Acquisition of additional shares in an existing subsidiary company | | – | – | – | – | – | – | (1,397) |
| | | – | – | – | – | – | – | 5 |
| Balance at 31 December 2023 | | 3,071,432 | 2,252 | 7,487 | 2,334,044 | (2,119) | 5,413,096 | 5,589,211 |

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

| | NOTE | Share capital RM'000 | Fair value reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total equity RM'000 |
|---|------|-------------------------|------------------------------|-----------------------------|---------------------------|------------------------|
| COMPANY | | | | | | |
| Balance at 1 January 2022 | | 2,821,766 | 11,141 | 169,870 | (2,119) | 3,000,658 |
| Total comprehensive income for the financial year | | – | (7,100) | 116,794 | – | 109,694 |
| Dividends | 36 | 132,004 | – | (232,647) | – | (100,643) |
| Balance at 31 December 2022 | | 2,953,770 | 4,041 | 54,017 | (2,119) | 3,009,709 |
| Total comprehensive income for the financial year | | – | 4,528 | 690,822 | – | 695,350 |
| Dividends | 36 | 117,662 | – | (726,905) | – | (609,243) |
| Balance at 31 December 2023 | | 3,071,432 | 8,569 | 17,934 | (2,119) | 3,095,816 |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | NOTE | GROUP | | COMPANY | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 368,398 | 287,213 | 693,731 | 118,171 |
| Adjustments for: | | | | | |
| Fair value (gain)/loss on investment properties | | (39,359) | 4,244 | – | – |
| Bad debts written off | | 4,283 | 88 | – | – |
| Inventories written down | | 2,523 | 3,899 | – | – |
| Inventories written off | | 15 | 59 | – | – |
| (Reversal of impairment losses)/impairment losses on financial assets | | (5,389) | (2,793) | 10,099 | – |
| (Reversal of impairment losses)/impairment losses on non-financial assets | | (21,629) | (4,013) | – | 7,100 |
| Depreciation | | 17,624 | 16,205 | 1,134 | 1,193 |
| Gain on disposal of property, plant and equipment | | (2,974) | (226) | – | – |
| Gain on disposal of investment properties | | (600) | – | – | – |
| Property, plant and equipment written off | | 574 | 1,320 | 34 | 985 |
| Loss on disposal of a subsidiary company | | – | 534 | – | – |
| Distribution income from equity investments | | (5,243) | (5,459) | – | – |
| Distribution income from short term investments | | (29,761) | (12,175) | (7,786) | (286) |
| Dividend income from subsidiary companies | | – | – | (682,008) | (120,404) |
| Dividend income from equity investments | | (307) | (358) | (307) | (358) |
| Interest income | | (15,505) | (17,704) | (1,436) | (384) |
| Interest expense | | 131 | 148 | 13 | 18 |
| Operating profit before working capital changes | | 272,781 | 270,982 | 13,474 | 6,035 |
| Changes in working capital: | | | | | |
| Inventories | | 19,761 | 57,823 | – | – |
| Contract assets | | (41,276) | 99,521 | – | – |
| Receivables | | 160,424 | 182,597 | (11,485) | 3,869 |
| Payables | | (55,815) | (73,839) | (944) | (2,611) |
| Cash generated from operations | | 355,875 | 537,084 | 1,045 | 7,293 |
| Interest received | | 8,409 | 12,068 | – | – |
| Dividend received | | – | – | 682,008 | 120,404 |
| Net tax paid | | (98,352) | (59,962) | (2,646) | (1,347) |
| Net cash from operating activities | | 265,932 | 489,190 | 680,407 | 126,350 |

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

| | NOTE | GROUP | | COMPANY | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| INVESTING ACTIVITIES | | | | | |
| Additions to investment properties | A | (9,845) | (18,083) | – | – |
| Purchase of property, plant and equipment | | (21,418) | (21,591) | (2,816) | (1,350) |
| Proceeds from disposal of property, plant and equipment | | 5,403 | 258 | – | 5 |
| Proceeds from disposal of investment properties | | 15,040 | – | – | – |
| Repayment from immediate holding company | | – | 2 | – | – |
| Advances to ultimate holding company | | (5) | – | – | – |
| Repayments from subsidiary companies | | – | – | 86,091 | 495,856 |
| (Advances to)/repayments from related companies | | (441) | 49 | (21) | – |
| Redemption of redeemable preference shares from subsidiary companies | | – | – | 307,590 | – |
| Acquisition of shares in existing subsidiary companies | | – | – | (144,935) | (447,500) |
| Acquisition of shares in new subsidiary companies, net of cash acquired | | 183 | – | – | – |
| Distribution received from short term investments | | 29,761 | 12,175 | 7,786 | 286 |
| Distribution received from equity investments | | 5,243 | 5,459 | – | – |
| Dividend received from equity investments | | 307 | 358 | 307 | 358 |
| Interest received | | 7,096 | 5,232 | 1,436 | 384 |
| Net cash from/(used in) investing activities | | 31,324 | (16,141) | 255,438 | 48,039 |
| FINANCING ACTIVITIES | | | | | |
| Repayment of bank borrowings | B | (44) | (43) | – | – |
| Fixed deposits pledged | | (4) | (3) | (4) | (3) |
| Payment of lease liabilities | | (285) | (638) | (147) | (195) |
| Advances from/(repayments to) immediate holding company | | 64 | 3 | (17) | 5 |
| Advances from/(repayments to) subsidiary companies | | – | – | 211 | (28,882) |
| Advances from related companies | | 24 | 40 | – | – |
| Advances from non-controlling shareholders of subsidiary companies | | – | 100 | – | – |
| Interest paid | | (34) | (55) | (13) | (18) |
| Issuance of shares in existing subsidiaries to non-controlling shareholders | | 5 | 254 | – | – |
| Dividends paid to owners of the Company | | (609,243) | (100,643) | (609,243) | (100,643) |
| Dividends paid to non-controlling shareholders of subsidiary companies | 36 | (4,992) | (2,996) | – | – |
| Net cash used in financing activities | | (614,509) | (103,981) | (609,213) | (129,736) |

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

| | NOTE | GROUP | | COMPANY | |
|------------------------------------|------|--------------------|--------------------|------------------|------------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| CASH AND CASH EQUIVALENTS | | | | | |
| Net changes | | (317,253) | 369,068 | 326,632 | 44,653 |
| At beginning of financial year | | 2,163,205 | 1,794,137 | 309,074 | 264,421 |
| At end of financial year | | 1,845,952 | 2,163,205 | 635,706 | 309,074 |
| Represented by: | | | | | |
| Short term investments | | 1,443,665 | 1,315,904 | 597,334 | 149,428 |
| Fixed deposits with licensed banks | | 206,106 | 232,070 | 33,008 | 30,987 |
| Cash and bank balances | | 196,350 | 615,396 | 5,533 | 128,824 |
| Fixed deposits pledged | | 1,846,121 (169) | 2,163,370 (165) | 635,875 (169) | 309,239 (165) |
| | | 1,845,952 | 2,163,205 | 635,706 | 309,074 |

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Aggregate cost of property, plant and equipment acquired | 21,872 | 24,226 | 2,816 | 1,705 |
| Net reversals | (454) | (2,280) | – | – |
| Financed via lease liabilities arrangements | – | (355) | – | (355) |
| Total cash acquisitions | 21,418 | 21,591 | 2,816 | 1,350 |

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Payments relating to short-term leases | 8,356 | 9,819 | 5,255 | 5,640 |
| Payments of lease liabilities | 285 | 638 | 147 | 195 |
| Interest paid in relation to lease liabilities | 25 | 46 | 13 | 18 |
| Total cash outflows for leases | 8,666 | 10,503 | 5,415 | 5,853 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

UOA Development Bhd (the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 83.

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 26 March 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement (Continued)

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

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

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

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

2.3 Functional and presentation currency

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

2.4 Adoption of new standards/amendments/improvements to MFRS

At the beginning of the current financial year, the Group and Company adopted new standards / amendments / improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2023. The details of the amendments that have impact on the Group's and the Company's financial statements are disclosed below.

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have had an impact on the Group's and Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Adoption of new standards/amendments/improvements to MFRS (Continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments to MFRS 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events. The amendments have had no impact on the Group's and the Company's financial statements.

2.5 Standards issued but not yet effective

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

Amendments to MFRSs effective 1 January 2024:

| | |
|--------------------------------|---|
| Amendments to MFRS 16* | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101* | Non-current Liabilities with Covenants |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 107* and 7* | Supplier Finance Arrangements |

Amendments to MFRS effective 1 January 2025:

| | |
|-------------------------|-------------------------|
| Amendments to MFRS 121* | Lack of Exchangeability |
|-------------------------|-------------------------|

Amendments to MFRSs - effective date deferred indefinitely:

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

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

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

2.6 Significant accounting estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.1 Estimation uncertainty

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

Useful lives of depreciable assets

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

Deferred tax assets

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

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

Inventories

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

Fair value of investment properties

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

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

Property development activities and construction contracts

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.1 Estimation uncertainty (Continued)

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

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

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

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

Impairment of non-financial assets

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

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

Income taxes

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

2.6.2 Significant management judgements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting estimates and judgements (Continued)

2.6.2 Significant management judgements (Continued)

Classification between investment properties and owner-occupied properties

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

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

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

Deferred tax on investment properties

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

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

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Business combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses.

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

The principal annual depreciation rates used are as follows:

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

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

3.3 Investment properties

Investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values.

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

3.4 Leases

3.4.1 As a lessee

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

Short-term lease

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

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Inventories

Costs of consumables and medicinal products are determined on first in first out method.

3.6 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets at amortised cost

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amounts owing by ultimate holding company, subsidiary companies, related companies and cash and cash equivalents.

Financial assets designated at fair value through other comprehensive income (equity instruments)

The Group and the Company elected to classify irrevocably their equity investments under financial assets designated at fair value through other comprehensive income (equity instruments).

Financial liabilities at amortised cost

The Group's and the Company's financial liabilities at amortised cost include trade and other payables, amounts owing to immediate holding company, subsidiary companies, related companies, non-controlling shareholders of subsidiary companies, lease liabilities and borrowings.

3.7 Revenue from contracts with customers

Revenue recognition

The Group recognises revenue from property development and constructions over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development or contract costs incurred to date as a percentage of the estimated total development or contract costs of the contract, i.e. the stage of completion).

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties or land has passed to the buyers.

Other revenue earned by the Group and the Company are recognised on the following bases:

- Management fee income is recognised when the right to receive payment is established.
- Distribution income is recognised when the right to receive payment is established.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis.
- Hotel room income is recognised when services are rendered.
- Food and beverage and other related income are recognised when services are rendered.
- Sale of medicinal, pharmaceuticals, healthcare and beauty care products income are recognised when the goods are delivered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 *(CONTINUED)*

3. MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

3.7 Revenue from contracts with customers *(Continued)*

Revenue recognition *(Continued)*

Other revenue earned by the Group and the Company are recognised on the following bases *(continued)*:

- Healthcare, medicinal, physiotherapy and acupuncture, dental consultancy and treatment and other healthcare related services income are recognised when services are rendered.
- Course fees from provision of education, training services and consultancy services income is recognised when services are rendered.

3.8 Tax expense

Deferred tax assets

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

| GROUP | Freehold land RM'000 | Freehold buildings RM'000 | Leasehold buildings RM'000 | Leasehold land RM'000 | Plant, machineries and motor vehicles RM'000 | Furniture, fittings and equipment RM'000 | Total RM'000 |
|--------------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------|---|---|-----------------|
| Cost | | | | | | | |
| At 1.1.2022 | 18,500 | 150,606 | 241,411 | 2,294 | 96,014 | 61,772 | 570,597 |
| Additions | – | 463 | – | – | 711 | 23,052 | 24,226 |
| Disposals | – | – | – | – | (596) | (23) | (619) |
| Written off | – | – | – | – | (1,175) | (2,070) | (3,245) |
| Reversals | – | *(2,157) | – | – | *(4) | *(629) | (2,790) |
| At 31.12.2022 | 18,500 | 148,912 | 241,411 | 2,294 | 94,950 | 82,102 | 588,169 |
| Additions | – | 437 | 29 | – | 589 | 20,817 | 21,872 |
| Disposals | – | – | – | – | (15,932) | (2,959) | (18,891) |
| Written off | – | – | – | – | (730) | (932) | (1,662) |
| Reversals | – | *(454) | – | – | – | – | (454) |
| Transferred to investment properties | – | – | (12,170) | (2,294) | – | – | (14,464) |
| Acquisition of subsidiaries | – | – | – | – | – | 11 | 11 |
| Reclassification | – | – | – | – | 75 | (75) | – |
| At 31.12.2023 | 18,500 | 148,895 | 229,270 | – | 78,952 | 98,964 | 574,581 |
| Accumulated depreciation | | | | | | | |
| At 1.1.2022 | – | 6,687 | 34,561 | 347 | 90,226 | 32,138 | 163,959 |
| Charge for the financial year | – | 1,835 | 4,889 | 23 | 2,428 | 7,030 | 16,205 |
| Disposals | – | – | – | – | (569) | (18) | (587) |
| Written off | – | – | – | – | (1,122) | (803) | (1,925) |
| Reversals | – | – | – | – | *(1) | *(509) | (510) |
| At 31.12.2022 | – | 8,522 | 39,450 | 370 | 90,962 | 37,838 | 177,142 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Freehold land RM'000 | Freehold buildings RM'000 | Leasehold buildings RM'000 | Leasehold land RM'000 | Plant, machineries and motor vehicles RM'000 | Furniture, fittings and equipment RM'000 | Total RM'000 |
|--|-------------------------|------------------------------|-------------------------------|--------------------------|---|---|-----------------|
| GROUP (CONTINUED) | | | | | | | |
| Accumulated depreciation (Continued) | | | | | | | |
| At 31.12.2022 (Continued) | – | 8,522 | 39,450 | 370 | 90,962 | 37,838 | 177,142 |
| Charge for the financial year | – | 1,813 | 4,813 | 18 | 1,752 | 9,228 | 17,624 |
| Disposals | – | – | – | – | (15,931) | (531) | (16,462) |
| Written off | – | – | – | – | (263) | (825) | (1,088) |
| Transferred to investment properties | – | – | (5,096) | (388) | – | – | (5,484) |
| Reclassification | – | – | – | – | 5 | (5) | – |
| At 31.12.2023 | – | 10,335 | 39,167 | – | 76,525 | 45,705 | 171,732 |
| Accumulated impairment loss | | | | | | | |
| At 1.1.2022 | – | 55,530 | – | – | – | – | 55,530 |
| Reversal for the financial year | – | (4,013) | – | – | – | – | (4,013) |
| At 31.12.2022 | – | 51,517 | – | – | – | – | 51,517 |
| (Reversal)/recognised for the financial year | – | (24,457) | – | – | – | 1,374 | (23,083) |
| At 31.12.2023 | – | 27,060 | – | – | – | 1,374 | 28,434 |
| Net carrying amount | | | | | | | |
| At 31.12.2023 | 18,500 | 111,500 | 190,103 | – | 2,427 | 51,885 | 374,415 |
| At 31.12.2022 | 18,500 | 88,873 | 201,961 | 1,924 | 3,988 | 44,264 | 359,510 |

* Reversal due to credit note received

Reversal due to expiry of lease term

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (Continued)

Reversal of impairment loss on freehold buildings was recognised during the financial year to represent its current state based on an assessment by the Board of Directors. The Board of Directors were guided by inputs from a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and asset being valued.

Impairment loss on furniture, fittings and equipment was recognised during the financial year due to certain subsidiary companies had ceased its business operation as per disclosed in Note 7 to the Financial Statements which the carrying amount is stated to its recoverable amount.

| | Motor vehicles RM'000 | Furniture, fittings and equipment RM'000 | Total RM'000 |
|---------------------------------|-----------------------------|---|-----------------|
| COMPANY | | | |
| Cost | | | |
| At 1.1.2022 | 3,651 | 11,284 | 14,935 |
| Additions | 398 | 1,307 | 1,705 |
| Disposals | – | (20) | (20) |
| Written off | – | (1,260) | (1,260) |
| At 31.12.2022 | 4,049 | 11,311 | 15,360 |
| Additions | – | 2,816 | 2,816 |
| Written off | – | (487) | (487) |
| At 31.12.2023 | 4,049 | 13,640 | 17,689 |
| Accumulated depreciation | | | |
| At 1.1.2022 | 3,361 | 5,946 | 9,307 |
| Charge for the financial year | 241 | 952 | 1,193 |
| Disposals | – | (15) | (15) |
| Written off | – | (275) | (275) |
| At 31.12.2022 | 3,602 | 6,608 | 10,210 |
| Charge for the financial year | 168 | 966 | 1,134 |
| Written off | – | (453) | (453) |
| At 31.12.2023 | 3,770 | 7,121 | 10,891 |
| Net carrying amount | | | |
| At 31.12.2023 | 279 | 6,519 | 6,798 |
| At 31.12.2022 | 447 | 4,703 | 5,150 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Information on right-of-use assets are as follows:

| | GROUP | | | COMPANY | | |
|---------------------------|--|--|------------------|--|--|------------------|
| | Carrying amount included in property, plant and equipment RM'000 | Depreciation charged for the financial year RM'000 | Additions RM'000 | Carrying amount included in property, plant and equipment RM'000 | Depreciation charged for the financial year RM'000 | Additions RM'000 |
| 2023 | | | | | | |
| Leasehold buildings | 190,103 | 4,585 | 29 | – | – | – |
| Motor vehicles | 313 | 186 | – | 279 | 106 | – |
| Plant and machineries | 67 | 58 | – | – | – | – |
| Total right-of-use assets | 190,483 | 4,829 | 29 | 279 | 106 | – |
| 2022 | | | | | | |
| Leasehold land | 1,924 | 23 | – | – | – | – |
| Leasehold buildings | 201,961 | 4,889 | – | – | – | – |
| Motor vehicles | 547 | 263 | 398 | 433 | 183 | 398 |
| Plant and machineries | 175 | 100 | – | – | – | – |
| Total right-of-use assets | 204,607 | 5,275 | 398 | 433 | 183 | 398 |

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

5. INVESTMENT PROPERTIES

| | At fair value RM'000 | At cost RM'000 | Total RM'000 |
|---|----------------------|----------------|--------------|
| GROUP | | | |
| At 1.1.2022 | 1,567,534 | 40,702 | 1,608,236 |
| (Reversal)/additions or subsequent enhancement | (2,472) | 20,555 | 18,083 |
| Transferred from inventories - property development costs | 2,044 | – | 2,044 |
| Fair value loss | (4,244) | – | (4,244) |
| At 31.12.2022 | 1,562,862 | 61,257 | 1,624,119 |
| Additions or subsequent enhancement | – | 9,845 | 9,845 |
| Disposals | (14,440) | – | (14,440) |
| Transferred from inventories - land held for property development | – | 10,089 | 10,089 |
| Transferred to inventories - property development costs | (25,800) | – | (25,800) |
| Transferred from property, plant and equipment | 8,980 | – | 8,980 |
| Fair value gain | 39,359 | – | 39,359 |
| Reclassifications | 45,619 | (45,619) | – |
| At 31.12.2023 | 1,616,580 | 35,572 | 1,652,152 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

The Group's investment properties comprise freehold condominium and apartment, freehold commercial properties, leasehold commercial properties and properties under construction.

Some investment properties as at 31 December 2023 are stated at fair value by reference to a full valuation conducted by a registered independent valuer having appropriate recognised professional qualifications for certain investment properties and some based on an assessment by the Board of Directors by obtaining update valuations for investment properties that did not have a full valuation conducted.

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date.

Whilst a full valuation has not been conducted for certain investment properties, the Board of Directors have obtained updated market values of the investment properties as at 31 December 2023 carried out by a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and assets being valued. For investment properties where the assessment by the Board of Directors were based on updated valuations, the existing book values of the investment properties as at 31 December 2023 ("Book Values") were not materially different from the updated valuations performed.

In view of the above and taking into account current market conditions, the Board of Directors assessed that the Book Values are fair. Hence, the Book Values were not adjusted and were taken to represent the fair values of the investment properties at the same date.

The fair values of the investment properties were determined using comparison method, cost method or investment method.

The following assumptions have been applied in the valuations:

- i. The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.
- ii. Under the cost method, the value of the land is added to the replacement cost of the buildings and other site improvements. The replacement cost of the buildings is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.
- iii. The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

The fair values of investment properties classified under level 2 were determined using comparison method and level 3 were determined using cost or investment method.

There has been no change in valuation methods used during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

The fair value hierarchy of the Group's investment properties as at the reporting date is as follows:

| GROUP | 2023 | | | 2022 | | |
|-----------------------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|
| | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
| Freehold and leasehold properties | 1,050,180 | 566,400 | 1,616,580 | 1,075,862 | 487,000 | 1,562,862 |

The following table shows a reconciliation of Level 3 fair values of investment properties:

Level 3

| | 2023 RM'000 | 2022 RM'000 |
|---|----------------|----------------|
| At 1 January | 487,000 | 495,500 |
| Fair value gain/(loss) | 33,099 | (8,500) |
| Transferred to inventories - property development costs | (25,800) | - |
| Transferred from property, plant and equipment | 8,980 | - |
| Transferred from investment properties stated at cost | 63,121 | - |
| At 31 December | 566,400 | 487,000 |

Details of Level 3 fair value measurements are as follows:

| Valuation method and key inputs | Significant unobservable inputs | Relationship of unobservable inputs and fair value |
|--|---|---|
| Cost method which estimates the amount of reconstruction cost of the building based on current market prices net of depreciation. | Estimated replacement costs. | The higher the estimated replacement costs, the higher the fair value. |
| Investment method which involves capitalisation of the net annual income with allowance for voids by using a suitable rate of return consistent with the type and quality of investment to arrive at the market value. | Term yield rate of 6.50% (2022: 6.50% to 7.00%) Reversionary yield rate of 6.75% to 7.00% (2022: 6.50% to 7.00%) Occupancy rates of 85.59% to 97.06% (2022: 85.19% to 94.83%) | The estimated fair value would be increase (decrease) if: Term yield rate is lower (higher) Reversionary yield rate is lower (higher) Occupancy rate is higher (lower) |

The properties under construction are measured at cost because the fair value is not yet determinable as of 31 December 2023. The fair value of the properties is expected to be reliably determinable when the construction is complete.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

Income and expenses recognised in profit or loss

| | GROUP | |
|---------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Rental income | 79,731 | 62,781 |
| Direct operating expenses | 41,501 | 26,793 |

6. INVENTORIES

| | GROUP | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Non-current: | | |
| Land held for property development (Note 6.1) | 433,614 | 421,947 |
| Current: | | |
| Property development costs (Note 6.2) | 416,238 | 340,306 |
| Completed properties (Note 6.3) | 985,909 | 1,080,444 |
| Consumables and medicinal products | 1,371 | 905 |
| | 1,403,518 | 1,421,655 |
| | 1,837,132 | 1,843,602 |

6.1 Land held for property development

| | GROUP | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Freehold land at cost | 215,422 | 354,834 |
| Leasehold land at cost | 45,108 | 45,108 |
| Development cost | 161,417 | 191,491 |
| At beginning of financial year | 421,947 | 591,433 |
| Development cost incurred during the financial year | 14,543 | 22,567 |
| Cost transferred from/(to) inventories - property development costs | 7,213 | (192,053) |
| Cost transferred to investment properties | (10,089) | – |
| At end of financial year | 433,614 | 421,947 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

6. INVENTORIES (CONTINUED)

6.2 Property development costs

| | GROUP | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Freehold land at cost | 189,946 | 64,619 |
| Leasehold land at cost | 14,647 | 36,067 |
| Development cost | 112,521 | 361,814 |
| Cost recognised as expenses in prior years | 23,192 | (204,452) |
| At beginning of financial year | 340,306 | 258,048 |
| Cost incurred during the financial year | | |
| – freehold land at cost | – | 7,250 |
| – development cost | 195,539 | 127,597 |
| | 535,845 | 392,895 |
| Cost recognised as expenses in the current year | (138,194) | (155,261) |
| Cost transferred to inventories – completed properties | – | (87,337) |
| Cost transferred (to)/from inventories – land held for property development | (7,213) | 192,053 |
| Land and development cost transferred from/(to) investment properties | 25,800 | (2,044) |
| At end of financial year | 416,238 | 340,306 |

6.3 Completed properties

| | GROUP | |
|-------------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Completed properties held for sales | 1,000,420 | 1,092,432 |
| Inventories written down | (14,511) | (11,988) |
| | 985,909 | 1,080,444 |

The title deeds for the completed properties totalling RM10,995,000 (2022: RM10,995,000) are registered in the name of a third party.

| | GROUP | |
|-------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Recognised in profit or loss: | | |
| Inventories written down | 2,523 | 3,899 |
| Inventories written off | 15 | 59 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES

| | COMPANY | |
|----------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Unquoted shares at cost | 2,366,563 | 2,529,218 |
| Less: Impairment loss recognised | (36,650) | (36,650) |
| | 2,329,913 | 2,492,568 |

The movement of impairment loss during the financial year is as follows:

| | COMPANY | |
|--------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At beginning of financial year | 36,650 | 29,550 |
| Impairment loss recognised | – | 7,100 |
| At end of financial year | 36,650 | 36,650 |

The Company conducted an impairment review of its investment in subsidiary companies at the reporting date, principally based on the Company's share of net assets in these subsidiary companies, which represents the Directors' estimation on fair value less costs to sell off these subsidiary companies. The review gave rise to the recognition of additional impairment in subsidiary companies in prior year which the impairment losses arose mainly due to the decline of their recoverable amount.

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows:

| | EQUITY INTEREST | | PRINCIPAL ACTIVITIES |
|-------------------------------------|-----------------|-----------|---|
| | 2023 % | 2022 % | |
| Ceylon Hills Sdn Bhd | 54 | 54 | Property development |
| Citra Jaya Sejahtera Sdn Bhd | 100 | 100 | Property development |
| Concord Housing Development Sdn Bhd | 100 | 100 | Property development |
| Cosmo Housing Development Sdn Bhd | 100 | 100 | Property development |
| Eureka Equity Sdn Bhd | 60 | 60 | Property development |
| Everise Project Sdn Bhd | 60 | 60 | Property development |
| Everise Tiara (M) Sdn Bhd | 60 | 60 | Property development |
| HSB Green Solutions Sdn Bhd | 100 | 100 | Property development |
| IDP Industrial Development Sdn Bhd | 100 | 100 | Property development |
| Infinite Accomplishment Sdn Bhd | 100 | 100 | Property development |
| Kumpulan Sejahtera Sdn Bhd | 100 | 100 | Property development |
| Magna Kelana Development Sdn Bhd | 74 | 74 | Property development |
| Magna Tiara Development Sdn Bhd | 100 | 100 | Property development |
| Maxim Development Sdn Bhd | 100 | 100 | Property development |
| UOA Academy Sdn Bhd | 100 | 100 | Provision of education, training services and consultancy |
| Nova Metro Development Sdn Bhd | 85 | 85 | Property development |
| Orient Housing Development Sdn Bhd | 100 | 100 | Property development |
| Paramount Hills Sdn Bhd | 100 | 100 | Property development |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows (Continued):

| | EQUITY INTEREST | | PRINCIPAL ACTIVITIES |
|---|-----------------|-----------|--|
| | 2023 % | 2022 % | |
| Paramount Properties Sdn Bhd | 100 | 100 | Property development |
| Peninsular Home Sdn Bhd | 60 | 60 | Property development |
| Sagaharta Sdn Bhd | 100 | 100 | Property development |
| Saujanis Sdn Bhd | 100 | 100 | Property development |
| Scenic Point Development Sdn Bhd | 60 | 60 | Property development |
| Seri Tiara Development Sdn Bhd | 85 | 85 | Property development |
| Sunny Uptown Sdn Bhd | 100 | 100 | Property development |
| Tiarawoods Sdn Bhd | 100 | 100 | Property development |
| Topview Housing Sdn Bhd | 100 | 100 | Property development |
| Windsor Triumph Sdn Bhd | 100 | 100 | Property development |
| Allied Engineering Construction Sdn Bhd | 100 | 100 | Civil contractor |
| Resodex Construction Sdn Bhd | 100 | 100 | Civil contractor |
| URC Engineering Sdn Bhd | 100 | 100 | Civil contractor |
| Pertiwi Sinarjuta Sdn Bhd | 100 | 100 | Civil contractor |
| UOA Hospitality Sdn Bhd | 100 | 100 | To manage and operate hotels and service apartments |
| UOA Komune Sdn Bhd | 100 | 100 | Managing co-sharing office |
| UOA Properties Sdn Bhd | 100 | 100 | Investment holding |
| Fabullane Development Sdn Bhd | 100 | 100 | Property development |
| Federaya Development Sdn Bhd | 100 | 100 | Investment holding |
| Regenta Development Sdn Bhd | 100 | 100 | Property development |
| Seri Prima Development Sdn Bhd | 100 | 100 | Property development |
| Armada Hartasegar Sdn Bhd | 100 | 100 | Investment holding |
| JDIN Media Sdn Bhd | 51 | 51 | Managing and maintaining pedestrian bridge and commercial lifts for the purpose of advertising |
| <i>Held through UOA Properties Sdn Bhd:</i> | | | |
| Bangsar South City Sdn Bhd | 100 | 100 | Property investment and hotel operations |
| Distinctive Acres Sdn Bhd | 100 | 100 | Property investment |
| Dynasty Portfolio Sdn Bhd | 100 | 100 | Property investment |
| Enchant Heritage Sdn Bhd | 100 | 100 | Property investment and hotel operations |
| Lencana Harapan Sdn Bhd | 100 | 100 | Property investment and hotel operations |
| Nasib Unggul Sdn Bhd | 100 | 100 | Property investment |
| Nova Lagenda Sdn Bhd | 100 | 100 | Property investment |
| Tunjang Idaman Sdn Bhd | 100 | 100 | Property investment |
| Full Marks Property Sdn Bhd | 100 | 100 | Property investment |
| UOA Southlink Sdn Bhd | 100 | 100 | Property investment |
| UOA Southview Sdn Bhd | 100 | 100 | Property investment |
| UOA Golden Pines Sdn Bhd | 100 | 100 | Property investment and hotel operations |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies of which principal places of business are in Malaysia, except where otherwise stated are as follows (Continued):

| | EQUITY INTEREST | | PRINCIPAL ACTIVITIES |
|--|-----------------|-----------|---|
| | 2023 % | 2022 % | |
| <i>Held through Everise Project Sdn Bhd:</i> Jendela Dinamik Sdn Bhd | 51 | 51 | Managing and maintaining pedestrian bridge for the purpose of advertising |
| <i>Held through Federaya Development Sdn Bhd:</i> Tong Xin Tang Healthcare International Sdn Bhd | 51 | 51 | Operator of Chinese medical, acupuncture and physiotherapy care centre and dealer in Chinese medicine |
| Komune Care Centre Sdn Bhd | 60 | 60 | Provision of care for post hospitalisation and seniors |
| UMH NK Sdn Bhd* | 60 | 60 | Investment holding |
| UMH Rehabilitation Medicine Sdn Bhd | 100 | 100 | Dormant |
| <i>Held through Tong Xin Tang Healthcare International Sdn Bhd:</i> Tong Xin Tang Wellness Centre Sdn Bhd | 100 | 100 | Dormant |
| <i>Held through UMH NK Sdn Bhd:</i> UMH NK Wellness Sdn Bhd* | 100 | 100 | Trading of healthcare and beauty care products and operate as aesthetics centre and other related operations |
| UMH NK Aesthetics Sdn Bhd* | 100 | 100 | Administrative health care services, specialised medical services, stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods. |
| UMH NK Dental Sdn Bhd* | 100 | 100 | Dental consultancy, dental treatments and other related activities |
| <i>Held through Armada Hartasegar Sdn Bhd:</i> Hoteland Sdn Bhd | 51 | - | Investment holding |
| <i>Held through Hoteland Sdn Bhd:</i> Good Fortune Foods Sdn Bhd | 100 | - | Operating restaurants |
| Bamboo Circle Sdn Bhd | 100 | - | Operating restaurants and night clubs |
| Bamboo Estate Sdn Bhd | 100 | - | Operating restaurants and night clubs |

* During the financial year, the Company through its wholly-owned subsidiaries, Federaya Development Sdn Bhd and Regenta Development Sdn Bhd entered into a termination agreement of joint venture with NK Biocell Healthcare Sdn Bhd for business operations under UMH NK Sdn Bhd and its subsidiaries on 18 September 2023. Consequently, both parties had agreed and terminated the business operations of UMH NK Sdn Bhd and its group of subsidiaries on 31 October 2023. There is no significant impact on the Group's financial statements from the business operation ceased.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Newly acquired/incorporated subsidiary companies

2023

During the financial year, the Company via its wholly-owned subsidiary, Armada Hartasegar Sdn Bhd acquired a group of subsidiary companies namely Hoteland Sdn Bhd and its subsidiary companies for cash consideration of RM5,100 for 51% of equity interest in the said group of subsidiaries.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

2022

In prior year, the Company acquired two subsidiary companies namely Armada Hartasegar Sdn Bhd and JDIN Media Sdn Bhd for cash considerations of RM100 for 100% of equity interest and RM51 for 51% of equity interest in the said subsidiary companies respectively.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

The Company also via its wholly-owned subsidiary, Federaya Development Sdn Bhd incorporated a new wholly-owned subsidiary company namely UMH Rehabilitation Medicine Sdn Bhd with share capital of RM1.

Goodwill on consolidation

Goodwill arising from the acquisition of the group of subsidiaries by comparing the purchase consideration with the net assets acquired.

| | GROUP | |
|--------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At net carrying amount | | |
| At beginning of financial year | – | – |
| Additions | 1,454 | – |
| | 1,454 | – |
| Impairment loss | (1,454) | – |
| At end of financial year | – | – |

The Company conducted an impairment review of its goodwill at the reporting date, principally based on the Company's share of net assets in these subsidiary companies, which represents the Directors' estimation on fair value less costs to sell off these subsidiary companies. The review gave rise to the recognition of impairment in goodwill during the current financial year arose mainly due to the decline of their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Additional shares subscribed in existing subsidiary companies

During the financial year, the Company subscribed for additional ordinary shares and convertible redeemable preference shares ("CRPS") in existing subsidiary companies as follows:

| | Types of shares | Issue price per share RM | Number of shares '000 | Cash consideration RM'000 |
|-------------------------------------|-----------------|--------------------------|-----------------------|---------------------------|
| 2023 | | | | |
| Concord Housing Development Sdn Bhd | CRPS | 10 | 1,400 | 14,000 |
| Magna Kelana Development Sdn Bhd | CRPS | 10 | 550 | 5,500 |
| Regenta Development Sdn Bhd | CRPS | 10 | 23 | 230 |
| Federaya Development Sdn Bhd | CRPS | 10 | 650 | 6,500 |
| Tiarawoods Sdn Bhd | CRPS | 10 | 3,500 | 35,000 |
| UOA Properties Sdn Bhd | Ordinary | – | 82,705 | 82,705 |
| UOA Academy Sdn Bhd | Ordinary | – | 1,000 | 1,000 |
| | | | | 144,935 |

During the financial year, the subsidiary companies redeemed the CRPS subscribed by the Company as follows:

| | Number of shares '000 | Redemption amount RM'000 |
|---------------------------------|-----------------------|--------------------------|
| 2023 | | |
| Citra Jaya Sejahtera Sdn Bhd | 11,300 | 113,000 |
| Infinite Accomplishment Sdn Bhd | 17,649 | 176,490 |
| Topview Housing Sdn Bhd | 1,810 | 18,100 |
| | | 307,590 |

| | Types of shares | Issue price per share RM | Number of shares '000 | Cash consideration RM'000 |
|-------------------------------------|-----------------|--------------------------|-----------------------|---------------------------|
| 2022 | | | | |
| Citra Jaya Sejahtera Sdn Bhd | CRPS | 10 | 11,300 | 113,000 |
| Concord Housing Development Sdn Bhd | CRPS | 10 | 200 | 2,000 |
| Fabullane Development Sdn Bhd | CRPS | 10 | 80 | 800 |
| HSB Green Solutions Sdn Bhd | CRPS | 10 | 90 | 900 |
| Federaya Development Sdn Bhd | CRPS | 10 | 650 | 6,500 |
| Tiarawoods Sdn Bhd | CRPS | 10 | 7,830 | 78,300 |
| UOA Properties Sdn Bhd | Ordinary | – | 246,000 | 246,000 |
| | | | | 447,500 |

In prior year, the Company subscribed for additional ordinary shares in Magna Kelana Development Sdn Bhd for a total consideration of RM177,000 by capitalising part of the interest free advances owing by the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Additional shares subscribed in existing subsidiary companies (Continued)

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting year are as follows:

| NAME OF SUBSIDIARY COMPANIES | Proportion of ownership interests held by non-controlling interests | | Profit/(loss) allocated to non-controlling interests | | Carrying amount of non-controlling interests | |
|--------------------------------|---|--------|--|-------------|--|-------------|
| | 2023 % | 2022 % | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Eureka Equity Sdn Bhd | 40 | 40 | 849 | (508) | 17,272 | 16,423 |
| Everise Project Sdn Bhd | 40 | 40 | 7,492 | 5,149 | 128,825 | 121,333 |
| Seri Tiara Development Sdn Bhd | 15 | 15 | (93) | (363) | 25,881 | 25,974 |

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below:

| | Eureka Equity Sdn Bhd RM'000 | Everise Project Sdn Bhd RM'000 | Seri Tiara Development Sdn Bhd RM'000 |
|---|------------------------------|--------------------------------|---------------------------------------|
| 2023 | | | |
| Financial position as at reporting date | | | |
| Non-current assets | – | 108,770 | 45 |
| Current assets | 48,461 | 360,935 | 174,664 |
| Non-current liabilities | – | (2,373) | – |
| Current liabilities | (5,282) | (145,269) | (2,169) |
| Net assets | 43,179 | 322,063 | 172,540 |
| Summary of financial performance for the financial year | | | |
| Net profit/(loss)/total comprehensive income/(loss) for the financial year | 2,122 | 18,730 | (617) |
| Revenue included in the net profit/(loss)/total comprehensive income/(loss) | 585 | (2) | – |
| Summary of cash flows for the financial year | | | |
| Net cash inflows/(outflows) from operating activities | 2,904 | 18,249 | (154) |
| Net cash inflows from investing activities | 103 | 321 | 15 |
| Net cash (outflows)/inflows from financing activities | – | (18,040) | 60 |
| Net cash inflows/(outflows) | 3,007 | 530 | (79) |
| Other information | | | |
| Dividends paid to non-controlling interests | – | – | – |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below (continued):

| | Eureka Equity Sdn Bhd RM'000 | Everise Project Sdn Bhd RM'000 | Seri Tiara Development Sdn Bhd RM'000 |
|---|---------------------------------------|---|--|
| 2022 | | | |
| Financial position as at reporting date | | | |
| Non-current assets | – | 107,130 | 4 |
| Current assets | 48,225 | 360,716 | 177,140 |
| Non-current liabilities | – | (2,206) | – |
| Current liabilities | (7,168) | (162,307) | (3,987) |
| Net assets | 41,057 | 303,333 | 173,157 |
| Summary of financial performance for the financial year | | | |
| Net (loss)/profit/total comprehensive (loss)/income for the financial year | (1,270) | 12,873 | (2,427) |
| Revenue included in the net (loss)/profit/total comprehensive (loss)/income | 4,736 | (626) | 1,772 |
| Summary of cash flows for the financial year | | | |
| Net cash inflows/(outflows) from operating activities | 3,585 | 20,126 | (800) |
| Net cash inflows/(outflows) from investing activities | 328 | (794) | 110 |
| Net cash (outflows)/inflows from financing activities | (77) | (16,440) | 36 |
| Net cash inflows/(outflows) | 3,836 | 2,892 | (654) |
| Other information | | | |
| Dividends paid to non-controlling interests | – | – | – |

8. EQUITY INVESTMENTS

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Financial assets at fair value through OCI: | | | | |
| Shares quoted in Malaysia | 87,105 | 85,742 | 17,445 | 12,917 |
| Unquoted shares in Malaysia | 100 | 100 | – | – |
| At end of financial year | 87,205 | 85,842 | 17,445 | 12,917 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8. EQUITY INVESTMENTS (CONTINUED)

The fair value hierarchies of the Group's and the Company's investments in quoted and unquoted shares in Malaysia are at Level 1 and Level 3 respectively.

The Group deems the carrying value of the unquoted shares in Malaysia as its fair value and has estimated that there would be no significant changes in the fair value as a result of any inter-relationship between significant unobservable inputs.

There is no transfer between the fair value hierarchies during the financial year.

9. DEFERRED TAX ASSETS

| | GROUP | |
|------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 34,962 | 35,145 |
| Recognised in profit or loss | (964) | (183) |
| At 31 December | 33,998 | 34,962 |

Deferred tax assets arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

10. CONTRACT ASSETS

| | GROUP | |
|----------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| <u>Contract assets</u> | | |
| Revenue recognised to date | 289,510 | 557,608 |
| Progress billings issued to date | (232,849) | (536,621) |
| | 56,661 | 20,987 |
| <u>Contract costs</u> | | |
| Costs to obtain contracts | 9,116 | 3,514 |
| | 65,777 | 24,501 |

Costs to obtain contracts comprise the following costs which resulted from obtaining contracts:

- sales commission paid to intermediaries and other costs; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries and other costs are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

During the financial year, RM3,961,000 (2022: RM9,686,000) was amortised to cost of sales and RM3,294,000 (2022: RM6,372,000) was amortised against revenue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11. TRADE RECEIVABLES

| | GROUP | |
|------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Progress billings receivable | 62,456 | 123,677 |
| Funds held by stakeholders | 15,995 | 73,896 |
| Other trade receivables | 15 | 15 |
| | 78,466 | 197,588 |
| Impairment loss | (6,682) | (7,682) |
| | 71,784 | 189,906 |

The movement of impairment loss during the financial year is as follows:

| | GROUP | |
|--------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At beginning of financial year | 7,682 | 8,782 |
| Reversal during the year | (1,000) | (1,100) |
| At end of financial year | 6,682 | 7,682 |

The progress billings receivable are due within 14 to 90 days (2022: 14 to 90 days) as stipulated in the sale and purchase agreements.

Reversal of impairment loss was due to receipts had been collected during the financial year.

12. OTHER RECEIVABLES

| | GROUP | | COMPANY | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Sundry receivables | 32,845 | 76,278 | 2,761 | 1,520 |
| Deposits and prepayments | 19,336 | 19,441 | 2,326 | 1,630 |
| | 52,181 | 95,719 | 5,087 | 3,150 |
| Impairment loss | (11,733) | (16,122) | (1,307) | (1,308) |
| | 40,448 | 79,597 | 3,780 | 1,842 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12. OTHER RECEIVABLES (CONTINUED)

The movements of impairment loss during the financial year are as follows:

| | GROUP | | COMPANY | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| At beginning of financial year | 16,122 | 17,815 | 1,308 | 1,308 |
| Impairment loss recognised | 1,272 | 1,689 | – | – |
| Reversal during the year | (5,661) | (3,382) | (1) | – |
| At end of financial year | 11,733 | 16,122 | 1,307 | 1,308 |

Included in the sundry receivables of the Group and of the Company is amount owing by associate companies of the immediate holding company of RM29,490 and RM12,400 (2022: RM27,515 and RM13,141) respectively.

In prior year, included in the sundry receivables of the Group was an amount of RM4,511,956 due from a third party for the disposal of investment properties.

Reversal of impairment loss due to receipts had been collected during the financial year.

13. AMOUNTS OWING BY/TO HOLDING COMPANIES

The amount owing by ultimate holding company is interest free advances which is non-trade, unsecured and receivable on demand.

The amount owing to immediate holding company is comprises:

| | GROUP | | COMPANY | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Interest free advances | 152 | 88 | 1 | 18 |
| Administrative fee payable | 42 | 220 | – | – |
| | 194 | 308 | 1 | 18 |

The interest free advances are non-trade, unsecured and repayable on demand. The administrative fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by subsidiary companies is comprises:

| | COMPANY | |
|---------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Interest free advances | 103,932 | 190,023 |
| Management fee receivable | 17,861 | 8,310 |
| Rental receivable | – | 3 |
| | 121,793 | 198,336 |
| Impairment loss | (10,100) | – |
| | 111,693 | 198,336 |

The interest free advances are non-trade, unsecured and receivable within 12 months (2022: 12 months). The management fee and rental receivable are expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days).

The movement of impairment loss on interest free advances balances during the financial year is as follows:

| | COMPANY | |
|--------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At beginning of financial year | – | – |
| Impairment loss recognised | 10,100 | – |
| At end of financial year | 10,100 | – |

The amount owing to subsidiary companies is comprises:

| | COMPANY | |
|------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Interest free advances | 455 | 244 |
| Rental payable | 662 | – |
| | 1,117 | 244 |

The interest free advances are non-trade, unsecured and repayable on demand. The rental payable is expected to be settled within the normal credit terms of 30 to 60 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

15. AMOUNTS OWING BY/TO RELATED COMPANIES

Related companies are the fellow subsidiary companies of the ultimate holding company.

The amount owing by related companies is comprises:

| | GROUP | | COMPANY | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Progress billing receivable | 53 | – | – | – |
| Interest free advances | 646 | 205 | 22 | 1 |
| | 699 | 205 | 22 | 1 |

The interest free advances are non-trade, unsecured and repayable on demand. The progress billing receivables is expected to be received within the normal credit terms of 30 to 60 days.

The amount owing to related companies comprises:

| | GROUP | | COMPANY | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Management fee payable | 148 | 282 | 148 | 282 |
| Interest free advances | 178 | 154 | – | – |
| | 326 | 436 | 148 | 282 |

The management fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days). The interest free advances are non-trade, unsecured and repayable on demand.

16. SHORT TERM INVESTMENTS

The short term investments are managed and invested into fixed income securities and money market instruments by fund management companies. The short term investments are readily convertible to cash.

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits is an amount of RM168,930 (2022: RM164,890) of the Group and of the Company pledged to secure the Group's bank guarantee facilities.

The effective interest rates of the fixed deposits range between 1.90% to 4.25% (2022: 1.20% to 2.65%) per annum. All the fixed deposits have maturity periods of less than three months.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM107,852,974 (2022: RM417,793,536) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations, 1991.

Funds maintained in the Housing Development Accounts earn interest at 1.05% to 3.00% (2022: 0.25% to 2.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

19. SHARE CAPITAL

| | GROUP AND COMPANY | | | |
|--|-----------------------|-----------|-----------------------|-----------|
| | 2023 | | 2022 | |
| | Number of shares '000 | RM'000 | Number of shares '000 | RM'000 |
| Share capital | | | | |
| Issued and fully paid ordinary shares with no par value: | | | | |
| At 1 January | 2,408,583 | 2,953,770 | 2,327,599 | 2,821,766 |
| Issued pursuant to the DRS | 82,969 | 117,662 | 80,984 | 132,004 |
| At 31 December | 2,491,552 | 3,071,432 | 2,408,583 | 2,953,770 |

20. MERGER RESERVE

The merger reserve arose from the acquisition of Allied Engineering Construction Sdn Bhd, URC Engineering Sdn Bhd and UOA Properties Sdn Bhd.

21. FAIR VALUE RESERVE

The fair value reserve arose from fair value changes in equity investments.

22. TREASURY SHARES

There was no buy-back of shares nor resale or cancellation of treasury shares during the financial year ended 31 December 2023.

The cumulative treasury shares of the Group and of the Company are as follows:

| | GROUP AND COMPANY | |
|--------------------------|-----------------------|--------|
| | 2023/2022 | |
| | Number of shares '000 | RM'000 |
| At 1 January/31 December | 1,134 | 2,119 |

23. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARY COMPANIES

The amount owing to non-controlling shareholders of subsidiary companies under non-current liabilities represents non-trade, unsecured, interest free advances which are not expected to be repaid within the next 12 months.

The amount owing to non-controlling shareholders of subsidiary companies under current liabilities represents non-trade, unsecured, interest free advances which are expected to be repaid within the next 12 months.

Included in the amount owing to non-controlling shareholders of subsidiary companies is amounts of RM792,501 and RM1,056,667 (2022: RM792,501 and RM1,056,667) owing to Directors of the Company and key management personnel of the Group respectively and an amount of RM45,500,000 (2022: RM45,500,000) owing to a company in which a Director has financial interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

24. LEASE LIABILITIES

| | GROUP | | COMPANY | |
|-------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Current | 155 | 285 | 95 | 147 |
| Non-current | 276 | 431 | 164 | 259 |
| | 431 | 716 | 259 | 406 |

Set out below are the movements of lease liabilities during the financial year:

| | GROUP | | COMPANY | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| As at 1 January | 716 | 999 | 406 | 246 |
| Additions | – | 355 | – | 355 |
| Lease payments | (285) | (638) | (147) | (195) |
| Lease interest | 25 | 46 | 13 | 18 |
| Payment for lease interest | (25) | (46) | (13) | (18) |
| As at 31 December | 431 | 716 | 259 | 406 |

Other than the exception of short-term leases, the Group and the Company have leases for plant, machineries and motor vehicles.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group and the Company to sublet the asset to another party, the right-of-use asset can only be used by the Group and the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group and the Company are prohibited from selling or pledging the underlying leased assets as securities.

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use assets recognised in property, plant and equipment on the statements of financial position:

| | Range of remaining term | |
|------------------------------|-------------------------|----------------|
| | 2023 | 2022 |
| RIGHT-OF-USE ASSETS | | |
| GROUP | | |
| Leasehold land and buildings | 83 to 87 years | 84 to 88 years |
| Plant and machineries | 1 year | 1 to 2 years |
| Motor vehicles | 1 to 5 years | 1 to 7 years |
| COMPANY | | |
| Motor vehicles | 1 to 4 years | 1 to 5 years |

There is no lease with extension options, variable payment linked to an index and termination options.

The effective interest rates of the lease liabilities are between 3.72% to 5.67% (2022: 3.72% to 5.67%) per annum for the Group and 3.72% to 5.55% (2022: 3.72% to 5.55%) per annum for the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

25. BORROWINGS

| | GROUP | |
|--------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Islamic term loan: | | |
| Non-current | 166 | 212 |
| Current | 46 | 44 |
| | 212 | 256 |

The Islamic term loan is secured by:

- asset sale agreement over Shariah compliant commodities;
- letter of guarantee from Credit Guarantee Corporation (M) Berhad; and
- joint and several guarantee by Directors of the subsidiary company.

The effective profit rate of the Islamic term loan is fixed at 3.50% (2022: 3.50%) per annum and the facility is to be repaid via 84 monthly instalments inclusive of 6 months moratorium period.

26. DEFERRED TAX LIABILITIES

| | GROUP | |
|--|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 45,883 | 42,811 |
| Recognised in profit or loss | 4,730 | 3,072 |
| At 31 December | 50,613 | 45,883 |
| Tax effects of temporary differences arising from: | | |
| – Property, plant and equipment | 3,542 | 1,278 |
| – Real Property Gains Tax ("RPGT") on fair value gain of investment properties | 44,877 | 42,600 |
| – Other temporary differences | 2,194 | 2,005 |
| At 31 December | 50,613 | 45,883 |

Other temporary differences arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

27. TRADE PAYABLES

| | GROUP | |
|----------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Sub-contractors' claims | 8,665 | 5,032 |
| Retention sums | 34,888 | 49,620 |
| Accrued construction costs | 125,943 | 149,570 |
| Other trade payables | 8,950 | 9,598 |
| | 178,446 | 213,820 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

27. TRADE PAYABLES (CONTINUED)

The normal credit terms extended by sub-contractors and suppliers range between 30 to 60 days (2022: 30 to 60 days). The retention sums are repayable upon the expiry of the defects liability period.

28. OTHER PAYABLES

| | GROUP | | COMPANY | |
|-----------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Sundry payables | 49,105 | 54,680 | 3,908 | 3,761 |
| Deposits | 53,690 | 53,545 | 164 | 174 |
| Accruals | 105,582 | 114,901 | 6,049 | 7,658 |
| | 208,377 | 223,126 | 10,121 | 11,593 |

Included in the sundry payables of the Group and of the Company is amount owing to associate companies of the immediate holding company of RM415,707 and RM857 (2022: RM628,419 and RM1,834) respectively.

Included in the deposits of the Company is security and utilities deposit owing to subsidiary companies of RM161,558 (2022: RM171,708). These deposits are expected to be refunded upon the termination of the tenancies.

29. REVENUE

29.1 Disaggregated revenue information

| | 2023 RM'000 | 2022 RM'000 |
|---------------------------------------|----------------|----------------|
| Types of revenue | | |
| GROUP | | |
| Sales of properties: | | |
| – Properties under construction | 227,409 | 357,641 |
| – Completed properties | 170,474 | 94,012 |
| Construction contract | 1,509 | – |
| Revenue from contracts with customers | 399,392 | 451,653 |
| COMPANY | | |
| Dividend income: | | |
| – Subsidiary companies | 682,008 | 120,404 |
| – Investments in quoted shares | 307 | 358 |
| Management fee income | 49,022 | 41,976 |
| Revenue from other sources of income | 731,337 | 162,738 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

29. REVENUE (CONTINUED)

29.1 Disaggregated revenue information (Continued)

| | 2023 RM'000 | 2022 RM'000 |
|---|----------------|----------------|
| Timing of recognition of revenue from contracts with customers | | |
| GROUP | | |
| Performance obligations: | | |
| – satisfied over time | 228,918 | 357,641 |
| – satisfied at a point in time | 170,474 | 94,012 |
| | 399,392 | 451,653 |
| COMPANY | | |
| Performance obligations: | | |
| – satisfied over time | 49,022 | 41,976 |

All of the Group's and the Company's revenue are generated from Malaysia.

29.2 Contract balances

| | GROUP | |
|-------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Trade receivables | 71,784 | 189,906 |
| Contract assets | 65,777 | 24,501 |

The decrease of trade receivables was due to receipts collected during the financial year.

Contract assets increase as a result of the significant progress in development properties over the billings issued to customers.

There were no contract liabilities at the reporting date and in the previous year presented and no revenue was recognised from performance obligations satisfied in previous years.

29.3 Performance obligations

Sale of properties and construction contracts

For sale of development properties under construction and construction contracts, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For the sale of completed properties, the performance obligation is satisfied upon delivery of the properties or when control of the land has been passed to the buyer.

The payment terms for progress billings made to purchasers are disclosed in Notes 11 and 15 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

29. REVENUE (CONTINUED)

29.3 Performance obligations (Continued)

Sale of properties and construction contracts (Continued)

The nature of the properties that the Group has promised to transfer to purchasers are residential houses and commercial units/buildings.

The Group's properties are subject to a defects liability period of generally twenty-four (24) months from the delivery of vacant possession. This requires the Group to rectify any defects which may appear and which are due to design, materials, goods, workmanship or equipment that are not in accordance with the sale and purchase agreement.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

| | GROUP | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Sale of development properties under construction | 299,697 | 197,917 |

The remaining performance obligations are expected to be recognised within 1 to 3 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

30. COST OF SALES

| | GROUP | |
|--|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cost of development properties under construction sold | 142,155 | 164,947 |
| Cost of completed properties | 82,166 | 73,344 |
| Cost of construction contract | 1,403 | – |
| | 225,724 | 238,291 |

31. OTHER INCOME

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Rental income | 165,742 | 140,133 | 400 | 627 |
| Hotel and restaurant operation income | 118,094 | 71,485 | – | – |
| Healthcare operation income | 15,373 | 5,443 | – | – |
| Gain on remeasurement of short term investments | 25,205 | 12,442 | 7,399 | 4,559 |
| Sundry income | 24,315 | 12,102 | 1,554 | 878 |
| Distribution income from equity investments | 5,243 | 5,459 | – | – |
| Dividend income from equity investments | 307 | 358 | – | – |
| | 354,279 | 247,422 | 9,353 | 6,064 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

32. FINANCE COSTS

| | GROUP | | COMPANY | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Amortisation of financial liabilities | 97 | 93 | – | – |
| Lease interest | 25 | 46 | 13 | 18 |
| Interest on term loan | 9 | 9 | – | – |
| | 131 | 148 | 13 | 18 |

33. PROFIT BEFORE TAX

Profit before tax has been determined after charging amongst others, the following items:

| | GROUP | | COMPANY | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Auditors' remuneration | | | | |
| – statutory audit | 508 | 441 | 80 | 72 |
| – assurance and related services | 36 | 34 | 7 | 5 |
| Rental expenses – short-term leases | 8,356 | 9,819 | 5,255 | 5,640 |

34. TAX EXPENSES

| | GROUP | | COMPANY | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Current tax provision | 58,970 | 67,916 | 2,097 | 1,538 |
| Deferred tax | 5,509 | 2,436 | – | – |
| | 64,479 | 70,352 | 2,097 | 1,538 |
| Under/(over)provision in prior years | | | | |
| – Current tax | 17,328 | (6,718) | 812 | (161) |
| – Deferred tax | 185 | 819 | – | – |
| | 17,513 | (5,899) | 812 | (161) |
| | 81,992 | 64,453 | 2,909 | 1,377 |

Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated assessable profit for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

34. TAX EXPENSES (CONTINUED)

The reconciliation of the tax expenses on profit before tax with the statutory income tax rate is as follows:

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Profit before tax | 368,398 | 287,213 | 693,731 | 118,171 |
| Tax at statutory rate | 88,416 | 68,931 | 166,495 | 28,361 |
| Tax effects of | | | | |
| – non-deductible expenses | 10,259 | 13,684 | 2,885 | 3,466 |
| – non-taxable income | (25,641) | (9,713) | (167,283) | (30,289) |
| Movement in unrecognised deferred tax assets | (6,174) | (2,047) | – | – |
| Difference between income tax rate and RPGT rate applicable to fair value gain on investment properties | (2,292) | (555) | – | – |
| Change in RPGT rate on investment properties | (89) | 52 | – | – |
| Under/(over)provision in prior years | 17,513 | (5,899) | 812 | (161) |
| Tax expenses | 81,992 | 64,453 | 2,909 | 1,377 |

Deferred tax assets have not been recognised in respect of the following items:

| | GROUP | |
|--------------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Property, plant and equipment | (87,327) | (84,918) |
| Inventories written down | 14,511 | 11,988 |
| Unabsorbed tax losses | 26,350 | 27,633 |
| Unutilised capital allowances | 47,416 | 64,737 |
| Unutilised investment tax allowances | 241,946 | 249,179 |
| | 242,896 | 268,619 |

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiary companies can utilise these benefits. The Group's unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances can be carried forward to offset against future taxable profits of the respective subsidiary companies.

The expiry terms of the unabsorbed tax losses are as follows:

| | GROUP | |
|-------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Year of assessment 2028 | 646 | 697 |
| Year of assessment 2029 | 1,440 | 1,440 |
| Year of assessment 2030 | 5,347 | 11,766 |
| Year of assessment 2031 | 5,469 | 6,189 |
| Year of assessment 2032 | 6,991 | 7,541 |
| Year of assessment 2033 | 6,457 | – |
| | 26,350 | 27,633 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

35. EARNINGS PER SHARE

a) Basic

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.

| | GROUP | |
|---|-----------|-----------|
| | 2023 | 2022 |
| Net profit attributable to owners of the Company (RM'000) | 279,551 | 219,937 |
| Weighted average number of ordinary shares ('000) | 2,436,945 | 2,362,853 |
| Net earnings per ordinary share (RM) | 0.11 | 0.09 |

b) Diluted

Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence as at the reporting date.

36. DIVIDENDS

| | GROUP AND COMPANY | |
|---|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| <i>In respect of the financial year ended 31 December 2023:</i> | | |
| First interim single tier dividend of 20 sen per share: | | |
| – Dividend reinvested into 59,619,700 new ordinary shares pursuant to the DRS | 82,871 | – |
| – Payment in cash | 403,289 | – |
| <i>In respect of the financial year ended 31 December 2022:</i> | | |
| First and final single tier dividend of 10 sen per share: | | |
| – Dividend reinvested into 23,349,400 new ordinary shares pursuant to the DRS | 34,791 | – |
| – Payment in cash | 205,954 | – |
| <i>In respect of the financial year ended 31 December 2021:</i> | | |
| First and final single tier dividend of 10 sen per share: | | |
| – Dividend reinvested into 80,983,900 new ordinary shares pursuant to the DRS | – | 132,004 |
| – Payment in cash | – | 100,643 |
| | 726,905 | 232,647 |

The Directors now recommend a final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM249,041,850 based on 2,490,418,500 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

37. EMPLOYEES BENEFITS EXPENSES

| | GROUP | | COMPANY | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Employees benefits expenses | 73,181 | 61,168 | 31,654 | 30,456 |

Included in the employee benefits expenses are EPF contributions amounting to RM5,984,962 (2022: RM5,466,814) for the Group and RM2,962,941 (2022: RM2,962,530) for the Company.

38. RELATED PARTY DISCLOSURES

a) Significant related party transactions

Significant related party transactions during the financial year are as follows:

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| <i>Transactions with immediate holding company</i> | | | | |
| Rental charged to | 322 | 196 | – | – |
| Administrative fee charged by | 1,320 | 1,320 | – | – |
| <i>Transactions with subsidiary companies</i> | | | | |
| Management fee charged to | – | – | 49,022 | 41,976 |
| Rental charged to | – | – | 400 | 627 |
| Rental charged by | – | – | 3,231 | 1,856 |
| <i>Transactions with related companies</i> | | | | |
| Management fee charged by | 1,754 | 1,648 | 1,754 | 1,648 |
| Rental charged to | 23,623 | 18,130 | – | – |
| Rental charged by | 4,422 | 6,594 | 2,024 | 3,784 |
| Construction service charged to | 1,509 | – | – | – |
| Distribution income received from | 5,243 | 5,459 | – | – |
| <i>Transactions with associate companies of the immediate holding company</i> | | | | |
| Management fee charged by | 3,194 | 3,393 | – | – |
| Rental charged to | 279 | 277 | – | – |
| Administrative fee charged by | 661 | 546 | – | – |
| Landscaping fee charged by | 327 | 335 | 10 | 10 |
| Security services charged by | 2,174 | 1,289 | – | 3 |

The Directors are of the opinion that the above transactions were entered into in the normal course of business and established under negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

38. RELATED PARTY DISCLOSURES (CONTINUED)

b) Key management personnel compensation

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

| | GROUP AND COMPANY | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| <i>Directors of the Company</i> | | |
| Fees and remunerations | 7,241 | 7,373 |
| Estimated monetary value of benefits-in-kind | 279 | 147 |
| Total short-term employees benefits | 7,520 | 7,520 |
| Post-employment benefits (EPF) | 765 | 838 |
| | 8,285 | 8,358 |

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| <i>Other key management personnel</i> | | | | |
| Salaries, allowances and bonuses | 2,854 | 2,352 | 1,454 | 1,319 |
| Estimated monetary value of benefits-in-kind | 91 | 91 | 36 | 31 |
| Total short-term employees benefits | 2,945 | 2,443 | 1,490 | 1,350 |
| Post-employment benefits (EPF) | 118 | 198 | 94 | 78 |
| | 3,063 | 2,641 | 1,584 | 1,428 |
| Total compensation | 11,348 | 10,999 | 9,869 | 9,786 |

39. MATERIAL LITIGATIONS

On 31 December 2018, two of the Company's wholly-owned subsidiary companies, namely Windsor Triumph Sdn Bhd ("Windsor") and Sunny Uptown Sdn Bhd ("Sunny") were served by the Inland Revenue Board of Malaysia ("IRB") with Notices of Additional Assessment for the Year of Assessment 2013, for additional income tax totalling RM25,558,750.50 and penalties totalling RM14,057,312.78 ("Cases").

The additional assessment raised against Windsor by IRB arose from an adjustment by IRB of the market value of property that Windsor had withdrawn as an inventory to hold as investment property, whereas the additional assessment raised against Sunny by IRB arose from an adjustment by IRB of the selling price at market value of properties that Sunny had assigned to another wholly-owned subsidiary of the Group on an "as is" basis.

Both subsidiary companies relied on valuations by a professional, independent and experienced registered valuer. These valuations were adjusted by IRB by substituting them with valuations subsequently conducted by Jabatan Penilaian dan Perkhidmatan Harta.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

39. MATERIAL LITIGATIONS (CONTINUED)

On 1 August 2023, Windsor had entered into a Settlement Agreement with IRB to agree on the additional income tax of RM4,325,000. Windsor had on 31 August 2023 agreed to discontinue the appeal and each party shall undertake to do the necessary to give full effect to the Agreement, whereas all excess income tax paid by Windsor shall be refunded within a reasonable period of time.

On 5 February 2024, Sunny had entered into a Settlement Agreement with IRB to agree on the additional income tax of RM1,122,500 and penalty of RM617,375 totalling RM1,739,875.

The amounts of the additional income tax and penalty for both of the companies have been recognised in profit or loss during the financial year.

In view of the above, the Directors are of the opinion that the additional income taxes and penalty charge had been appropriately taken up in the financial statements and no additional provisions in respect of the tax liabilities and penalty in dispute are required to be made in the financial statements as at the reporting date.

40. MATURITY ANALYSIS OF LEASE PAYMENTS

As lessor

The Group leases out its properties and temporarily leases out its inventories under non-cancellable operating lease arrangements. These leases run typically for a period ranging from 1 to 4 years, with the option to renew. Subsequent renewals are negotiated with the lease on average renewal period of 4 years. None of the leases include contingent rentals.

The future undiscounted lease payments receivable after the reporting date are as follows:

| | 2023 RM'000 | 2022 RM'000 |
|--------------------|----------------|----------------|
| Within 1 year | 148,176 | 114,726 |
| In the second year | 100,868 | 69,659 |
| In the third year | 22,875 | 26,821 |
| In the fourth year | 634 | 1,939 |
| | 272,553 | 213,145 |

41. CAPITAL COMMITMENTS

| | GROUP | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Approved and contracted for: | | |
| – Purchase of property, plant and equipment | – | 2,668 |
| – Construction of investment properties | – | 4,240 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

42. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, which comprises the following:

- i. Property development - development of residential and commercial properties
- ii. Construction - construction of residential and commercial properties
- iii. Others - hospitality, medical healthcare, training services, holding of investment properties to generate rental income, capital appreciation or both

The Group has aggregated certain operating segments to form a reportable segment due to their similar nature and operational characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

42. SEGMENTAL INFORMATION (CONTINUED)

| GROUP | Property development | | Construction | | Others | | Elimination | | Consolidated | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| External revenue | 397,883 | 451,653 | 1,509 | – | – | – | – | – | 399,392 | 451,653 |
| Inter segment revenue | – | 1,712 | 244,654 | 213,396 | – | – | (244,654) | (215,108) | – | – |
| Total revenue | 397,883 | 453,365 | 246,163 | 213,396 | – | – | (244,654) | (215,108) | 399,392 | 451,653 |
| Depreciation | (1,376) | (1,452) | (975) | (1,575) | (15,605) | (13,428) | 332 | 250 | (17,624) | (16,205) |
| Rental income | 136,139 | 111,699 | 96 | 113 | 43,226 | 35,497 | (13,719) | (7,176) | 165,742 | 140,133 |
| Fair value adjustments | (1,225) | (11,600) | – | – | 6,021 | 7,056 | 34,563 | 300 | 39,359 | (4,244) |
| Dividend income | – | – | – | – | 682,315 | 120,762 | (682,008) | (120,404) | 307 | 358 |
| Distribution income | 14,560 | 4,494 | 915 | 268 | 19,529 | 12,872 | – | – | 35,004 | 17,634 |
| Interest income | 11,080 | 14,521 | 1,573 | 1,890 | 2,852 | 1,293 | – | – | 15,505 | 17,704 |
| Interest expense | (84) | (80) | (3) | (17) | (721) | (51) | 677 | – | (131) | (148) |
| Other material non-cash items | (880) | 1,727 | (444) | (51) | (22,240) | (5,430) | 43,187 | 5,194 | 19,623 | 1,440 |
| Segment results | 276,308 | 237,494 | 34,589 | 44,776 | 57,501 | 4,943 | – | – | 368,398 | 287,213 |
| Tax expenses | – | – | – | – | – | – | – | – | (81,992) | (64,453) |
| Net profit for the financial year | – | – | – | – | – | – | – | – | 286,406 | 222,760 |
| Segment assets | 3,698,931 | 4,105,121 | 123,454 | 208,429 | 2,066,148 | 1,971,260 | – | – | 5,888,533 | 6,284,810 |
| Segment liabilities | 267,427 | 295,412 | 99,927 | 107,689 | 68,177 | 83,009 | – | – | 435,531 | 486,110 |
| Additions to non-current assets | 29,458 | 58,109 | 589 | 234 | 16,213 | 6,533 | – | – | 46,260 | 64,876 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

42. SEGMENTAL INFORMATION (CONTINUED)

| | CONSOLIDATED | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Other material non-cash items consists of the following: | | |
| Reversal of impairment losses on financial assets | 5,389 | 2,793 |
| Reversal of impairment losses on non-financial assets | 21,629 | 4,013 |
| Bad debts written off | (4,283) | (88) |
| Property, plant and equipment written off | (574) | (1,320) |
| Inventories written down | (2,523) | (3,899) |
| Inventories written off | (15) | (59) |
| Reconciliation of segment assets to total assets: | | |
| Segment assets | 5,888,533 | 6,284,810 |
| Equity investments | 87,205 | 85,842 |
| Deferred tax assets | 33,998 | 34,962 |
| Current tax assets | 71,338 | 47,973 |
| Total assets as per statement of financial position | 6,081,074 | 6,453,587 |
| Reconciliation of segment liabilities to total liabilities: | | |
| Segment liabilities | 435,531 | 486,110 |
| Current tax liabilities | 5,719 | 4,525 |
| Deferred tax liabilities | 50,613 | 45,883 |
| Total liabilities as per statement of financial position | 491,863 | 536,518 |
| Additions to non-current assets consist of the following: | | |
| Property, plant and equipment | 21,872 | 24,226 |
| Investment properties | 9,845 | 18,083 |
| Inventories - land held for property development | 14,543 | 22,567 |
| | 46,260 | 64,876 |

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are wholly carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

There is no significant concentration of revenue from any major customers as the Group sells its development properties to various purchasers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's businesses whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:

a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. The Group and the Company extend credit only to recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

i. Receivables and contract assets

In respect of trade receivables arising from the sale of the Group's development properties, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development properties until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

In respect of the Group's investment properties and tenanted unsold inventories, the Group customarily obtains three months' rental deposit from tenants as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating and coverage by collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written off if the Directors deem them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

a) Credit risk (Continued)

i. Receivables and contract assets (Continued)

Collateral is considered an integral part of trade receivables and considered in the calculation of impairment. At the reporting date, all of the Group's trade receivables are covered by collateral other than the trade receivables that are credit impaired. As such, no expected credit losses are required as at reporting date for trade receivables that are covered by collateral. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as trade receivables consists of a large number of customers in various backgrounds.

| | Total gross carrying amount RM'000 | Expected credit loss RM'000 | Net balance RM'000 |
|----------------------------------|---|-----------------------------------|-----------------------|
| GROUP | | | |
| 2023 | | | |
| Trade receivables: | | | |
| Not past due | 62,039 | – | 62,039 |
| Less than 44 days past due | 2,062 | – | 2,062 |
| Between 44 and 110 days past due | 1,868 | – | 1,868 |
| More than 110 days past due | 5,815 | – | 5,815 |
| Credit impaired | 6,682 | 6,682 | – |
| | 78,466 | 6,682 | 71,784 |
| Contract assets | 56,661 | – | 56,661 |
| 2022 | | | |
| Trade receivables: | | | |
| Not past due | 168,882 | – | 168,882 |
| Less than 44 days past due | 1,714 | – | 1,714 |
| Between 44 and 110 days past due | 432 | – | 432 |
| More than 110 days past due | 18,878 | – | 18,878 |
| Credit impaired | 7,682 | 7,682 | – |
| | 197,588 | 7,682 | 189,906 |
| Contract assets | 20,987 | – | 20,987 |

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and had defaulted on payments.

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 *(CONTINUED)*

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(CONTINUED)*

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows *(Continued)*:

a) Credit risk *(Continued)*

ii. Intercompanies balances

The maximum exposure to credit risk for intercompanies balances is represented by their carrying amounts in the statements of financial position.

The Group and the Company has management fee receivable, rental receivable, progress billing receivables and also provide unsecured advances to ultimate holding, subsidiary and related companies and monitors the results of these companies regularly. As at the reporting date, there was no indication that the management fee receivable, rental receivable, progress billing receivables and the advances to these companies are not recoverable.

iii. Financial institutions and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

iv. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM51,566,000 (2022: RM53,251,000), represented by the bank guarantees and outstanding banking facilities utilised by the subsidiary companies as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

v. Investments and other financial assets

At the end of the reporting year, the Group and the Company have investments in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Significant investments are allowed only in liquid securities and only with counterparties that have good credit ratings.

The Group's and the Company's maximum exposure to credit risk for the components of the statements of financial position at the reporting date are their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

| | GROUP | | COMPANY | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Fixed rate instruments | | | | |
| Fixed deposits with licensed banks | 206,106 | 232,070 | 33,008 | 30,987 |
| Lease liabilities | 431 | 716 | 259 | 406 |
| Borrowings | 212 | 256 | – | – |

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

c) Market risk

The Group's and the Company's principal exposure to market risk arises from changes in value caused by movements in market prices of their quoted equity investments. The risk of loss is minimised via thorough analysis before investing and continuous monitoring of the performance of the investments.

Common to all businesses, the overall performance of the Group's and the Company's investments are also driven externally by global and domestic economies that are largely unpredictable and uncontrollable.

d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as and when they fall due, due to shortage of funds.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventories, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

d) Liquidity risk (Continued)

Owing to the nature of the businesses, the Group and the Company seek to maintain sufficient credit lines available to meet the liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

| | Less than 1 year RM'000 | Between 1 to 5 years RM'000 | Total RM'000 |
|---|-------------------------------|-----------------------------------|-----------------|
| GROUP | | | |
| 2023 | | | |
| Trade and other payables | 386,823 | – | 386,823 |
| Amount owing to immediate holding company | 194 | – | 194 |
| Amount owing to related companies | 326 | – | 326 |
| Amount owing to non-controlling shareholders of subsidiary companies | 45,784 | 1,849 | 47,633 |
| Lease liabilities | 169 | 295 | 464 |
| Borrowings | 53 | 176 | 229 |
| | 433,349 | 2,320 | 435,669 |
| 2022 | | | |
| Trade and other payables | 436,946 | – | 436,946 |
| Amount owing to immediate holding company | 308 | – | 308 |
| Amount owing to related companies | 436 | – | 436 |
| Amount owing to non-controlling shareholders of subsidiary companies | 45,500 | 2,133 | 47,633 |
| Lease liabilities | 310 | 464 | 774 |
| Borrowings | 53 | 229 | 282 |
| | 483,553 | 2,826 | 486,379 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

d) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations (continued):

| | Less than 1 year RM'000 | Between 1 to 5 years RM'000 | Total RM'000 |
|---|-------------------------------|-----------------------------------|-----------------|
| COMPANY | | | |
| 2023 | | | |
| Other payables | 10,121 | – | 10,121 |
| Amount owing to immediate holding company | 1 | – | 1 |
| Amount owing to subsidiary companies | 1,117 | – | 1,117 |
| Amount owing to related companies | 148 | – | 148 |
| Lease liabilities | 103 | 171 | 274 |
| Financial guarantees* | 51,566 | – | 51,566 |
| | 63,056 | 171 | 63,227 |
| 2022 | | | |
| Other payables | 11,593 | – | 11,593 |
| Amount owing to immediate holding company | 18 | – | 18 |
| Amount owing to subsidiary companies | 244 | – | 244 |
| Amount owing to related companies | 282 | – | 282 |
| Lease liabilities | 159 | 274 | 433 |
| Financial guarantees* | 53,251 | – | 53,251 |
| | 65,547 | 274 | 65,821 |

* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

e) 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 Company is exposed to foreign currency risk on fixed deposits with licensed banks that are denominated in a currency other than the functional currency of the Company. The currency giving rise to this risk is primarily Australian Dollar ("AUD").

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Continued):

e) Foreign currency risk (Continued)

The Company's exposure to foreign currency risk, based on carrying amounts at the end of the reporting date were as follows:

| | GROUP AND COMPANY | |
|------------------------------------|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Denominated in AUD: | | |
| Fixed deposits with licensed banks | 27,587 | 25,604 |

A 3.98% (2022: 0.70%) strengthening of the AUD against the functional currency of the Group and of the Company at the end of reporting period would increase or decrease profit for the financial year/total equity as shown in the table below, this analysis assumes that all other variables held constant.

| | GROUP AND COMPANY | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| AUD/RM | | |
| Increase/(Decrease): | | |
| Profit for the financial year/Total equity | 1,098 | 179 |

A 3.98% (2022: 0.70%) weakening of the AUD against the functional currency of the Group at the end of reporting period would have equal but opposite effect to the amounts shown above, on the basis that all other variables held constant.

44. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

44. CAPITAL MANAGEMENT (CONTINUED)

The Group's strategy is to maintain the debt-to-equity ratio between 10% to 25%. The debt-to-equity ratio at the reporting date is as follows:

| | GROUP AND COMPANY | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash and cash equivalents | 1,845,952 | 2,163,205 |
| Less: total borrowings | (643) | (972) |
| Net cash available | 1,845,309 | 2,162,233 |
| Equity attributable to the owners of the Company | 5,413,096 | 5,741,425 |
| Debt-to-equity ratio (%) | – | – |

There were no changes in the Group's approach to capital management during the financial year.

45. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group has established policies and procedures in respect of the fair value measurement.

Financial assets that are measured at fair value on a recurring basis

Certain financial assets of the Group and the Company are measured at fair value at the end of the reporting year. Details of fair value measurement of those financial assets are as follows:

| | Fair value | | Fair value hierarchy | Valuation method and key inputs |
|-----------------------------|----------------|----------------|----------------------|-----------------------------------|
| | 2023 RM'000 | 2022 RM'000 | | |
| GROUP | | | | |
| Equity investments: | | | | |
| Quoted shares in Malaysia | 87,105 | 85,742 | Level 1 | Quoted bid price in active market |
| Unquoted shares in Malaysia | 100 | 100 | Level 3 | Carrying value deemed fair value |
| | 87,205 | 85,842 | | |
| COMPANY | | | | |
| Equity investments: | | | | |
| Quoted shares in Malaysia | 17,445 | 12,917 | Level 1 | Quoted bid price in active market |

There is no transfer between the fair value hierarchies during the financial year.

The carrying amounts of other financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or immaterial discounting impact.

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2023

| | Location/Address | Description | Year of Valuation/ Acquisition* | Land Area (sq m)/ Built Up Area (sq m)*/ No of Bays | Age of Building | Tenure | Net Book Value (RM'000) |
|----|--|----------------------------------|------------------------------------|---|-----------------|--|----------------------------|
| 1 | Lot 1035, 3571, 3572, 340, 1032, 949, 950, 4052, 4053, 47036, 47037, Mukim Batu, Daerah Kuala Lumpur, Kuala Lumpur | Land held for development | *2011, *2012, & *2014 | 27.3 acres | | Freehold | 417,973 |
| 2 | Komune Living & Wellness, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Kuala Lumpur | Hotel & retail complex | 2021 & 2023 | 56,400* | 2 years | Freehold | 298,000 |
| 3 | Nexus, Bangsar South City, Jalan Kerinchi, Kuala Lumpur | Retail & convention centre | 2022 & 2023 | 71,373* | 10 years | Leasehold 99 years - expiring 27 December 2122 | 193,700 |
| 4 | The Vertical, Bangsar South City, Jalan Kerinchi, Kuala Lumpur | Hotel & retail podium | 2014*, 2022 & 2023 | 50,408* | 7 years | Leasehold 99 years - expiring 16 August 2106 | 194,135 |
| 5 | The Sphere, Bangsar South City, Jalan Kerinchi, Kuala Lumpur | Retail complex & commercial land | 2022 & 2023 | 28,578 | 6 years | Leasehold 99 years - expiring 16 August 2122 | 152,400 |
| 6 | Commercial Area at United Point, Jalan Lang Emas, Kuala Lumpur | Retail complex | 2021, 2022 & 2023 | 60,943* | 4 years | Freehold | 151,200 |
| 7 | Komune Living, Jalan Kerinchi Kiri 3, Kuala Lumpur | Hotel | 2018* & 2019* | 2,233 | 4 years | Freehold | 130,000 |
| 8 | Camellia Serviced Suites, Jalan Kerinchi, Kuala Lumpur | Serviced suites & hotel | 2013*, 2022 & 2023 | 23,215* | 10 years | Leasehold 99 years - expiring 27 December 2122 | 94,189 |
| 9 | The Horizon Phase I & II Carpark, Bangsar South City, Jalan Kerinchi, Kuala Lumpur | Car park | 2022 & 2023 | 4,370 bays | 14 years | Leasehold 99 years - expiring 16 August 2122 | 96,100 |
| 10 | Lake Garden, Vertical Business Suite, V38 Carpark, Bangsar South City, Jalan Kerinchi, Kuala Lumpur | Car park | 2022 & 2023 | 5,927 bays | 8 years | Leasehold 99 years - expiring 16 August 2122 | 130,700 |

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Authorised Share Capital : RM100,000,000
 Issued Share Capital : 2,491,552,300
 Treasury Shares : 1,133,800
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS*

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|--|---------------------|--------|---------------|--------|
| Less than 100 | 226 | 2.49 | 2,040 | 0.00 |
| 100 to 1,000 | 1,901 | 20.93 | 1,211,139 | 0.05 |
| 1,001 to 10,000 | 4,742 | 52.20 | 21,142,982 | 0.85 |
| 10,001 to 100,000 | 1,902 | 20.94 | 55,067,801 | 2.21 |
| 100,001 to less than 5% of issued shares | 311 | 3.42 | 519,900,877 | 20.88 |
| 5% and above of issued shares | 2 | 0.02 | 1,893,093,661 | 76.01 |
| | 9,084 | 100.00 | 2,490,418,500 | 100.00 |

* Excluding treasury shares

LIST OF THIRTY LARGEST SHAREHOLDERS

| Name of Shareholders | No. of Shares | % |
|--|---------------|-------|
| 1. UOA Holdings Sdn Bhd | 1,703,664,400 | 68.41 |
| 2. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board | 189,429,261 | 7.61 |
| 3. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic) | 84,544,839 | 3.39 |
| 4. Amanahraya Trustees Berhad Amanah Saham Bumiputera | 53,000,000 | 2.13 |
| 5. RHB Capital Nominees (Tempatan) Sdn Bhd UOA Holdings Sdn Bhd | 32,994,000 | 1.32 |
| 6. Permodalan Nasional Berhad | 24,885,500 | 1.00 |
| 7. HSBC Nominees (Asing) Sdn Bhd TNTC for Edgbaston Asian Equity Trust | 21,342,100 | 0.86 |
| 8. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2 | 19,524,000 | 0.78 |
| 9. Amanahraya Trustees Berhad Amanah Saham Malaysia | 15,692,050 | 0.63 |
| 10. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ASIANISLAMIC) | 15,643,800 | 0.63 |
| 11. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan | 12,150,600 | 0.49 |

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2024 (CONTINUED)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONTINUED)

| | Name of Shareholders | No. of Shares | % |
|-----|--|---------------|------|
| 12. | Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik | 11,776,254 | 0.47 |
| 13. | Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund | 9,368,956 | 0.38 |
| 14. | HSBC Nominees (Asing) Sdn Bhd TNTC for the Edgbaston Asian Equity (Jersey) Trust | 9,220,400 | 0.37 |
| 15. | Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi) | 8,899,100 | 0.36 |
| 16. | Cartaban Nominees (Asing) Sdn Bhd SSBT Fund MFY4 for Mercer Investment Fund 1 (Mercer QIF Fundplc) | 7,467,300 | 0.30 |
| 17. | Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Markets Core Equity Portfolio DFA Investment Dimensions Group Inc | 7,367,000 | 0.30 |
| 18. | Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 3) | 7,320,800 | 0.29 |
| 19. | Maybank Nominees (Tempatan) Sdn Bhd Etika Family Takaful Berhad (Family) | 6,951,700 | 0.28 |
| 20. | Maybank Nominees (Tempatan) Sdn Bhd AHAM Asset Management Berhad for Hong Leong Assurance Berhad (Par-220082) | 6,421,100 | 0.26 |
| 21. | Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB) | 6,226,000 | 0.25 |
| 22. | HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for AHAM Aiiman Growth Fund | 5,224,400 | 0.21 |
| 23. | CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for AHAM Select Dividend Fund | 4,900,900 | 0.20 |
| 24. | Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad for Aiiman TNB RBTF (EQ) (433139) | 4,894,500 | 0.20 |
| 25. | Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF) | 4,800,000 | 0.19 |
| 26. | Maybank Nominees (Tempatan) Sdn Bhd Etika Life Insurance Berhad (Life Par) | 4,606,200 | 0.18 |
| 27. | Cartaban Nominees (Tempatan) Sdn Bhd TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund 2 | 4,500,000 | 0.18 |
| 28. | United Overseas Australia Ltd | 4,425,400 | 0.18 |
| 29. | Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series | 4,275,900 | 0.17 |
| 30. | Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd (Aberdeen 2) | 4,003,000 | 0.16 |

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2024 (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

| Substantial Shareholders | DIRECT | | INDIRECT | |
|--|---------------|-------|------------------------------|-------|
| | Shares | % | Shares | % |
| UOA Holdings Sdn Bhd ("UOAH") | 1,736,812,600 | 69.74 | 20 ⁽¹⁾ | * |
| United Overseas Australia Limited ("UOAL") | 4,425,400 | 0.18 | 1,736,812,620 ⁽²⁾ | 69.74 |
| Griyajaya Sdn Bhd | – | – | 1,741,238,020 ⁽³⁾ | 69.92 |
| Transmetro Sdn Bhd | 20 | * | 1,741,238,020 ⁽⁴⁾ | 69.92 |
| Kong Chong Soon @ Chi Suim | – | – | 1,741,562,740 ⁽⁵⁾ | 69.93 |
| Kong Pak Lim | – | – | 1,741,238,020 ⁽⁶⁾ | 69.92 |
| Employees Provident Fund Board | 307,192,900 | 12.33 | – | – |
| Persons Connected to Substantial Shareholder: Kong Sze Choon (Alternate to Kong Chong Soon @ Chi Suim) | 148,300 | 0.01 | 54,500 | * |
| Stephanie Kong Pei Zen (Alternate to Kong Pak Lim) | – | – | – | – |

* negligible

Notes:

- 1) Deemed interested by virtue of Section 8 of the Companies Act, 2016 ("the Act") (shareholdings held through LTG Development Sdn Bhd)
- 2) Deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares in UOA Holdings Sdn Bhd.
- 3) Deemed interested by virtue of Section 8 of the Act (shareholdings held through United Overseas Australia Ltd and as an associate of Kong Chong Soon @ Chi Suim and Kong Pak Lim) and deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares of UOA Holdings Sdn Bhd.
- 4) Deemed interested by virtue of Section 8 of the Act (through its shareholdings in Griyajaya Sdn Bhd and Transmetro Corporation Sdn Bhd, its wholly owned subsidiary, in United Overseas Australia Ltd) and as an associate of Kong Chong Soon @ Chi Suim.
- 5) Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).
- 6) Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd).

STATEMENT OF DIRECTORS' INTEREST

AS AT 1 APRIL 2024

| | DIRECT | | INDIRECT | |
|----------------------------|---------|------|------------------------------|-------|
| | Shares | % | Shares | % |
| Directors | | | | |
| Kong Chong Soon @ Chi Suim | – | – | 1,741,562,740 ⁽¹⁾ | 69.93 |
| Kong Pak Lim | – | – | 1,741,238,020 ⁽²⁾ | 69.92 |
| Ang Kheng Im | 227,920 | 0.01 | – | – |
| Fong Heng Boo | – | – | – | – |
| Eugene Lee Chin Jin | – | – | – | – |
| Tuan Haji Ramley Bin Alan | – | – | – | – |
| Alternate Directors | | | | |
| Kong Sze Choon | 148,300 | 0.01 | 54,500 ⁽³⁾ | * |
| Stephanie Kong Pei Zen | – | – | – | – |

* negligible

Notes:

- 1) Deemed interested by virtue of Section 8 of the Companies Act, 2016 (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).
- 2) Deemed interested by virtue of Section 8 of the Companies Act, 2016 (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd).
- 3) Deemed interest by virtue of Section 8 of the Companies Act, 2016 held through Global Transact Sdn Bhd.

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of UOA Development Bhd ("AGM") will be held at Spectrum, Level 3A, Connexion Conference & Event Centre@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 28 May 2024 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|---|--|--------------|
| 1 | To lay the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note 1) | |
| 2 | To approve a Final Single Tier Dividend of 10 sen per share for the financial year ended 31 December 2023. | Resolution 1 |
| 3 | To approve the payment of Directors' fees and meeting allowances payable up to an amount of RM211,000.00 for the financial year ending 31 December 2024. | Resolution 2 |
| 4 | To re-elect Mr. Kong Chong Soon @ Chi Suim who shall retire pursuant to Article 100 of the Constitution of the Company. | Resolution 3 |
| 5 | To re-elect Mr. Fong Heng Boo who shall retire pursuant to Article 100 of the Constitution of the Company. | Resolution 4 |
| 6 | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 5 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions:

- | | | |
|---|--|--------------|
| 7 | Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016. | Resolution 6 |
| | <p>"THAT subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."</p> | |

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING *(CONTINUED)*

- 8 **Proposed renewal of authority from shareholders to allot and issue new ordinary shares in UOA Development Bhd ("UOA" or "the Company") ("Shares") for the purpose of the Company's Dividend Reinvestment Scheme ("DRS") that provides the shareholders of UOA ("Shareholders") the option to elect to reinvest their cash dividend in new Shares.**

Resolution 7

"THAT pursuant to the DRS as approved by the Shareholders at the Extraordinary General Meeting held on 29 May 2012 and renewed at the Annual General Meeting held on 22 May 2023, subject to the approval of the relevant authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-market-day volume weighted average market price ("VWAP") of the Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

- 9 **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading nature and for Provision of Financial Assistance with UOA Holdings Group.**

Resolution 8

"THAT, pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the UOA Holdings Group as set out in Part A of Appendix I of the Circular to Shareholders of the Company dated 29 April 2024 ("Circular") with the related parties mentioned therein which are necessary for UOA Development and its subsidiaries' ("UOA Development Group") day-to-day operations subject further to the following:

- a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

- a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING *(CONTINUED)*

- 10 **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and for Provision of Financial Assistance with Transmetro Group.** Resolution 9

"THAT, pursuant to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the Transmetro Group as set out in Part A of Appendix I of the Circular to Shareholders of the Company dated 29 April 2024 ("Circular") with the related parties mentioned therein which are necessary for UOA Development Group's day-to-day operations subject further to the following:

- a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

- a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

- 11 **Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature.** Resolution 10

"THAT, pursuant to the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Part B of Appendix I of the Circular to Shareholders of the Company dated 29 April 2024 ("Circular") with the related parties mentioned therein which are necessary for UOA Development Group's day-to-day operations subject further to the following:

- a. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- b. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year;

THAT such approval shall continue to be in force until:

- a. the conclusion of the next AGM of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING *(CONTINUED)*

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this resolution."

12 Proposed Renewal of Share Buy-Back Authority.

Resolution 11

"THAT, subject always to the Companies Act 2016, the Constitution of the Company, the Listing Requirements and all other relevant applicable laws, regulations and guidelines and the approvals of all relevant authorities, the approval granted by the shareholders of the Company at the Annual General Meeting ("AGM") of the Company held on 22 May 2023, authorising the Company to purchase and/or hold such amount of ordinary shares ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities, details as set out in the Circular to Shareholders of the Company dated 29 April 2024 ("Circular"), be and is hereby renewed, provided that:

- a. the aggregate number of Shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the issued share capital of the Company at the time of purchase; and
- b. the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits balance.

THAT the Directors of the Company be and are hereby authorised to deal with the Shares so purchased in their absolute discretion in any of the following manners:

- a. cancel all the Shares so purchased; and/or
- b. retain the Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- c. retain part thereof as treasury shares and cancel the remainder;

AND THAT such authority shall commence immediately upon the passing of this resolution, until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements and arrangements with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own Shares."

13 To transact any other business for which due notice has been given.

By Order of the Board

YAP KAI WENG (MAICSA 74580) (SSM Pc No.: 201908003526)

WONG YOKE LENG (MAICSA 7032314) (SSM Pc No.: 201908004035)

Company Secretaries

Kuala Lumpur, Malaysia

29 April 2024

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING *(CONTINUED)*

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 20 May 2024 shall be regarded as members and be entitled to attend and vote at this AGM. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy must be deposited at the Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submit the Proxy Form electronically at <https://tiih.online> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES

1. The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 and do not require approval of shareholders. This item is meant for discussion only under the Agenda and hence, will not be put forward for voting.
2. The Board through the Nomination and Remuneration Committee ("NRC") of the Company had undertaken an annual assessment on the Managing Director, Mr. Kong Chong Soon @ Chi Suim, and Independent Non-Executive Director, Mr. Fong Heng Boo, both of whom are seeking re-election pursuant to Clause 100 of the Company's Constitution.

The two Directors have provided their declaration of fit and propriety as Directors of the Company. The Independent Director have also provided his annual confirmation of his independence. Both the Board and the NRC are satisfied with their performance assessment such as their meeting attendances, active participations and contributions at meetings, competency, capability and understanding of their roles and responsibilities.

Hence, the Board recommended that the approval of the shareholders be sought for the re-election of the said Directors at this AGM. Further information on the said Directors can be obtained in the Directors' Profiles set out in the Annual Report for the year ended 31 December 2023.

3. Resolution 6 - Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016

The proposed Resolution 6 will give the Directors of the Company the flexibility to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING *(CONTINUED)*

The Company continues to consider opportunities to enhance the earnings potential of the Company and if such opportunities involve the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares even though the number involved may be less than 10% of the issued share capital. In order to avoid any delay and costs involved in convening a general meeting to approve the issuance of new shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purposes.

The authority for the allotment of new shares will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or acquisition. This authority will expire at the next AGM, unless revoked or varied at a general meeting. As at the date of this notice, there were no shares issued pursuant to the mandate obtained in the last AGM.

4. Resolution 7 - Authority to Issue Shares pursuant to the DRS

The proposed Resolution 7 will give the Directors of the Company the authority to allot and issue new shares in the Company for the DRS in respect of the dividend declared at this AGM and subsequently until the next AGM.

5. Resolution 8, Resolution 9 and Resolution 10 – General Mandate for Recurrent Related Party Transactions

The proposed Resolution 8, 9, and 10, if passed, will allow the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue and trading nature. The details of these proposals are set out in the Circular to Shareholders dated 29 April 2024, which is despatched together with the Annual Report for the financial year ended 31 December 2023.

6. Resolution 11 – Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 11, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of purchase. Details of this proposal is set out in the Circular to Shareholders dated 29 April 2024, which is despatched together with the Annual Report for the financial year ended 31 December 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of individuals who are standing for election as Directors

No individual is seeking election as Director (excluding Directors standing for re-election) at the Twentieth Annual General Meeting ("AGM") of the Company.

General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad

The details of the proposed authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 3 of the Notice of the AGM.

PROXY FORM

UOA DEVELOPMENT BHD
Registration No. 200401015520 (654023-V)
(Incorporated in Malaysia)

| | |
|------------------|---------------------|
| CDS Account No.: | No. of Shares held: |
|------------------|---------------------|

I/We _____ NRIC No. / Company No. _____
of _____
Tel No. _____

being a Shareholder/Shareholders of UOA DEVELOPMENT BHD, hereby appoint the following person(s) as my proxy(ies):

| No. | Name as per NRIC | NRIC No. | % Shareholding to be represented |
|-----|------------------|----------|----------------------------------|
| 1. | | | |
| 2. | | | |

or failing him/her the Chairman of the Meeting as my/our proxy to attend on my/our behalf the Twentieth Annual General Meeting of UOA DEVELOPMENT BHD to be held at Spectrum, Level 3A, Connexion Conference & Event Centre@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 28 May 2024 at 10.00 a.m., and at any adjournment in the manner indicated below:

| Resolutions | | For | Against | Abstain |
|------------------------|--|-----|---------|---------|
| Ordinary Resolution 1 | To approve the Final Single Tier Dividend for the financial year ended 31 December 2023. | | | |
| Ordinary Resolution 2 | To approve the payment of Directors' fees and meeting allowances for the financial year ending 31 December 2024. | | | |
| Ordinary Resolution 3 | To re-elect Mr. Kong Chong Soon @ Chi Suim as a Director of the Company. | | | |
| Ordinary Resolution 4 | To re-elect Mr. Fong Heng Boo as a Director of the Company. | | | |
| Ordinary Resolution 5 | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company. | | | |
| Ordinary Resolution 6 | To authorise the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016. | | | |
| Ordinary Resolution 7 | To authorise the Directors to allot and issue shares pursuant to the DRS of the Company. | | | |
| Ordinary Resolution 8 | To approve the renewal of the Shareholders' Mandate for existing recurrent related party transactions and provision of financial assistance with UOA Holdings Group. | | | |
| Ordinary Resolution 9 | To approve the renewal of Shareholders' Mandate for existing recurrent related party transactions and for provision of financial assistance with Transmetro Group. | | | |
| Ordinary Resolution 10 | To approve the new Shareholders' Mandate for new recurrent related party transactions and for provision of financial assistance. | | | |
| Ordinary Resolution 11 | To approve the renewal of the Share Buy-Back Authority. | | | |

(Please indicate with an "x" in the space provided how you wish your vote to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

Signature of Shareholder(s)/Common Seal
Date:

NOTE:

1. Only depositors whose names appear in the Record of Depositors as at 20 May 2024 shall be regarded as members and be entitled to attend and vote at this Annual General Meeting. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy must be deposited at the Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submit the Proxy Form electronically at <https://tiih.online> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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UOA DEVELOPMENT BHD

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