

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2024

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

| CONTENTS | PAGES |
|---|--------------|
| • Corporate Information | 2 |
| • Directors' Report | 3 - 9 |
| • Statement by Directors and Statutory Declaration | 10 |
| • Independent Auditors' Report | 11 - 16 |
| • Statements of Financial Position | 17 - 18 |
| • Statements of Profit or Loss and Other Comprehensive Income | 19 |
| • Statements of Changes in Equity | 20 - 21 |
| • Statements of Cash Flows | 22 - 24 |
| • Notes to the Financial Statements | 25 - 83 |

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

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

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

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

FINANCIAL RESULTS

| | Group RM'000 | Company RM'000 |
|-----------------------------------|------------------------|--------------------------|
| Attributable to: | | |
| Owners of the Company | 287,303 | |
| Non-controlling interests | <u>7,437</u> | |
| Net profit for the financial year | <u>294,740</u> | <u>236,774</u> |

DIVIDENDS

During an Annual General Meeting held on 28 May 2024, 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 RM249,041,850 in respect of the financial year ended 31 December 2023, as proposed in the Directors' report for that financial year.

DIVIDENDS (CONT'D)

The dividends of RM249,041,850 were settled as follows:

- RM225,398,004 was reinvested via the issuance of 133,371,600 new ordinary shares pursuant to the DRS to shareholders who have elected for the DRS; and
- RM23,643,846 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 2024 amounting to RM262,379,010 based on 2,623,790,100 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 2025.

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 RM3,071,432,358 to RM3,296,830,362 by way of issuance of 133,371,600 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 28 May 2024, 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.

TREASURY SHARES (CONT'D)

During the financial year, there was no buy-back of treasury shares. The cumulative treasury shares of the Group and of the Company as at the reporting date is 1,133,800 out of the total 2,624,923,900 issued ordinary shares. Further relevant details are disclosed in Note 22 to the Financial Statements.

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

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

Kong Chong Soon @ Chi Suim*

Kong Pak Lim*

Ang Kheng Im

Fong Heng Boo

Eugene Lee Chin Jin

Tuan Haji Ramley Bin Alan

Kong Sze Choon* (alternate for Kong Chong Soon @ Chi Suim)

Stephanie Kong Pei Zen* (alternate for Kong Pak Lim)

* also Director of certain subsidiaries of the Company

DIRECTORS (CONT'D)

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 | Lan Leong Chung |
| Foong Kin Fai | Ng Yoong Duong |
| Koh Koek Hung | Vyshnevi Vijayanandan |
| Kong Sze Hou | Chan Cecelia |
| Tong Ee Ping | Yong Suan Mooi |
| Carol Philomena Clark | Ho Chin Kuang |
| Albert Chan Kin Soong | Lee Ka Lok |
| Cao Qiang | Ng See Yee |
| Martin Yap Lu Hoong | Looi Qi Hao |
| Yap Woon Bin | Sharifa Shahreen Binti Syed Sultan Ahmed |

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 31.12.2024 |
|---|---------------------------|-------------|------|------------------|
| | At 1.1.2024 | Bought/DRS | Sold | |
| The Company | | | | |
| <u>Direct interests</u> | | | | |
| Kong Sze Choon | 148,300 | - | - | 148,300 |
| Ang Kheng Im | 227,920 | 13,400 | - | 241,320 |
| <u>Indirect interests</u> | | | | |
| Kong Chong Soon @ Chi Suim* | 1,741,562,740 | 103,042,000 | - | 1,844,604,740 |
| Kong Pak Lim* | 1,741,238,020 | 103,031,700 | - | 1,844,269,720 |
| Kong Sze Choon* | 54,500 | 3,200 | - | 57,700 |
| United Overseas Australia Ltd (ultimate holding company) | | | | |
| <u>Direct interests</u> | | | | |
| Kong Chong Soon @ Chi Suim | 3,171,382 | 141,979 | - | 3,313,361 |
| <u>Indirect interests</u> | | | | |
| Kong Chong Soon @ Chi Suim* | 1,179,615,904 | 40,439,608 | - | 1,220,055,512 |
| Kong Pak Lim* | 899,113,904 | 23,005,162 | - | 922,119,066 |

- * deemed interests by virtue of their shares in Griyajaya Sdn. Bhd., Transmetro Sdn. Bhd., Accomplished Portfolio Sdn. Bhd., 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' INTERESTS (CONT'D)

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 (cont'd):-

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.

| | <u>Number of ordinary shares</u> | | | |
|--|----------------------------------|---------------|-------------|-------------------------|
| | At <u>1.1.2024</u> | <u>Bought</u> | <u>Sold</u> | At <u>31.12.2024</u> |
| 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:

| | <u>Incurred by the Group RM</u> | <u>Incurred by the Company RM</u> |
|---|---|---|
| Directors' fees | 180,000 | 180,000 |
| Directors' remunerations and other benefits* | 8,170,289 | 24,000 |
| Insurance paid for Directors' indemnity given | <u>18,630</u> | <u>18,630</u> |

* Included in the Directors' remunerations and other benefits of the Group are benefits-in-kind (based on estimated monetary value) amounted to RM311,886.

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, other than disclosed in Note 38 to the Financial Statements.

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 payable to the auditors, Grant Thornton Malaysia PLT and its member firms as remunerations for their services rendered, by the Group and by the Company for the financial year ended 31 December 2024 are amounted to RM1,704,900 and RM1,085,000 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 |) | |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | DIRECTORS |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | |
| KONG CHONG SOON @ CHI SUIM |) | |

25 March 2025

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 17 to 83 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 2024 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

25 March 2025

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 17 to 83 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)
25 March 2025)
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 2024 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 17 to 83.

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 2024, 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.

Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements (cont'd)

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.

Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Revenue and cost of sales recognition for property development activities (cont'd)

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 recognised revenue and cost of sales.

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.

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.

Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements (cont'd)

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.

Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements (cont'd)

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

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 (cont'd):

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Registration No.: 200401015520 (654023-V)

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)

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

Kuala Lumpur
25 March 2025

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | <u>Note</u> | Group | | Company | |
|--|-------------|------------------|------------------|------------------|------------------|
| | | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 380,276 | 374,415 | - | 6,798 |
| Investment properties | 5 | 1,784,487 | 1,652,152 | - | - |
| Inventories | 6 | 460,378 | 433,614 | - | - |
| Investment in subsidiary companies | 7 | - | - | 2,364,727 | 2,329,913 |
| Equity investments | 8 | 76,781 | 87,205 | 17,787 | 17,445 |
| Deferred tax assets | 9 | 40,239 | 33,998 | - | - |
| Total non-current assets | | <u>2,742,161</u> | <u>2,581,384</u> | <u>2,382,514</u> | <u>2,354,156</u> |
| Current assets | | | | | |
| Inventories | 6 | 1,425,677 | 1,403,518 | - | - |
| Contract assets | 10 | 231,918 | 65,777 | - | - |
| Trade receivables | 11 | 76,589 | 71,784 | - | - |
| Other receivables | 12 | 41,651 | 40,448 | 2,443 | 3,780 |
| Amount owing by ultimate holding company | 13 | - | 5 | - | - |
| Amount owing by subsidiary companies | 14 | - | - | 282,984 | 111,693 |
| Amount owing by related companies | 15 | - | 699 | - | 22 |
| Current tax assets | | 70,486 | 71,338 | 2,522 | 1,936 |
| Short term investments | 16 | 1,333,113 | 1,443,665 | 588,802 | 597,334 |
| Fixed deposits with licensed banks | 17 | 233,380 | 206,106 | 52,945 | 33,008 |
| Cash and bank balances | 18 | 233,682 | 196,350 | 3,576 | 5,533 |
| Total current assets | | <u>3,646,496</u> | <u>3,499,690</u> | <u>933,272</u> | <u>753,306</u> |
| TOTAL ASSETS | | <u>6,388,657</u> | <u>6,081,074</u> | <u>3,315,786</u> | <u>3,107,462</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 19 | 3,296,830 | 3,071,432 | 3,296,830 | 3,071,432 |
| Merger reserve | 20 | 2,252 | 2,252 | - | - |
| Fair value reserve | 21 | (2,937) | 7,487 | 8,911 | 8,569 |
| Retained earnings | | 2,367,852 | 2,334,044 | 5,666 | 17,934 |
| Treasury shares | 22 | (2,119) | (2,119) | (2,119) | (2,119) |
| Equity attributable to owners of the Company | | <u>5,661,878</u> | <u>5,413,096</u> | <u>3,309,288</u> | <u>3,095,816</u> |
| Non-controlling interests | 7 | <u>173,214</u> | <u>176,115</u> | <u>-</u> | <u>-</u> |
| Total equity | | <u>5,835,092</u> | <u>5,589,211</u> | <u>3,309,288</u> | <u>3,095,816</u> |

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

| | | Group | | Company | |
|--|-------------|------------------|------------------|------------------|------------------|
| | <u>Note</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Amount owing to non-controlling shareholders of subsidiary companies | 23 | 1,911 | 1,761 | - | - |
| Lease liabilities | 24 | 812 | 276 | - | 164 |
| Borrowings | 25 | 119 | 166 | - | - |
| Deferred tax liabilities | 26 | 60,543 | 50,613 | - | - |
| Total non-current liabilities | | 63,385 | 52,816 | - | 164 |
| Current liabilities | | | | | |
| Trade payables | 27 | 198,697 | 178,446 | - | - |
| Other payables | 28 | 228,556 | 208,377 | 6,483 | 10,121 |
| Contract liabilities | 10 | 12,225 | - | - | - |
| Amount owing to immediate holding company | 13 | - | 194 | - | 1 |
| Amount owing to subsidiary companies | 14 | - | - | 15 | 1,117 |
| Amount owing to related companies | 15 | - | 326 | - | 148 |
| Amount owing to non-controlling shareholders of subsidiary companies | 23 | 39,500 | 45,784 | - | - |
| Lease liabilities | 24 | 253 | 155 | - | 95 |
| Borrowings | 25 | 48 | 46 | - | - |
| Current tax liabilities | | 10,901 | 5,719 | - | - |
| Total current liabilities | | 490,180 | 439,047 | 6,498 | 11,482 |
| Total liabilities | | 553,565 | 491,863 | 6,498 | 11,646 |
| TOTAL EQUITY AND LIABILITIES | | 6,388,657 | 6,081,074 | 3,315,786 | 3,107,462 |

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| | | Group | | Company | |
|--|-------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Note</u> | <u>2024</u> RM'000 | <u>2023</u> RM'000 | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
| Revenue | 29 | 545,698 | 399,392 | 242,674 | 731,337 |
| Cost of sales | 30 | (350,484) | (225,724) | - | - |
| Gross profit | | 195,214 | 173,668 | 242,674 | 731,337 |
| Fair value gain on investment properties | | 44,235 | 39,359 | - | - |
| Finance income | | 47,657 | 45,266 | 20,676 | 9,222 |
| Other income | 31 | 383,102 | 354,279 | 5,889 | 9,353 |
| Reversal of impairment losses/(impairment losses) on financial assets | | 668 | 5,389 | 10,100 | (10,099) |
| Reversal of impairment losses/(impairment losses) on non-financial assets | | 1,525 | 21,629 | (17,400) | - |
| Reversal of inventories written down/(inventories written down) | | 896 | (2,523) | - | - |
| Administrative and general expenses | | (187,962) | (192,414) | (8,426) | (46,069) |
| Other expenses | | (91,618) | (76,124) | - | - |
| Finance costs | 32 | (210) | (131) | - | (13) |
| Profit before tax | 33 | 393,507 | 368,398 | 253,513 | 693,731 |
| Tax expenses | 34 | (98,767) | (81,992) | (16,739) | (2,909) |
| Net profit for the financial year | | 294,740 | 286,406 | 236,774 | 690,822 |
| Other comprehensive income: | | | | | |
| <i>Item that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Fair value (loss)/gain on remeasurement of financial assets | | (10,424) | 1,363 | 342 | 4,528 |
| Total comprehensive income for the financial year | | <u>284,316</u> | <u>287,769</u> | <u>237,116</u> | <u>695,350</u> |
| Net profit for the financial year attributable to: | | | | | |
| Owners of the Company | | 287,303 | 279,551 | | |
| Non-controlling interests | | <u>7,437</u> | <u>6,855</u> | | |
| | | <u>294,740</u> | <u>286,406</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 276,879 | 280,914 | | |
| Non-controlling interests | | <u>7,437</u> | <u>6,855</u> | | |
| | | <u>284,316</u> | <u>287,769</u> | | |
| Earnings per share (RM) - Basic and Diluted | 35 | <u>0.11</u> | <u>0.11</u> | | |

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| Group | Note | -----Attributable to owners of the Company----- | | | | | | Non-controlling interests RM'000 | Total equity RM'000 |
|--|------|---|--------------------------|------------------------------|-----------------------------|---------------------------|-----------------|-------------------------------------|------------------------|
| | | Share capital RM'000 | Merger reserve RM'000 | Fair value reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total RM'000 | | |
| Balance at 1 January 2023 | | 2,953,770 | 2,252 | 6,124 | 2,781,398 | (2,119) | 5,741,425 | 175,644 | 5,917,069 |
| Total comprehensive income for the financial year | | - | - | 1,363 | 279,551 | - | 280,914 | 6,855 | 287,769 |
| Dividends to non-controlling shareholders of subsidiary companies | | - | - | - | - | - | - | (4,992) | (4,992) |
| Dividends to shareholders of the Company | 36 | 117,662 | - | - | (726,905) | - | (609,243) | - | (609,243) |
| Acquisition of shares in a new subsidiary company | | - | - | - | - | - | - | (1,397) | (1,397) |
| Acquisition of additional shares in an existing subsidiary company | | - | - | - | - | - | - | 5 | 5 |
| Balance at 31 December 2023 | | 3,071,432 | 2,252 | 7,487 | 2,334,044 | (2,119) | 5,413,096 | 176,115 | 5,589,211 |
| Total comprehensive income for the financial year | | - | - | (10,424) | 287,303 | - | 276,879 | 7,437 | 284,316 |
| Dividends to non-controlling shareholders of subsidiary companies | | - | - | - | - | - | - | (14,728) | (14,728) |
| Dividends to shareholders of the Company | 36 | 225,398 | - | - | (249,042) | - | (23,644) | - | (23,644) |
| Acquisition of shares in new subsidiary companies | | - | - | - | - | - | - | (213) | (213) |
| Acquisition of additional shares in existing subsidiary companies | | - | - | - | (4,453) | - | (4,453) | 4,603 | 150 |
| Balance at 31 December 2024 | | 3,296,830 | 2,252 | (2,937) | 2,367,852 | (2,119) | 5,661,878 | 173,214 | 5,835,092 |

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

| Company | <u>Note</u> | <u>Share capital</u> RM'000 | <u>Fair value reserve</u> RM'000 | <u>Retained earnings</u> RM'000 | <u>Treasury shares</u> RM'000 | <u>Total equity</u> RM'000 |
|---|--------------------|---------------------------------------|--|---|---|--------------------------------------|
| Balance at 1 January 2023 | | 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 |
| Total comprehensive income for the financial year | | - | 342 | 236,774 | - | 237,116 |
| Dividends | 36 | 225,398 | - | (249,042) | - | (23,644) |
| Balance at 31 December 2024 | | 3,296,830 | 8,911 | 5,666 | (2,119) | 3,309,288 |

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| | <u>Note</u> | <u>Group</u> <u>2024</u> RM'000 | <u>2023</u> RM'000 | <u>Company</u> <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|---|-------------|---------------------------------------|-----------------------|---|-----------------------|
| OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 393,507 | 368,398 | 253,513 | 693,731 |
| Adjustments for: | | | | | |
| Fair value gain on investment properties | | (44,235) | (39,359) | - | - |
| Bad debts written off | | 73 | 4,283 | - | - |
| (Reversal of inventories written down)/inventories written down | | (896) | 2,523 | - | - |
| Inventories written off | | 4 | 15 | - | - |
| (Reversal of impairment losses)/impairment losses on financial assets | | (668) | (5,389) | (10,100) | 10,099 |
| (Reversal of impairment losses)/impairment losses on non-financial assets | | (1,990) | (23,083) | 17,400 | - |
| Depreciation | | 17,489 | 17,624 | - | 1,134 |
| Gain on disposal of property, plant and equipment | | (653) | (2,974) | - | - |
| Gain on disposal of investment properties | | - | (600) | - | - |
| Property, plant and equipment written off | | 54 | 574 | 2 | 34 |
| Impairment loss on goodwill | | 465 | 1,454 | - | - |
| Distribution income from equity investments | | (4,281) | (5,243) | - | - |
| Distribution income from short term investments | | (35,262) | (29,761) | (16,886) | (7,786) |
| Dividend income from subsidiary companies | | - | - | (241,752) | (682,008) |
| Dividend income from equity investments | | (922) | (307) | (922) | (307) |
| Interest income | | (12,395) | (15,505) | (3,790) | (1,436) |
| Interest expense | | 210 | 131 | - | 13 |
| Operating profit/(loss) before working capital changes | | 310,500 | 272,781 | (2,535) | 13,474 |
| Changes in working capital:- | | | | | |
| Inventories | | (77,123) | 19,761 | - | - |
| Contract assets | | (166,141) | (41,276) | - | - |
| Contract liabilities | | 12,225 | - | - | - |
| Receivables | | (4,743) | 160,424 | 19,198 | (11,485) |
| Payables | | 36,215 | (55,815) | (4,448) | (944) |
| Cash generated from operations | | 110,933 | 355,875 | 12,215 | 1,045 |
| Interest received | | 4,520 | 8,409 | - | - |
| Dividend received | | - | - | 241,752 | 682,008 |
| Net tax paid | | (89,044) | (98,352) | (17,325) | (2,646) |
| Net cash from operating activities | | 26,409 | 265,932 | 236,642 | 680,407 |

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

| | <u>Note</u> | <u>2024</u> RM'000 | <u>2023</u> RM'000 | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|---|-------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Group | | Company | |
| INVESTING ACTIVITIES | | | | | |
| Additions to investment properties, net of reversals | | (58,951) | (9,845) | - | - |
| Purchase of property, plant and equipment | A | (18,145) | (21,418) | - | (2,816) |
| Proceeds from disposal of property, plant and equipment | | 670 | 5,403 | 6,796 | - |
| Proceeds from disposal of investment properties | | - | 15,040 | - | - |
| Repayments from/(advances to) ultimate holding company | | 5 | (5) | - | - |
| (Advances to)/repayments from subsidiary companies | | - | - | (196,755) | 86,091 |
| Repayments from/(advances to) related companies | | 646 | (441) | 22 | (21) |
| Redemption of redeemable preference shares from subsidiary companies | | - | - | - | 307,590 |
| Acquisition of shares in existing subsidiary companies | | - | - | (32,510) | (144,935) |
| Acquisition of shares in new subsidiary companies, net of cash acquired | | 217 | 183 | - | - |
| Distribution received from short term investments | | 35,262 | 29,761 | 16,886 | 7,786 |
| Distribution received from equity investments | | 4,281 | 5,243 | - | - |
| Dividend received from equity investments | | 922 | 307 | 922 | 307 |
| Interest received | | 7,562 | 7,096 | 1,530 | 1,436 |
| Net cash (used in)/from investing activities | | (27,531) | 31,324 | (203,109) | 255,438 |
| FINANCING ACTIVITIES | | | | | |
| Repayment of bank borrowings | | (45) | (44) | - | - |
| Fixed deposits pledged | | (5) | (4) | (5) | (4) |
| Payment of lease liabilities | B | (196) | (285) | - | (147) |
| (Repayments to)/advances from immediate holding company | | (152) | 64 | (1) | (17) |
| (Repayments to)/advances from subsidiary companies | | - | - | (440) | 211 |
| (Repayments to)/advances from related companies | | (178) | 24 | - | - |
| Repayment to non-controlling shareholders of subsidiary companies | | (6,000) | - | - | - |
| Interest paid | | (31) | (34) | - | (13) |
| Issuance of shares in existing subsidiaries to non-controlling shareholders | | 150 | 5 | - | - |
| Dividends paid to owners of the Company | 36 | (23,644) | (609,243) | (23,644) | (609,243) |
| Dividends paid to non-controlling shareholders of subsidiary companies | | (14,728) | (4,992) | - | - |
| Net cash used in financing activities | | (44,829) | (614,509) | (24,090) | (609,213) |

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

| | | Group | | Company | |
|------------------------------------|-------------|-------------------------|-------------------------|-----------------------|-----------------------|
| | <u>Note</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| CASH AND CASH EQUIVALENTS | | | | | |
| Net changes | | (45,951) | (317,253) | 9,443 | 326,632 |
| At beginning of financial year | | <u>1,845,952</u> | <u>2,163,205</u> | <u>635,706</u> | <u>309,074</u> |
| At end of financial year | | <u><u>1,800,001</u></u> | <u><u>1,845,952</u></u> | <u><u>645,149</u></u> | <u><u>635,706</u></u> |
| Represented by: | | | | | |
| Short term investments | | 1,333,113 | 1,443,665 | 588,802 | 597,334 |
| Fixed deposits with licensed banks | | 233,380 | 206,106 | 52,945 | 33,008 |
| Cash and bank balances | | <u>233,682</u> | <u>196,350</u> | <u>3,576</u> | <u>5,533</u> |
| | | 1,800,175 | 1,846,121 | 645,323 | 635,875 |
| Fixed deposits pledged | | <u>(174)</u> | <u>(169)</u> | <u>(174)</u> | <u>(169)</u> |
| | | <u><u>1,800,001</u></u> | <u><u>1,845,952</u></u> | <u><u>645,149</u></u> | <u><u>635,706</u></u> |

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

| | Group | | Company | |
|--|---------------|---------------|-------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Aggregate cost of property, plant and equipment acquired | 19,225 | 21,872 | - | 2,816 |
| Net reversals | (250) | (454) | - | - |
| Financed via lease liabilities arrangements | <u>(830)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total cash acquisitions | <u>18,145</u> | <u>21,418</u> | <u>-</u> | <u>2,816</u> |

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

| | Group | | Company | |
|--|--------------|--------------|-------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Payments relating to short-term leases | 6,656 | 8,356 | - | 5,255 |
| Payments of lease liabilities | 196 | 285 | - | 147 |
| Interest paid in relation to lease liabilities | <u>25</u> | <u>25</u> | <u>-</u> | <u>13</u> |
| Total cash outflows for leases | <u>6,877</u> | <u>8,666</u> | <u>-</u> | <u>5,415</u> |

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

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 2.

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 25 March 2025.

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.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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.

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. BASIS OF PREPARATION (CONT'D)

2.4 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2024. All subsidiaries have a reporting date of 31 December.

2.5 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 2024. 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 - Classification of Liabilities as Current or Non-Current

Amendments made to MFRS 101 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the Group's and the Company's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of a covenant that an entity is required to comply with only after the reporting period).

The amendments have had no significant financial impact on the Group's and the Company's financial statements.

2.6 Standards issued but not yet effective

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

Amendments to MFRS effective 1 January 2025:

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

Amendments to MFRSs effective 1 January 2026:

| | |
|--|---|
| Amendments to MFRS 9 and MFRS 7 | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 | Amendments that are part of Annual Improvements – Volume 11 |
| Amendments to MFRS 9 and MFRS 7 | Contracts Referencing Nature - Dependent Electricity |

MFRSs effective 1 January 2027:

| | |
|---------|--|
| MFRS 18 | Presentation and Disclosure in Financial Statements |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosure |

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards issued but not yet effective (cont'd)

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The Group and the Company intend to adopt these amended standards and interpretations, if applicable, when they become effective in the respective financial period (cont'd):

Amendments to MFRSs - effective date deferred indefinitely:

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

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting.

The amendments will have an impact on the Group's and on the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group and the Company are currently assessing the impact of MFRS 18 and plan to adopt the new standard on the required effective date.

2.7 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.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 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.

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Property development activities and construction contracts

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

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

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

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

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

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

Impairment of non-financial assets

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Impairment of non-financial assets (cont'd)

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.

2.7.2 Significant management judgements

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

Classification between investment properties and owner-occupied properties

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

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

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.2 Significant management judgements (cont'd)

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.

3.2 Property, plant and equipment

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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 recognition

Revenue from contracts with customers

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Revenue recognition (cont'd)

All the revenue from hotel room income, food and beverage and other related income, healthcare, medicinal, physiotherapy, acupuncture, dental consultancy and treatment and other healthcare related services, course fees from provision of education, training services and related consultancy services income are recognised when their services are rendered.

Sale of medicinal, pharmaceuticals, healthcare and beauty care products income are recognised when the goods are delivered.

Other revenue recognition

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.

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.

4. **PROPERTY, PLANT AND EQUIPMENT**

| | <u>Freehold land</u> RM'000 | <u>Freehold buildings</u> RM'000 | <u>Leasehold buildings</u> RM'000 | <u>Leasehold land</u> RM'000 | <u>Plant, machineries and motor vehicles</u> RM'000 | <u>Furniture, fittings and equipment</u> RM'000 | <u>Total</u> RM'000 |
|--------------------------------------|--------------------------------|-------------------------------------|--------------------------------------|---------------------------------|--|--|------------------------|
| Group Cost | | | | | | | |
| At 1.1.2023 | 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 |
| Additions | - | 312 | 58 | - | 3,466 | 15,389 | 19,225 |
| Disposals | - | - | - | - | (1,261) | (217) | (1,478) |
| Written off | - | - | - | - | (73) | (968) | (1,041) |
| Reversals | - | - | (250)* | - | - | - | (250) |
| Acquisition of subsidiaries | - | - | - | - | - | 2,622 | 2,622 |
| At 31.12.2024 | 18,500 | 149,207 | 229,078 | - | 81,084 | 115,790 | 593,659 |
| Accumulated depreciation | | | | | | | |
| At 1.1.2023 | - | 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 |

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

| | <u>Freehold land</u> RM'000 | <u>Freehold buildings</u> RM'000 | <u>Leasehold buildings</u> RM'000 | <u>Leasehold land</u> RM'000 | <u>Plant, machineries and motor vehicles</u> RM'000 | <u>Furniture, fittings and equipment</u> RM'000 | <u>Total</u> RM'000 |
|--|--------------------------------|-------------------------------------|--------------------------------------|---------------------------------|--|--|------------------------|
| Group (cont'd) | | | | | | | |
| Accumulated depreciation (cont'd) | | | | | | | |
| At 31.12.2023 (cont'd) | - | 10,335 | 39,167 | - | 76,525 | 45,705 | 171,732 |
| Charge for the financial year | - | 2,302 | 4,582 | - | 1,272 | 9,333 | 17,489 |
| Disposals | - | - | - | - | (1,258) | (46) | (1,304) |
| Written off | - | - | - | - | (69) | (911) | (980) |
| Acquisition of subsidiaries | - | - | - | - | - | 166 | 166 |
| At 31.12.2024 | - | 12,637 | 43,749 | - | 76,470 | 54,247 | 187,103 |
| Accumulated impairment loss | | | | | | | |
| At 1.1.2023 | - | 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 |
| Reversal for the financial year | - | (1,990) | - | - | - | - | (1,990) |
| Disposals | - | - | - | - | - | (157) | (157) |
| Written off | - | - | - | - | - | (7) | (7) |
| At 31.12.2024 | - | 25,070 | - | - | - | 1,210 | 26,280 |
| Net carrying amount | | | | | | | |
| At 31.12.2024 | 18,500 | 111,500 | 185,329 | - | 4,614 | 60,333 | 380,276 |
| At 31.12.2023 | 18,500 | 111,500 | 190,103 | - | 2,427 | 51,885 | 374,415 |

* Reversal due to credit note received

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Group (cont'd)

Impairment loss on freehold buildings was reversed 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 in prior financial year due to certain subsidiary companies had ceased their business operations as disclosed in Note 7 to the Financial Statements which the carrying amount is stated to its recoverable amount.

| Company | Motor vehicles RM'000 | Furniture, fittings and equipment RM'000 | Total RM'000 |
|---------------------------------|--------------------------------------|---|-------------------------|
| Cost | | | |
| At 1.1.2023 | 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 |
| Disposals | (4,049) | (13,627) | (17,676) |
| Written off | - | (13) | (13) |
| At 31.12.2024 | - | - | - |
| Accumulated depreciation | | | |
| At 1.1.2023 | 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 |
| Disposals | (3,770) | (7,110) | (10,880) |
| Written off | - | (11) | (11) |
| At 31.12.2024 | - | - | - |
| Net carrying amount | | | |
| At 31.12.2024 | - | - | - |
| At 31.12.2023 | 279 | 6,519 | 6,798 |

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

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

| | ← Group → | | | ← Company → | | |
|-------------------------------|---|---|----------------------------|---|---|----------------------------|
| | Carrying amount included in property, plant and <u>equipment</u> RM'000 | Depreciation charged for the financial <u>year</u> RM'000 | <u>Additions</u> RM'000 | Carrying amount included in property, plant and <u>equipment</u> RM'000 | Depreciation charged for the financial <u>year</u> RM'000 | <u>Additions</u> RM'000 |
| 2024 | | | | | | |
| Leasehold buildings | 185,329 | 4,582 | 58 | - | - | - |
| Motor vehicles | 1,041 | 169 | 927 | - | - | - |
| Total right-of- use assets | 186,370 | 4,751 | 985 | - | - | - |
| 2023 | | | | | | |
| Leasehold buildings | 190,103 | 4,813 | 29 | - | - | - |
| Motor vehicles | 313 | 186 | - | 279 | 106 | - |
| Plant and machineries | 67 | 58 | - | - | - | - |
| Total right-of- use assets | 190,483 | 5,057 | 29 | 279 | 106 | - |

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

| Group | <u>At fair value</u> RM'000 | <u>At cost</u> RM'000 | <u>Total</u> RM'000 |
|---|--------------------------------|--------------------------|------------------------|
| At 1.1.2023 | 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 |
| Additions or subsequent enhancement | 1,351 | 70,546 | 71,897 |
| Reversals* | (12,946) | - | (12,946) |
| Transferred from inventories - property development costs | 29,149 | - | 29,149 |
| Fair value gain | 44,235 | - | 44,235 |
| Reclassifications | 11 | (11) | - |
| At 31.12.2024 | 1,678,380 | 106,107 | 1,784,487 |

* Reversal due to reversal of accrued construction costs.

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 2024 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 2024 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 2024 ("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.

5. **INVESTMENT PROPERTIES (CONT'D)**

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.

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

| Group | <u>2024</u> | | | <u>2023</u> | | |
|-----------------------------------|------------------|----------------|------------------|------------------|----------------|------------------|
| | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Freehold and leasehold properties | <u>1,081,330</u> | <u>597,050</u> | <u>1,678,380</u> | <u>1,050,180</u> | <u>566,400</u> | <u>1,616,580</u> |

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

| <u>Level 3</u> | <u>2024</u> | <u>2023</u> |
|--|----------------|----------------|
| | RM'000 | RM'000 |
| At 1 January | 566,400 | 487,000 |
| Additions | 1,351 | - |
| Fair value gain | 139 | 33,099 |
| Transferred from/(to) inventories - property development costs | 29,149 | (25,800) |
| Transferred from property, plant and equipment | - | 8,980 |
| Transferred from investment properties stated at cost | <u>11</u> | <u>63,121</u> |
| At 31 December | <u>597,050</u> | <u>566,400</u> |

5. **INVESTMENT PROPERTIES (CONT'D)**

Details of Level 3 fair value measurements are as follows:

| <u>Valuation method and key inputs</u> | <u>Significant unobservable inputs</u> | <u>Relationship of unobservable inputs and fair value</u> |
|--|--|---|
| 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% (2023: 6.50%) Reversionary yield rate of 6.75% to 7.00% (2023: 6.75% to 7.00%) Occupancy rates of 97.06% to 100% (2023: 85.59% to 97.06%) | 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 2024. The fair value of the properties is expected to be reliably determinable when the construction is complete.

Income and expenses recognised in profit or loss

| | Group | |
|---------------------------|-----------------------|-----------------------|
| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
| Rental income | <u>86,567</u> | <u>79,731</u> |
| Direct operating expenses | <u>36,484</u> | <u>41,501</u> |

6. **INVENTORIES**

| | Group | |
|---|-----------------------|-----------------------|
| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
| Non-current: | | |
| Land held for property development (Note 6.1) | <u>460,378</u> | <u>433,614</u> |
| Current: | | |
| Property development costs (Note 6.2) | 455,878 | 416,238 |
| Completed properties (Note 6.3) | 968,143 | 985,909 |
| Consumables and medicinal products | <u>1,656</u> | <u>1,371</u> |
| | <u>1,425,677</u> | <u>1,403,518</u> |
| | <u>1,886,055</u> | <u>1,837,132</u> |

6. INVENTORIES (CONT'D)

6.1 Land held for property development

| | Group | |
|--|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Freehold land at cost | 220,444 | 215,422 |
| Leasehold land at cost | 45,108 | 45,108 |
| Development cost | <u>168,062</u> | <u>161,417</u> |
| At beginning of financial year | 433,614 | 421,947 |
| Development cost incurred during the financial year | 5,271 | 14,543 |
| Cost transferred from inventories - property development costs | 21,493 | 7,213 |
| Cost transferred to investment properties | <u>-</u> | <u>(10,089)</u> |
| At end of financial year | <u><u>460,378</u></u> | <u><u>433,614</u></u> |

6.2 Property development costs

| | Group | |
|---|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Freehold land at cost | 184,924 | 189,946 |
| Leasehold land at cost | 40,447 | 14,647 |
| Development cost | 370,306 | 112,521 |
| Cost recognised as expenses in prior years | <u>(179,439)</u> | <u>23,192</u> |
| At beginning of financial year | 416,238 | 340,306 |
| Development cost incurred during the financial year | <u>409,467</u> | <u>195,539</u> |
| | 825,705 | 535,845 |
| Cost recognised as expenses in the current year | (319,185) | (138,194) |
| Cost transferred to inventories - land held for property development | (21,493) | (7,213) |
| Land and development cost transferred (to)/from investment properties | <u>(29,149)</u> | <u>25,800</u> |
| At end of financial year | <u><u>455,878</u></u> | <u><u>416,238</u></u> |

6.3 Completed properties

| | Group | |
|-------------------------------------|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Completed properties held for sales | 981,744 | 1,000,420 |
| Inventories written down | <u>(13,601)</u> | <u>(14,511)</u> |
| | <u><u>968,143</u></u> | <u><u>985,909</u></u> |

6. **INVENTORIES (CONT'D)**

6.3 **Completed properties (cont'd)**

The title deeds for the completed properties totalling RM10,895,000 (2023: RM10,995,000) are registered in the name of a third party.

| | Group | |
|--|--------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Recognised in profit or loss: | | |
| (Reversal of)/inventories written down | (896) | 2,523 |
| Inventories written off | <u>4</u> | <u>15</u> |

The reversal of inventories written down were made when the related inventories were sold above their carrying amount.

7. **INVESTMENT IN SUBSIDIARY COMPANIES**

| | Company | |
|----------------------------------|------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Unquoted shares at cost | 2,418,777 | 2,366,563 |
| Less: Impairment loss recognised | <u>(54,050)</u> | <u>(36,650)</u> |
| | <u>2,364,727</u> | <u>2,329,913</u> |

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

| | Company | |
|--------------------------------|----------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At beginning of financial year | 36,650 | 36,650 |
| Impairment loss recognised | <u>17,400</u> | <u>-</u> |
| At end of financial year | <u>54,050</u> | <u>36,650</u> |

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 which the impairment losses arose mainly due to the decline of their recoverable amount.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The recoverable amount of the subsidiary is measured according to the level 3 in the fair value hierarchy as disclosed in Note 2.2 to the Financial Statements. Details of the level 3 fair value method used in obtaining the recoverable amount are as follows:-

- **Valuation method and key inputs**
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities
- **Significant unobservable inputs**
Fair value of individual assets and liabilities
- **Relationship of unobservable inputs and fair value**
The higher the net assets, the higher the fair value

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

| | Equity interest | | <u>Principal activities</u> |
|---------------------------------------|-----------------|-------------|---|
| | <u>2024</u> | <u>2023</u> | |
| | % | % | |
| 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 |
| Paramount Properties Sdn. Bhd. | 100 | 100 | Property development |
| Peninsular Home Sdn. Bhd. | 60 | 60 | Property development |
| Regenta Development Sdn. Bhd. | 100 | 100 | 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 Prima Development Sdn. Bhd. | 100 | 100 | Property development |
| Seri Tiara Development Sdn. Bhd. | 85 | 85 | Property development |
| Sunny Uptown Sdn. Bhd. | 100 | 100 | Property development |

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

| | Equity interest | | <u>Principal activities</u> |
|--|-----------------|-------------|--|
| | <u>2024</u> | <u>2023</u> | |
| | % | % | |
| 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 |
| 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 |
| Cekal Impian Sdn. Bhd. | 100 | - | Property development |
| UOA Development Management Sdn. Bhd. | 100 | - | Provision of management consultancy services |
| UOA Distributor Sdn. Bhd. # | 100 | - | Dormant |
| <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 |
| Klasik Damai Sdn. Bhd. | 100 | - | Property investment |
| Rimba Bayu Mega Sdn. Bhd. | 100 | - | Property investment |

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

| | Equity interest | | <u>Principal activities</u> |
|--|-----------------|-------------|--|
| | <u>2024</u> | <u>2023</u> | |
| | % | % | |
| <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 Armada Hartasegar Sdn. Bhd.:-</i> | | | |
| Hoteland Sdn. Bhd. | 100 | 51 | Investment holding |
| Strong Indulge Sdn. Bhd. | 85 | - | Operating restaurants |
| <i>Held through Hoteland Sdn. Bhd.:-</i> | | | |
| Good Fortune Foods Sdn. Bhd. | 100 | 100 | Operating restaurants |
| Bamboo Circle Sdn. Bhd. | 100 | 100 | Operating restaurants and night clubs |
| Bamboo Estate Sdn. Bhd. | 100 | 100 | Operating restaurants and night clubs |
| <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 |
| Angkasa Kenanga Sdn. Bhd. | 100 | - | Dental consultancy, dental treatments and other related activities |
| Akasia Kembara Sdn. Bhd. | 60 | - | Administrative health care services, specialised medical services, stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods |
| My Healthland (KLW) Sdn. Bhd. | 51 | - | Activities of sauna, steam baths, massage salons, restaurants and sale by commission agents |
| <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 | Dormant |
| UMH NK Aesthetics Sdn. Bhd.* | 100 | 100 | Dormant |
| UMH NK Dental Sdn. Bhd.* | 100 | 100 | Dormant |

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

* In prior 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.

No statutory audit was required as at the reporting date as the subsidiary company was newly incorporated during the financial year. The Directors have consolidated the results of this subsidiary company based on its management financial statements.

Newly acquired/incorporated subsidiary companies

2024

During the financial year, the Company incorporated three new wholly-owned subsidiaries namely UOA Development Management Sdn. Bhd., UOA Distributor Sdn. Bhd. and Cekal Impian Sdn. Bhd. with share capital of RM1 each respectively.

The Company via its wholly-owned subsidiary, Armada Hartasegar Sdn. Bhd. incorporated a new subsidiary company namely Strong Indulge Sdn. Bhd. for cash consideration of RM850 for 85% of equity interest in the said subsidiary company and also acquired additional 49% of equity interest in its existing subsidiary company namely Hoteland Sdn. Bhd. for cash consideration of RM1, consequently the effective equity interest in the said subsidiary company increase from 51% to 100%.

The Company via its wholly-owned subsidiary, UOA Properties Sdn. Bhd. incorporated two new wholly-owned subsidiary companies namely Klasik Damai Sdn. Bhd. and Rimba Bayu Mega Sdn. Bhd. for cash considerations of RM1 each for 100% of equity interest in the respective subsidiary companies.

The Company via its wholly-owned subsidiary, Federaya Development Sdn. Bhd. acquired three new subsidiary companies namely Akasia Kembara Sdn. Bhd., Angkasa Kenanga Sdn. Bhd. and My Healthland (KLW) Sdn. Bhd. for cash considerations of RM75,000 for 60% of equity interest, RM1 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.

2023

In prior 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.

7. **INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

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.

Goodwill on consolidation

Goodwill arising from the acquisition of the group of subsidiaries by comparing the purchase consideration with the net assets acquired.

| | Group | |
|--------------------------------|--------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At net carrying amount | | |
| At beginning of financial year | 1,454 | - |
| Additions | 465 | 1,454 |
| | <hr/> | <hr/> |
| | 1,919 | 1,454 |
| Impairment loss | (1,919) | (1,454) |
| | <hr/> | <hr/> |
| At end of financial year | - | - |
| | <hr/> | <hr/> |

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

| | Group | |
|--------------------------------|--------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At beginning of financial year | 1,454 | - |
| Recognised during the year | 465 | 1,454 |
| | <hr/> | <hr/> |
| At end of financial year | 1,919 | 1,454 |
| | <hr/> | <hr/> |

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.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Additional shares subscribed in existing subsidiary companies

During the financial year, the Company subscribed for additional ordinary shares in existing subsidiary companies as follows:-

| | Types of <u>shares</u> | Number of <u>shares</u> '000 | Cash <u>consideration</u> RM'000 |
|--------------------------------|---------------------------|------------------------------------|--|
| 2024 | | | |
| Armada Hartasegar Sdn. Bhd. | Ordinary | 23,964 | 23,964 |
| Pertiwi Sinarjuta Sdn. Bhd. | Ordinary | 350 | 350 |
| Regenta Development Sdn. Bhd. | Ordinary | 270 | 270 |
| Federaya Development Sdn. Bhd. | Ordinary | 826 | 826 |
| UOA Properties Sdn. Bhd. | Ordinary | 7,100 | 7,100 |
| | | | <u>32,510</u> |

During the financial year, the Company subscribed for additional ordinary shares in existing subsidiary companies by capitalising part of the interest free advances owing by the subsidiary companies as follows:-

| | Types of <u>shares</u> | Number of <u>shares</u> '000 | Amount <u>capitalised</u> RM'000 |
|--------------------------------|---------------------------|------------------------------------|--|
| 2024 | | | |
| Armada Hartasegar Sdn. Bhd. | Ordinary | 9,730 | 9,730 |
| Federaya Development Sdn. Bhd. | Ordinary | 2,174 | 2,174 |
| UOA Komune Sdn. Bhd. | Ordinary | 7,800 | 7,800 |
| | | | <u>19,704</u> |

In prior year, the Company subscribed for additional ordinary shares and convertible redeemable preference shares ("CRPS") in existing subsidiary companies as follows:

| | Type of <u>shares</u> | Number of <u>shares</u> '000 | Cash <u>consideration</u> RM'000 |
|--|--------------------------|------------------------------------|--|
| 2023 | | | |
| Concrord Housing Development Sdn. Bhd. | CRPS | 1,400 | 14,000 |
| Magna Kelana Development Sdn. Bhd. | CRPS | 550 | 5,500 |
| Regenta Development Sdn. Bhd. | CRPS | 23 | 230 |
| Federaya Development Sdn. Bhd. | CRPS | 650 | 6,500 |
| Tiarawoods Sdn. Bhd. | CRPS | 3,500 | 35,000 |
| UOA Properties Sdn. Bhd. | Ordinary | 82,705 | 82,705 |
| UOA Academy Sdn. Bhd. | Ordinary | 1,000 | 1,000 |
| | | | <u>144,935</u> |

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Additional shares subscribed in existing subsidiary companies (cont'd)

In prior year, the subsidiary companies redeemed the CRPS subscribed by the Company as follows:-

| | Number of <u>shares</u> '000 | Redemption <u>amount</u> 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 |
| | | <u>307,590</u> |

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting year are as follows:

| <u>Name of subsidiary companies</u> | <u>Proportion of ownership interests held by non-controlling interests</u> | | <u>Profit/(loss) allocated to non-controlling interests</u> | | <u>Carrying amount of non-controlling interests</u> | |
|-------------------------------------|--|-------------|---|-------------|---|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | % | % | RM'000 | RM'000 | RM'000 | RM'000 |
| Eureka Equity Sdn. Bhd. | 40 | 40 | (30) | 849 | 5,642 | 17,272 |
| Everise Project Sdn. Bhd. | 40 | 40 | 7,211 | 7,492 | 136,036 | 128,825 |
| Seri Tiara Development Sdn. Bhd. | 15 | 15 | (189) | (93) | 25,692 | 25,881 |

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below:

| | <u>Eureka Equity Sdn. Bhd.</u> RM'000 | <u>Everise Project Sdn. Bhd.</u> RM'000 | <u>Seri Tiara Development Sdn. Bhd.</u> RM'000 |
|--|--|--|---|
| 2024 | | | |
| Financial position as at reporting date | | | |
| Non-current assets | - | 108,912 | 39 |
| Current assets | 18,957 | 345,725 | 172,607 |
| Non-current liabilities | - | (2,380) | - |
| Current liabilities | (4,852) | (112,166) | (1,365) |
| Net assets | <u>14,105</u> | <u>340,091</u> | <u>171,281</u> |

7. **INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below (cont'd):

| | Eureka Equity <u>Sdn. Bhd.</u> RM'000 | Everise Project <u>Sdn. Bhd.</u> RM'000 | Seri Tiara Development <u>Sdn. Bhd.</u> RM'000 |
|---|--|--|---|
| 2024 (cont'd) | | | |
| Summary of financial performance for the financial year | | | |
| Net (loss)/profit/total comprehensive (loss)/income for the financial year | (74) | 18,028 | (1,259) |
| Revenue included in the net (loss)/profit/total comprehensive (loss)/income | 359 | - | - |
| Summary of cash flows for the financial year | | | |
| Net cash (outflows)/inflows from operating activities | (30) | 17,707 | (3,239) |
| Net cash inflows/(outflows) from investing activities | 150 | (98) | 342 |
| Net cash outflows from financing activities | (29,040) | (33,682) | (141) |
| Net cash outflows | (28,920) | (16,073) | (3,038) |
| Other information | | | |
| Dividends paid to non-controlling interests | 11,600 | - | - |
| 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) | - |

7. **INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below (cont'd):

| | Eureka Equity <u>Sdn. Bhd.</u> RM'000 | Everise Project <u>Sdn. Bhd.</u> RM'000 | Seri Tiara Development <u>Sdn. Bhd.</u> RM'000 |
|---|--|--|---|
| 2023 (cont'd) | | | |
| 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) | <u>3,007</u> | <u>530</u> | <u>(79)</u> |
| Other information | | | |
| Dividends paid to non-controlling interests | - | - | - |

8. **EQUITY INVESTMENTS**

| | Group | | Company | |
|--|---------------|---------------|----------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Financial assets at fair value through OCI | | | | |
| Shares quoted in Malaysia | 76,681 | 87,105 | 17,787 | 17,445 |
| Unquoted shares in Malaysia | <u>100</u> | <u>100</u> | <u>-</u> | <u>-</u> |
| | <u>76,781</u> | <u>87,205</u> | <u>17,787</u> | <u>17,445</u> |

The fair value hierarchies of the Group's and of 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 | |
|------------------------------|---------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At 1 January | 33,998 | 34,962 |
| Recognised in profit or loss | <u>6,241</u> | <u>(964)</u> |
| At 31 December | <u>40,239</u> | <u>33,998</u> |

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/(CONTRACT LIABILITIES)**

| | Group | |
|----------------------------------|------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| <u>Contract assets</u> | | |
| Revenue recognised to date | 817,418 | 289,510 |
| Progress billings issued to date | <u>(617,258)</u> | <u>(232,849)</u> |
| | <u>200,160</u> | <u>56,661</u> |
| <u>Contract costs</u> | | |
| Costs to obtain contracts | <u>19,533</u> | <u>9,116</u> |
| | <u>219,693</u> | <u>65,777</u> |
| Contract assets | 231,918 | 65,777 |
| Contract liabilities | <u>(12,225)</u> | <u>-</u> |
| | <u>219,693</u> | <u>65,777</u> |

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, RM11,588,000 (2023: RM3,961,000) was amortised to cost of sales and RM11,946,000 (2023: RM3,294,000) was amortised against revenue.

11. **TRADE RECEIVABLES**

| | Group | |
|------------------------------|----------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Progress billings receivable | 77,594 | 62,456 |
| Funds held by stakeholders | 5,571 | 15,995 |
| Other trade receivables | 15 | 15 |
| | <u>83,180</u> | <u>78,466</u> |
| Impairment loss | <u>(6,591)</u> | <u>(6,682)</u> |
| | <u>76,589</u> | <u>71,784</u> |

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

| | Group | |
|--------------------------------|--------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At beginning of financial year | 6,682 | 7,682 |
| Reversal during the year | <u>(91)</u> | <u>(1,000)</u> |
| At end of financial year | <u>6,591</u> | <u>6,682</u> |

The progress billings receivable are due within 14 to 90 days (2023: 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 | |
|--------------------------|-----------------|-----------------|----------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sundry receivables | 32,454 | 32,845 | 2,104 | 2,761 |
| Deposits and prepayments | <u>19,514</u> | <u>19,336</u> | <u>1,646</u> | <u>2,326</u> |
| | 51,968 | 52,181 | 3,750 | 5,087 |
| Impairment loss | <u>(10,317)</u> | <u>(11,733)</u> | <u>(1,307)</u> | <u>(1,307)</u> |
| | <u>41,651</u> | <u>40,448</u> | <u>2,443</u> | <u>3,780</u> |

The movements of impairment loss during the financial year are as follows:-

| | Group | | Company | |
|--------------------------------|---------------|---------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At beginning of financial year | 11,733 | 16,122 | 1,307 | 1,308 |
| Impairment loss recognised | 249 | 1,272 | - | - |
| Reversal during the year | (826) | (5,661) | - | (1) |
| Written off | <u>(839)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At end of financial year | <u>10,317</u> | <u>11,733</u> | <u>1,307</u> | <u>1,307</u> |

12. OTHER RECEIVABLES (CONT'D)

Included in the sundry receivables of the Group and of the Company is amount owing by associate companies of the immediate holding company of RM62,446 and RM47,639 (2023: RM29,490 and RM12,400) respectively.

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 was represented unsecured interest free advances which had been fully settled during the financial year.

The amount owing to immediate holding company is comprises:

| | Group | | Company | |
|----------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest free advances | - | 152 | - | 1 |
| Administrative fee payable | - | 42 | - | - |
| | <u>-</u> | <u>194</u> | <u>-</u> | <u>1</u> |

The interest free advances and administrative fee payable had been fully settled during the financial year.

14. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by subsidiary companies is comprises:

| | Company | |
|---------------------------|----------------|-----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Management fee receivable | - | 17,861 |
| Interest free advances | 59,250 | 103,932 |
| Interest-bearing advances | 221,474 | - |
| Interest receivable | <u>2,260</u> | <u>-</u> |
| | 282,984 | 121,793 |
| Impairment loss | <u>-</u> | <u>(10,100)</u> |
| | <u>282,984</u> | <u>111,693</u> |

The interest free advances are non-trade, unsecured and receivable within 12 months (2023: 12 months).

The interest-bearing advances are unsecured and non-trade in nature, bearing an interest rate at 3.90% (2023: Nil) per annum and receivable within 12 months. The interest receivable are expected to be settled within credit terms of 90 (2023: Nil) days.

14. **AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)**

The movement of impairment loss on interest free advances balances during the financial year is as follows:

| | Company | |
|--|-----------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At beginning of financial year | 10,100 | - |
| (Reversal of impairment loss)/impairment loss recognised | <u>(10,100)</u> | <u>10,100</u> |
| At end of financial year | <u>-</u> | <u>10,100</u> |

The amount owing to subsidiary companies is comprises:

| | Company | |
|------------------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Interest free advances | 15 | 455 |
| Rental payable | <u>-</u> | <u>662</u> |
| | <u>15</u> | <u>1,117</u> |

The interest free advances are non-trade, unsecured and repayable on demand. The rental payable had been fully settled during the financial year.

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 | |
|-----------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Progress billing receivable | - | 53 | - | - |
| Interest free advances | <u>-</u> | <u>646</u> | <u>-</u> | <u>22</u> |
| | <u>-</u> | <u>699</u> | <u>-</u> | <u>22</u> |

The interest free advances and progress billing receivables had been fully settled during the financial year.

15. AMOUNTS OWING BY/TO RELATED COMPANIES (CONT'D)

The amount owing to related companies comprises:

| | Group | | Company | |
|------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Management fee payable | - | 148 | - | 148 |
| Interest free advances | - | 178 | - | - |
| | <u>-</u> | <u>326</u> | <u>-</u> | <u>148</u> |

The management fee payable and interest free advances had been fully settled during the financial year.

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 RM174,350 (2023: RM168,930) 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 2.10% to 4.05% (2023: 1.90% to 4.25%) 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 RM122,123,545 (2023: RM107,852,974) 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 1.15% to 3.30% (2023: 1.05% to 3.00%) per annum.

19. **SHARE CAPITAL**

| | Group and Company | | | |
|--|--------------------------|------------------|--------------------------|------------------|
| | <u>2024</u> | | <u>2023</u> | |
| | Number of shares '000 | RM'000 | Number of shares '000 | RM'000 |
| Share capital | | | | |
| Issued and fully paid ordinary <u>shares with no par value:</u> | | | | |
| At 1 January | 2,491,552 | 3,071,432 | 2,408,583 | 2,953,770 |
| Issued pursuant to the DRS | <u>133,372</u> | <u>225,398</u> | <u>82,969</u> | <u>117,662</u> |
| At 31 December | <u>2,624,924</u> | <u>3,296,830</u> | <u>2,491,552</u> | <u>3,071,432</u> |

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 2024.

The cumulative treasury shares of the Group and of the Company are as follows:

| | Group and Company | |
|--------------------------|--------------------------|--------------|
| | <u>2024/2023</u> | |
| | Number of shares '000 | RM'000 |
| At 1 January/31 December | <u>1,134</u> | <u>2,119</u> |

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.

23. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARY COMPANIES (CONT'D)

Included in the amount owing to non-controlling shareholders of subsidiary companies is amounts of RM792,501 and RM1,056,667 (2023: RM792,501 and RM1,056,667) owing to Directors of the Company and key management personnel of the Group respectively and an amount of RM39,500,000 (2023: RM45,500,000) owing to a company in which a Director has financial interest.

24. LEASE LIABILITIES

| | Group | | Company | |
|-------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current | 253 | 155 | - | 95 |
| Non-current | <u>812</u> | <u>276</u> | <u>-</u> | <u>164</u> |
| | <u>1,065</u> | <u>431</u> | <u>-</u> | <u>259</u> |

Set out below are the movements of lease liabilities during the financial year:

| | Group | | Company | |
|----------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| As at 1 January | 431 | 716 | 259 | 406 |
| Additions | 830 | - | - | - |
| Disposals | - | - | (259) | - |
| Lease payments | (196) | (285) | - | (147) |
| Lease interest | 25 | 25 | - | 13 |
| Payment for lease interest | <u>(25)</u> | <u>(25)</u> | <u>-</u> | <u>(13)</u> |
| As at 31 December | <u>1,065</u> | <u>431</u> | <u>-</u> | <u>259</u> |

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.

24. **LEASE LIABILITIES (CONT'D)**

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:

| <u>Right-of-use assets</u> | Range of remaining term | |
|------------------------------|--------------------------------|---------------------|
| | <u>2024</u> | <u>2023</u> |
| Group | | |
| Leasehold land and buildings | 82 to 86 years | 83 to 87 years |
| Plant and machineries | - | 1 year |
| Motor vehicles | <u>1 to 5 years</u> | <u>1 to 5 years</u> |
| Company | | |
| Motor vehicles | <u>-</u> | <u>1 to 4 years</u> |

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 6.50% (2023: 3.72% to 5.67%) per annum for the Group and Nil (2023: 3.72% to 5.55%) per annum for the Company.

25. **BORROWINGS**

| | Group | |
|---------------------------|-----------------------|-----------------------|
| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
| Islamic term loan: | | |
| Non-current | 119 | 166 |
| Current | <u>48</u> | <u>46</u> |
| | <u>167</u> | <u>212</u> |

The Islamic term loan is secured by:-

- (i) asset sale agreement over Shariah compliant commodities;
- (ii) letter of guarantee from Credit Guarantee Corporation (M) Berhad; and
- (iii) joint and several guarantee by Directors of the subsidiary company.

The effective profit rate of the Islamic term loan is fixed at 3.50% (2023: 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 | |
|--|---------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| At 1 January | 50,613 | 45,883 |
| Recognised in profit or loss | 9,930 | 4,730 |
| At 31 December | <u>60,543</u> | <u>50,613</u> |
| Tax effects of temporary differences arising from: | | |
| - Property, plant and equipment | 5,942 | 3,542 |
| - Real Property Gains Tax ("RPGT") on fair value gain of investment properties | 48,396 | 44,877 |
| - Other temporary differences | 6,205 | 2,194 |
| | <u>60,543</u> | <u>50,613</u> |

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 | |
|----------------------------|----------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Sub-contractors' claims | 6,867 | 8,665 |
| Retention sums | 30,048 | 34,888 |
| Accrued construction costs | 152,744 | 125,943 |
| Other trade payables | 9,038 | 8,950 |
| | <u>198,697</u> | <u>178,446</u> |

The normal credit terms extended by sub-contractors and suppliers range between 30 to 60 days (2023: 30 to 60 days). The retention sums are repayable upon the expiry of the defects liability period.

28. **OTHER PAYABLES**

| | Group | | Company | |
|-----------------|----------------|----------------|----------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Sundry payables | 64,897 | 49,105 | 6,381 | 3,908 |
| Deposits | 57,813 | 53,690 | - | 164 |
| Accruals | 105,846 | 105,582 | 102 | 6,049 |
| | <u>228,556</u> | <u>208,377</u> | <u>6,483</u> | <u>10,121</u> |

28. **OTHER PAYABLES (CONT'D)**

Included in the sundry payables of the Group and of the Company is amount owing to associate companies of the immediate holding company of RM33,362 and Nil (2023: RM415,707 and RM857) respectively.

In prior year, included in the deposits of the Company is security and utilities deposit owing to subsidiary companies of RM161,558. These deposits have been fully refunded upon the termination of the tenancies.

29. **REVENUE**

29.1 **Disaggregated revenue information**

| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|---|-----------------------|-----------------------|
| Types of revenue | | |
| Group | | |
| <u>Sales of properties</u> | | |
| - Properties under construction | 517,697 | 227,409 |
| - Completed properties | 27,948 | 170,474 |
| Construction contract | <u>53</u> | <u>1,509</u> |
| Revenue from contracts with customers | <u>545,698</u> | <u>399,392</u> |
| Company | | |
| <u>Dividend income</u> | | |
| - Subsidiary companies | 241,752 | 682,008 |
| - Investments in quoted shares | 922 | 307 |
| Management fee income | <u>-</u> | <u>49,022</u> |
| Revenue from other sources of income | <u>242,674</u> | <u>731,337</u> |
| Timing of recognition of revenue from contracts with customers | | |
| Group | | |
| <u>Performance obligations</u> | | |
| - satisfied over time | 517,750 | 228,918 |
| - satisfied at a point in time | <u>27,948</u> | <u>170,474</u> |
| | <u>545,698</u> | <u>399,392</u> |
| Company | | |
| <u>Performance obligations</u> | | |
| - satisfied over time | <u>-</u> | <u>49,022</u> |

All of the Group's and the Company's revenue are generated from Malaysia.

29. REVENUE (CONT'D)

29.2 Contract balances

| | Group | |
|----------------------|---------------|-------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Trade receivables | 76,589 | 71,784 |
| Contract assets | 231,918 | 65,777 |
| Contract liabilities | <u>12,225</u> | <u>-</u> |

The increase of trade receivables was due to significant progress in development properties which met the conditions for the billing to issue in accordance to the sale and purchase agreements signed with customers.

Contract assets increase as a result of the significant progress in development properties over the billings issued to customers.

Contract liabilities increase due to advance billing to customers over the revenue recognition as at the reporting date. There were no contract liabilities 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.

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.

29. **REVENUE (CONT'D)**

29.3 **Performance obligations (cont'd)**

Sale of properties and construction contracts (cont'd)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date is as follows:

| | Group | |
|---|----------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Sale of development properties under construction | <u>831,822</u> | <u>299,697</u> |

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 | |
|--|----------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Cost of development properties under construction sold | 330,773 | 142,155 |
| Cost of completed properties | 19,662 | 82,166 |
| Cost of construction contract | <u>49</u> | <u>1,403</u> |
| | <u>350,484</u> | <u>225,724</u> |

31. **OTHER INCOME**

| | Group | | Company | |
|---|----------------|----------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Rental income | 182,963 | 165,742 | - | 400 |
| Hotel and restaurant operation income | 148,432 | 118,094 | - | - |
| Healthcare operation income | 21,770 | 15,373 | - | - |
| Gain on remeasurement of short term investments | 11,282 | 25,205 | 4,901 | 7,399 |
| Sundry income | 13,170 | 24,315 | 988 | 1,554 |
| Distribution income from equity investments | 4,281 | 5,243 | - | - |
| Dividend income from equity investments | 922 | 307 | - | - |
| Management fee | <u>282</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>383,102</u> | <u>354,279</u> | <u>5,889</u> | <u>9,353</u> |

32. **FINANCE COSTS**

| | Group | | Company | |
|---------------------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Amortisation of financial liabilities | 179 | 97 | - | - |
| Lease interest | 25 | 25 | - | 13 |
| Interest on term loan | 6 | 9 | - | - |
| | <u>210</u> | <u>131</u> | <u>-</u> | <u>13</u> |

33. **PROFIT BEFORE TAX**

Profit before tax has been determined after charging amongst others, the following items:-

| | Group | | Company | |
|-------------------------------------|--------------|--------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Auditors' remuneration | | | | |
| Grant Thornton Malaysia PLT | | | | |
| - statutory audit | 575 | 508 | 78 | 76 |
| - assurance and related services | 30 | 36 | 7 | 6 |
| Grant Thornton member firms | 1,100 | - | 1,000 | - |
| Rental expenses - short-term leases | <u>6,656</u> | <u>8,356</u> | <u>-</u> | <u>5,255</u> |

34. **TAX EXPENSES**

| | Group | | Company | |
|--------------------------------------|----------------|---------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax provision | 80,814 | 58,970 | 1,455 | 2,097 |
| Deferred tax | <u>4,714</u> | <u>5,509</u> | <u>-</u> | <u>-</u> |
| | <u>85,528</u> | <u>64,479</u> | <u>1,455</u> | <u>2,097</u> |
| Under/(over)provision in prior years | | | | |
| - Current tax | 14,264 | 17,328 | 15,284 | 812 |
| - Deferred tax | <u>(1,025)</u> | <u>185</u> | <u>-</u> | <u>-</u> |
| | <u>13,239</u> | <u>17,513</u> | <u>15,284</u> | <u>812</u> |
| | <u>98,767</u> | <u>81,992</u> | <u>16,739</u> | <u>2,909</u> |

Malaysian income tax is calculated at the statutory rate of 24% (2023: 24%) of the estimated assessable profit for the current financial year.

34. **TAX EXPENSES (CONT'D)**

The reconciliation of the tax expenses on profit before tax with the statutory income tax rate is as follows:-

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax | <u>393,507</u> | <u>368,398</u> | <u>253,513</u> | <u>693,731</u> |
| Tax at statutory rate | 94,442 | 88,416 | 60,843 | 166,495 |
| Tax effects of | | | | |
| - non-deductible expenses | 23,450 | 10,259 | 6,197 | 2,885 |
| - non-taxable income | (21,154) | (25,641) | (65,585) | (167,283) |
| Movement in unrecognised deferred tax assets | (4,702) | (6,174) | - | - |
| Difference between income tax rate and RPGT rate applicable to fair value gain on investment properties | (6,508) | (2,292) | - | - |
| Change in RPGT rate on investment properties | - | (89) | - | - |
| Underprovision in prior years | <u>13,239</u> | <u>17,513</u> | <u>15,284</u> | <u>812</u> |
| Tax expenses | <u>98,767</u> | <u>81,992</u> | <u>16,739</u> | <u>2,909</u> |

Deferred tax assets have not been recognised in respect of the following items:-

| | Group | |
|--------------------------------------|----------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Property, plant and equipment | (87,726) | (84,182) |
| Inventories written down | 13,601 | 14,512 |
| Unabsorbed tax losses | 48,848 | 39,875 |
| Unutilised capital allowances | 29,130 | 45,817 |
| Unutilised investment tax allowances | <u>240,980</u> | <u>248,401</u> |
| | <u>244,833</u> | <u>264,423</u> |

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.

34. **TAX EXPENSES (CONT'D)**

The expiry terms of the unabsorbed tax losses are as follows:

| | Group | |
|-------------------------|---------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| Year of assessment 2028 | 568 | 2,070 |
| Year of assessment 2029 | 1,440 | 1,689 |
| Year of assessment 2030 | 5,347 | 6,443 |
| Year of assessment 2031 | 5,364 | 3,197 |
| Year of assessment 2032 | 13,412 | 14,200 |
| Year of assessment 2033 | 6,475 | 12,276 |
| Year of assessment 2034 | 16,242 | - |
| | <u>48,848</u> | <u>39,875</u> |

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 | |
|--|------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| Net profit attributable to owners of the Company (RM'000) | <u>287,303</u> | <u>279,551</u> |
| Weighted average number of ordinary shares ('000) | <u>2,549,087</u> | <u>2,436,945</u> |
| Net earnings per ordinary share (RM) | <u>0.11</u> | <u>0.11</u> |

(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 | |
|--|--------------------------|----------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| <i>In respect of the financial year ended 31 December 2023:</i> | | |
| Final single tier dividend of 10 sen per share: | | |
| - Dividend reinvested into 133,371,600 new ordinary shares pursuant to the DRS | 225,398 | - |
| - Payment in cash | 23,644 | - |
| <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 |
| | <u>249,042</u> | <u>726,905</u> |

The Directors now recommend final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM262,379,010 based on 2,623,790,100 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

37. **EMPLOYEES BENEFITS EXPENSES**

| | Group | | Company | |
|-----------------------------|---------------|---------------|----------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Employees benefits expenses | <u>85,671</u> | <u>73,181</u> | <u>10</u> | <u>31,654</u> |

Included in the employee benefits expenses are EPF contributions amounting to RM7,725,144 (2023: RM5,984,962) for the Group and Nil (2023: RM2,962,941) 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 | |
|---|--------------|--------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Transactions with immediate holding company</i> | | | | |
| Rental charged to | 463 | 322 | - | - |
| Administrative fee | | | | |
| charged by | <u>1,320</u> | <u>1,320</u> | <u>-</u> | <u>-</u> |
| <i>Transactions with subsidiary companies</i> | | | | |
| Management fee | | | | |
| charged to | - | - | - | 49,022 |
| Rental charged to | - | - | - | 400 |
| Interest charged to | - | - | 2,260 | - |
| Management fee | | | | |
| charged by | - | - | 24 | - |
| Rental charged by | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,231</u> |
| <i>Transactions with related companies</i> | | | | |
| Management fee | | | | |
| charged by | 304 | 1,754 | - | 1,754 |
| Rental charged to | 26,543 | 23,623 | - | - |
| Rental charged by | 1,143 | 4,422 | - | 2,024 |
| Construction service | | | | |
| charged to | 439 | 1,509 | - | - |
| Distribution income | | | | |
| received from | <u>4,281</u> | <u>5,243</u> | <u>-</u> | <u>-</u> |
| <i>Transactions with associate companies of the immediate holding company</i> | | | | |
| Management fee | | | | |
| charged by | 3,292 | 3,194 | - | - |
| Rental charged to | 280 | 279 | - | - |
| Administrative fee | | | | |
| charged by | 648 | 661 | - | - |
| Landscaping fee | | | | |
| charged by | 340 | 327 | - | 10 |
| Security services | | | | |
| charged by | <u>2,575</u> | <u>2,174</u> | <u>-</u> | <u>-</u> |

The Directors are of the opinion that the above transactions were entered into in the normal course of business and established under negotiated terms.

38. **RELATED PARTY DISCLOSURES (CONT'D)**

(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 | | Company | |
|--|---------------|---------------|----------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Directors of the Company</i> | | | | |
| Fees and remunerations | 7,520 | 7,241 | 204 | 7,241 |
| Estimated monetary value of benefits-in-kind | <u>311</u> | <u>279</u> | <u>-</u> | <u>279</u> |
| Total short-term employees benefits | 7,831 | 7,520 | 204 | 7,520 |
| Post-employment benefits (EPF) | <u>519</u> | <u>765</u> | <u>-</u> | <u>765</u> |
| | <u>8,350</u> | <u>8,285</u> | <u>204</u> | <u>8,285</u> |
| | | | | |
| | Group | | Company | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <i>Other key management personnel</i> | | | | |
| Salaries, allowances and bonuses | 3,102 | 2,854 | - | 1,454 |
| Estimated monetary value of benefits-in-kind | <u>112</u> | <u>91</u> | <u>-</u> | <u>36</u> |
| Total short-term employees benefits | 3,214 | 2,945 | - | 1,490 |
| Post-employment benefits (EPF) | <u>134</u> | <u>118</u> | <u>-</u> | <u>94</u> |
| | <u>3,348</u> | <u>3,063</u> | <u>-</u> | <u>1,584</u> |
| Total compensation | <u>11,698</u> | <u>11,348</u> | <u>204</u> | <u>9,869</u> |

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.

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 in the respective 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:

| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|--------------------|-----------------------|-----------------------|
| Within 1 year | 104,661 | 148,176 |
| In the second year | 60,997 | 100,868 |
| In the third year | 26,334 | 22,875 |
| In the fourth year | <u>1,578</u> | <u>634</u> |
| | <u>193,570</u> | <u>272,553</u> |

41. **CAPITAL COMMITMENTS**

| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|---|-----------------------|-----------------------|
| Approved and contracted for: | | |
| - Purchase of property, plant and equipment | 1,796 | - |
| - Construction of investment properties | <u>391,521</u> | <u>-</u> |

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.

42. SEGMENTAL INFORMATION (CONT'D)

| Group | Property development | | Construction | | Others | | Elimination | | Consolidated | |
|-----------------------------------|----------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| External revenue | 545,645 | 397,883 | 53 | 1,509 | - | - | - | - | 545,698 | 399,392 |
| Inter segment revenue | 27,184 | - | 451,011 | 244,654 | - | - | (478,195) | (244,654) | - | - |
| Total revenue | 572,829 | 397,883 | 451,064 | 246,163 | - | - | (478,195) | (244,654) | 545,698 | 399,392 |
| Depreciation | (1,178) | (1,376) | (536) | (975) | (15,868) | (15,605) | 93 | 332 | (17,489) | (17,624) |
| Rental income | 153,387 | 136,139 | 103 | 96 | 45,371 | 43,226 | (15,898) | (13,719) | 182,963 | 165,742 |
| Fair value adjustments | 23,689 | (1,225) | - | - | 20,546 | 6,021 | - | 34,563 | 44,235 | 39,359 |
| Dividend income | - | - | - | - | 242,674 | 682,315 | (241,752) | (682,008) | 922 | 307 |
| Distribution income | 11,680 | 14,560 | 1,003 | 915 | 26,860 | 19,529 | - | - | 39,543 | 35,004 |
| Interest income | 7,267 | 11,080 | 2,031 | 1,573 | 3,097 | 2,852 | - | - | 12,395 | 15,505 |
| Interest expense | (2,423) | (84) | - | (3) | (952) | (721) | 3,165 | 677 | (210) | (131) |
| Other material non-cash items | 570 | (880) | 44 | (444) | (15,070) | (22,240) | 17,414 | 43,187 | 2,958 | 19,623 |
| Segment results | 289,645 | 276,308 | 50,480 | 34,589 | 53,382 | 57,501 | - | - | 393,507 | 368,398 |
| Tax expenses | | | | | | | | | (98,767) | (81,992) |
| Net profit for the financial year | | | | | | | | | 294,740 | 286,406 |
| Segment assets | 3,829,436 | 3,698,931 | 181,361 | 123,454 | 2,190,354 | 2,066,148 | - | - | 6,201,151 | 5,888,533 |
| Segment liabilities | 306,642 | 267,427 | 102,272 | 99,927 | 73,207 | 68,177 | - | - | 482,121 | 435,531 |
| Additions to non-current assets | 22,976 | 29,458 | 2,474 | 589 | 70,943 | 16,213 | - | - | 96,393 | 46,260 |

42. SEGMENTAL INFORMATION (CONT'D)

| | Consolidated | |
|---|------------------|------------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Other material non-cash items consists of the following:- | | |
| Reversal of impairment losses on financial assets | 668 | 5,389 |
| Reversal of impairment losses on non-financial assets | 1,525 | 21,629 |
| Bad debts written off | (73) | (4,283) |
| Property, plant and equipment written off | (54) | (574) |
| Reversal of/(inventories written down) | 896 | (2,523) |
| Inventories written off | (4) | (15) |
| | <u>2,958</u> | <u>19,623</u> |
| <u>Reconciliation of segment assets to total assets</u> | | |
| Segment assets | 6,201,151 | 5,888,533 |
| Equity investments | 76,781 | 87,205 |
| Deferred tax assets | 40,239 | 33,998 |
| Current tax assets | 70,486 | 71,338 |
| | <u>6,388,657</u> | <u>6,081,074</u> |
| <u>Reconciliation of segment liabilities to total liabilities</u> | | |
| Segment liabilities | 482,121 | 435,531 |
| Current tax liabilities | 10,901 | 5,719 |
| Deferred tax liabilities | 60,543 | 50,613 |
| | <u>553,565</u> | <u>491,863</u> |
| <u>Total liabilities as per statement of financial position</u> | | |
| Additions to non-current assets consist of the following:- | | |
| Property, plant and equipment | 19,225 | 21,872 |
| Investment properties | 71,897 | 9,845 |
| Inventories - land held for property development | 5,271 | 14,543 |
| | <u>96,393</u> | <u>46,260</u> |

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.

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.

43. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)**

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 (cont'd):

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

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.

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 <u>amount</u> RM'000 | Expected credit loss <u>RM'000</u> | <u>Net balance</u> RM'000 |
|----------------------------------|--|--|------------------------------|
| Group | | | |
| 2024 | | | |
| <u>Trade receivables</u> | | | |
| Not past due | 67,743 | - | 67,743 |
| Less than 44 days past due | 575 | - | 575 |
| Between 44 and 110 days past due | 385 | - | 385 |
| More than 110 days past due | 7,886 | - | 7,886 |
| Credit impaired | 6,591 | 6,591 | - |
| | <u>83,180</u> | <u>6,591</u> | <u>76,589</u> |
| Contract assets | <u>200,160</u> | <u>-</u> | <u>200,160</u> |
| 2023 | | | |
| <u>Trade receivables</u> | | | |
| 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 | - |
| | <u>78,466</u> | <u>6,682</u> | <u>71,784</u> |
| Contract assets | <u>56,661</u> | <u>-</u> | <u>56,661</u> |

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.

43. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)**

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 (cont'd):

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

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, progress billing receivable 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, progress billing receivable and the advances to these companies are not recoverable.

iii. Financial institutions and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

iv. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM74,634,000 (2023: RM51,566,000), 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.

43. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)**

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 (cont'd):

(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 | |
|------------------------------------|--------------|-------------|----------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fixed rate instruments | | | | |
| Fixed deposits with licensed banks | 233,380 | 206,106 | 52,945 | 33,008 |
| Lease liabilities | 1,065 | 431 | - | 259 |
| Borrowings | 167 | 212 | - | - |

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.

43. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)**

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 (cont'd):

(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.

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 | | | |
| 2024 | | | |
| Trade and other payables | 427,253 | - | 427,253 |
| Amount owing to non-controlling shareholders of subsidiary companies | 39,500 | 2,133 | 41,633 |
| Lease liabilities | 295 | 878 | 1,173 |
| Borrowings | 53 | 124 | 177 |
| | <u>467,101</u> | <u>3,135</u> | <u>470,236</u> |
| 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 |
| | <u>433,349</u> | <u>2,320</u> | <u>435,669</u> |

43. **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)**

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 (cont'd):

(d) Liquidity risk (cont'd)

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 (cont'd):

| | Less than 1 year RM'000 | Between 1 to 5 years RM'000 | Total RM'000 |
|---|-------------------------------|-----------------------------------|-----------------|
| Company | | | |
| 2024 | | | |
| Other payables | 6,483 | - | 6,483 |
| Amount owing to subsidiary companies | 15 | - | 15 |
| Financial guarantees* | 74,634 | - | 74,634 |
| | <u>81,132</u> | <u>-</u> | <u>81,132</u> |
| 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 |
| | <u>63,056</u> | <u>171</u> | <u>63,227</u> |

* 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").

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

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 (cont'd):

(e) Foreign currency risk (cont'd)

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 | |
|------------------------------------|--------------------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| <u>Denominated in AUD</u> | | |
| Fixed deposits with licensed banks | <u>25,481</u> | <u>27,587</u> |

A 11.34% (2023: 3.98%) 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 | |
|--|--------------------------|--------------|
| | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 |
| AUD/RM | | |
| Increase/(Decrease) | | |
| Profit for the financial year/Total equity | <u>2,890</u> | <u>1,098</u> |

A 11.34% (2023: 3.98%) 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.

44. **CAPITAL MANAGEMENT (CONT'D)**

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:

| | <u>2024</u> RM'000 | <u>2023</u> RM'000 |
|--|-----------------------|-----------------------|
| Cash and cash equivalents | 1,800,001 | 1,845,952 |
| Less: total borrowings | <u>(1,232)</u> | <u>(643)</u> |
| Net cash available | <u>1,798,769</u> | <u>1,845,309</u> |
| Equity attributable to the owners of the Company | <u>5,661,878</u> | <u>5,413,096</u> |
| Debt-to-equity ratio (%) | <u>-</u> | <u>-</u> |

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:

| | <u>Fair value</u> | | <u>Fair value</u> | <u>Valuation method</u> |
|-----------------------------|-------------------|---------------|-------------------|-----------------------------------|
| | <u>2024</u> | <u>2023</u> | <u>hierarchy</u> | <u>and key inputs</u> |
| | RM'000 | RM'000 | | |
| Group | | | | |
| <u>Equity investments</u> | | | | |
| Quoted shares in Malaysia | 76,681 | 87,105 | Level 1 | Quoted bid price in active market |
| Unquoted shares in Malaysia | <u>100</u> | <u>100</u> | Level 3 | Carrying value deemed fair value |
| | <u>76,781</u> | <u>87,205</u> | | |
| Company | | | | |
| <u>Equity investments</u> | | | | |
| Quoted shares in Malaysia | <u>17,787</u> | <u>17,445</u> | 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.