



**YNH PROPERTY BHD**

Registration No.: 200101026228 (561986-V)

Annual  
Report  
2023

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## NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First (21st) Annual General Meeting of the Company will be held at Hotel Sfera, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Friday, 8 December 2023 at 11.30 a.m. for the following purposes:

### AGENDA

#### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2023, together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' Fees of RM235,640 in respect of the financial period ended 30 June 2023. **(Resolution 1)**
3. To approve the payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM130,000 from 21st Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 2)**
4. To re-elect Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT who retiring pursuant to Article 102(a) of the Company's Constitution. **(Resolution 3)**
5. To re-elect the following Directors retiring pursuant to Article 100 of the Company's Constitution:
  - Khong Kam Hou **(Resolution 4)**
  - Oon Seow Ling **(Resolution 5)**
  - Ching Lee Fong **(Resolution 6)**
6. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **(Resolution 7)**

**AS SPECIAL BUSINESS**, to consider and, if thought fit, pass the following Ordinary Resolutions:

7. **Proposed Renewal of Share Buy Back Authority** **(Resolution 8)**

"That, subject to the Companies Act, 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:-

  - i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
  - ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the Retained Profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back; and
  - iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-
    - a) the shares so purchased may be cancelled; and/or
    - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
    - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

## **NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING** (cont'd)

### **7. Proposed Renewal of Share Buy Back Authority** (cont'd)

And that any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 2016, the provisions of the Constitution of the Company and the Main LR and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities."

### **8. Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature** (Resolution 9)

"That, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or person connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 2.2 of the Statement/ Circular to Shareholders dated 31 October 2023, provided that such arrangements and/or transactions are:

- i) recurrent transactions of a revenue or trading nature;
- ii) necessary for the day-to-day operations;
- iii) carried out on an arm's length basis, in the ordinary course of business and on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public; and
- iv) are not to the detriment of the minority shareholders.

And that the shareholders' mandate, unless revoked or varied by the Company in a general meeting, shall take effect from the date of the passing of this Ordinary Resolution and will continue in force until:

- i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next Annual General Meeting;
  - ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - iii) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting
- whichever is earlier.

**NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING** (cont'd)**8. Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature** (cont'd)

And that the Directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Mandate."

**9. Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (Resolution 10)**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act"), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, read together with Article 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

**10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.**

By Order of the Board

**CHAN EOI LENG** (SSM PC No. 202008003055) (MAICSA 7030866)

**CHENG GHEE CHENG** (SSM PC No. 202008002000) (LS 0004598)

Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia

31 October 2023

**NOTES:**

- a) A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote instead of him/her. A proxy must be 18 years and above.
- b) A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- c) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- d) Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- e) The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting. All resolutions set out in the Notice of the Meeting are to be voted by poll.

**NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING** (cont'd)**NOTES:** (cont'd)

- f) Depositors who appear in the Record of Depositors as at 29 November 2023 shall be regarded as Member of the Company entitled to attend the 21st Annual General Meeting or appoint one or two proxies to attend, speak and vote on his/her behalf.

**EXPLANATORY NOTES TO ORDINARY RESOLUTIONS NO. 3, 4, 5 AND 6**

Dato' Dr. Yu Kuan Huat, DPMP, PMP, AMP, PPT who retire by rotation and Khong Kam Hou, Oon Seow Ling and Ching Lee Fong who appointed during the year are due for retirement at this 21st Annual General Meeting pursuant to the Company's Constitution and they are eligible for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election, the Board through its Nominating Committee had conducted an assessment on the effectiveness and contributions of the aforesaid retiring Directors including their skills, experience, competency and commitment, and has recommended for them to be re-elected to the Board.

The profile of the retiring Directors are set out in the Profile of Directors of the 2023 Annual Report.

**EXPLANATORY NOTES TO SPECIAL BUSINESS****1) Proposed Renewal of Share Buy Back Authority**

Further information on the above Ordinary Resolution is set out in Part A of the Statement/Circular to Shareholders of the Company.

**2) Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

Further information on the above Ordinary Resolution is set out in Part B of the Statement/Circular to Shareholders of the Company.

**3) Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The proposed Resolution 10, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company. The general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

**2023 ANNUAL REPORT AND STATEMENT/CIRCULAR TO SHAREHOLDERS**

The 2023 Annual Report and Statement/Circular to Shareholders dated 31 October 2023 are available at the Company's website, [www.ynhb.com.my](http://www.ynhb.com.my). Printed copy of the 2023 Annual Report and Statement/Circular to Shareholders shall be provided to the shareholders within 4 market days from the date of receipt of the request.

**STATEMENT ACCOMPANYING  
NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING  
OF YNH PROPERTY BHD  
PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD**

**1. Directors who are standing for re-election**

Dato' Dr. Yu Kuan Huat, DPMP, PMP, AMP, PPT who retire by rotation and Khong Kam Hou, Oon Seow Ling and Ching Lee Fong who appointed during the year are due for retirement at this 21st Annual General Meeting pursuant to the Company's Constitution and they are eligible for re-election.

The Board through its Nominating Committee had conducted an assessment on the effectiveness and contributions of the aforesaid retiring Directors including their skills, experience, competency and commitment, and has recommended for them to be re-elected to the Board.

The profile of the retiring Directors are set out in the Profile of Directors of the 2023 Annual Report.

**2. Details of attendance of Directors at Board Meetings**

Nine (9) Board Meetings were held during the financial period from 1 January 2022 till 30 June 2023:

28 February 2022  
26 April 2022  
30 May 2022  
26 August 2022  
29 November 2022  
27 February 2023  
25 April 2023  
26 April 2023  
30 May 2023

Details of attendance of directors at the Board Meetings are as follows:

<b>Name of Directors</b>	<b>Number of Meetings</b>	<b>Number of Meetings Attended</b>
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	9	9
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	9	9
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP (Resigned on 31 March 2023)	6	5
Ching Nye Mi @ Chieng Ngie Chay (Resigned on 31 May 2023)	9	9
Ding Ming Hea (Resigned on 31 May 2023)	9	9
Khong Kam Hou (Appointed on 31 March 2023)	3	3
Oon Seow Ling (Appointed on 31 March 2023)	3	3
Chin Lee Fong (Appointed on 31 March 2023)	3	3

## CORPORATE INFORMATION

### Directors

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS  
(Chairman, Executive Director)  
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT  
(Managing Director)  
Khong Kam Hou  
(Senior Independent Non-Executive Director)  
Oon Seow Ling  
(Independent Non-Executive Director)  
Ching Lee Fong  
(Independent Non-Executive Director)

### Audit Committee

Oon Seow Ling  
(Independent Non-Executive Director) - Chairman  
Khong Kam Hou  
(Senior Independent Non-Executive Director) - Member  
Ching Lee Fong  
(Independent Non-Executive Director) - Member

### Remuneration Committee

Oon Seow Ling  
(Independent Non-Executive Director) - Chairman  
Khong Kam Hou  
(Senior Independent Non-Executive Director) - Member  
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT  
(Managing Director) - Member  
Ching Lee Fong  
(Independent Non-Executive Director) - Member

### Nominating Committee

Oon Seow Ling  
(Independent Non-Executive Director) - Chairman  
Khong Kam Hou  
(Senior Independent Non-Executive Director) - Member  
Ching Lee Fong  
(Independent Non-Executive Director) - Member

### Secretaries

Chan Eoi Leng (MAICSA 7030866)  
(SSM PC No. 202008003055)  
Cheng Ghee Cheng (LS 0004598)  
(SSM PC No. 202008002000)

### Registrars

Boardroom Share Registrars Sdn. Bhd.  
11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Telephone No.: 03-78418000  
Fax No.: 03-78418151/8152  
Email: bsr.helpdesk@boardroomlimited.com  
Website: www.boardroomlimited.com

### Registered Office

55A, Medan Ipoh 1A  
Medan Ipoh Bistari  
31400 Ipoh  
Perak Darul Ridzuan, Malaysia  
Telephone No.: 05-5474833  
Fax No.: 05-5474363  
Email: boardroom-kl@boardroomlimited.com

### Principal Place Of Business and Head Office

188, Jalan PPMP 3/3  
Pusat Perniagaan Manjung Point 3  
32040 Seri Manjung  
Perak Darul Ridzuan, Malaysia  
Telephone No.: 05-6881128  
Fax No.: 05-6881388  
Email: karsin@streamyx.com  
Website: www.ynhb.com.my

### Sales Office – Kuala Lumpur

Sales Gallery  
Unit 03-01D, Level 3  
Lot 163, 10, Jalan Perak  
50450 Kuala Lumpur  
Telephone No.: 03-21637700  
Fax No.: 03-21627770

### Sales Office – Ipoh

10, Jalan Medan Ipoh 3  
Bandar Medan Ipoh Baru  
31400 Ipoh  
Perak Darul Ridzuan, Malaysia  
Telephone No.: 05-5451945  
Fax No.: 05-5451945

### Auditors

Baker Tilly Monteiro Heng PLT  
Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Malaysia.

### Principal Bankers

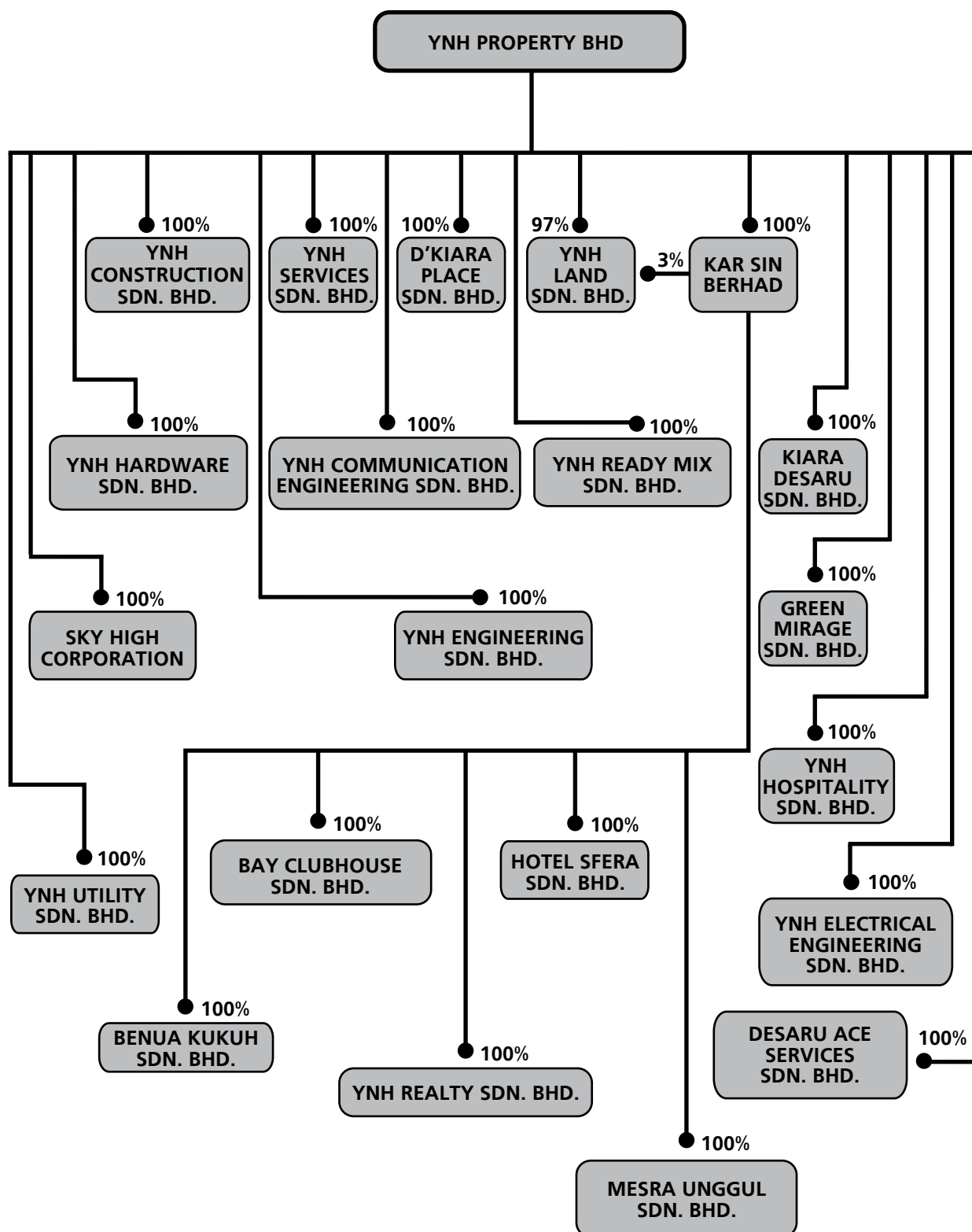
Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
Bank Islam Malaysia Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
Public Investment Bank Berhad  
RHB Bank Berhad  
United Overseas Bank (Malaysia) Bhd.  
Al Rajhi Banking And Investment Corporation  
(Malaysia) Bhd.  
Affin Bank Berhad  
MBSB Bank Berhad

### Stock Exchange Listing

Bursa Malaysia Securities Berhad  
Main Market



## CORPORATE STRUCTURE



## PROFILE OF THE BOARD OF DIRECTORS

**DATO' DR. YU KUAN CHON**, DIMP, PPT, MBBS

61 years of age

Malaysian, Male

*Chairman, Executive Director*

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Chairman of the Company on 20 February 2004. After graduating with a medical degree in 1988, he started work as a houseman in Klang and continued as a medical officer a year later. Subsequently, he has also served as a medical officer in Ipoh and Taiping hospitals, Perak. In 1995, he left the government service and started assisting the family business.

He is also a Non-Executive and Non-Independent Director of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all nine (9) Board of Directors' Meetings held during the financial period ended 30 June 2023.

He is the brother of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT. He is also a substantial shareholder of the Company.

He has not been convicted of any offences in the last five years.

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**DATO' YU KUAN HUAT**, DPMP, PMP, AMP, PPT

65 years of age

Malaysian, Male

*Managing Director**Member, Remuneration Committee*

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Managing Director on 8 October 2003. Prior to his appointment to the Board of the Company, he was a Managing and Founder Director of Kar Sin Berhad, which is now a wholly-owned subsidiary of the Company. He has over 30 years of experience in property development, construction, money lending and aquaculture.

He is an Alternate Director to Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all nine (9) Board of Directors' Meetings held during the financial period ended 30 June 2023.

He does not hold any directorship in any other public listed company. He is also a substantial shareholder of the Company. He and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS are brothers.

He has not been convicted of any offences in the last five years.

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**PROFILE OF THE BOARD OF DIRECTORS** (cont'd)**KHONG KAM HOU**

74 years of age

Malaysian, Male

*Senior Independent and Non-Executive Director*

*Member, Audit Committee*

*Member, Nominating Committee*

*Member, Remuneration Committee*

He was appointed to the Board of the Company as Senior Independent and Non-Executive Director on 31 March 2023. He was also appointed as a member of the Board Committee. He has graduated from the University of Malaya with a Bachelor in Economics in 1974 and joined the Department of Inland Revenue, Ministry of Finance in early 1975 as a tax cadet officer. He served in the important units in the Inland Revenue Department, namely tax assessment, corporate tax and tax investigation from 1975 to 1991. He opted out as a senior tax officer in 1992 and started his practice as a licensed tax consultant from 1992 to 2019.

Since his appointment to the Board of the Company, he has attended three (3) Board of Directors' Meetings held during the financial period ended 30 June 2023.

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

He has not been convicted of any offences in the last five years.

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**OON SEOW LING**

51 years of age

Malaysian, Female

*Independent and Non-Executive Director*

*Chairman, Audit Committee*

*Chairman, Nominating Committee*

*Chairman, Remuneration Committee*

She was appointed to the Board of the Company as Independent and Non-Executive Director on 31 March 2023. She was also appointed as the Chairman of the Board Committee. She is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

She has vast experience in auditing, accounting, finance, administration and business development, having served in various capacities during her tenure with BDO PLT as Audit Senior (1995 - 2001), RNC Corporation Bhd as Group Finance Manager (2001 - 2005), K-One Technology Bhd as Group Finance Director (2005 - 2011) and currently she serves as Business Consulting Director in Peter Ooi & Co PLT since year 2011.

She is also an Independent and Non-Executive Director of Hextar Industries Berhad, a public company listed on the Ace Market of Bursa Malaysia Securities Berhad.

Since her appointment to the Board of the Company, she has attended three (3) Board of Directors' Meetings held during the financial period ended 30 June 2023.

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

She has not been convicted of any offences in the last five years.

## **PROFILE OF THE BOARD OF DIRECTORS** (cont'd)

### **CHING LEE FONG**

45 years of age

Malaysian, Male

*Independent and Non-Executive Director*

*Member, Audit Committee*

*Member, Nominating Committee*

*Member, Remuneration Committee*

He was appointed to the Board of the Company as Independent and Non-Executive Director on 31 March 2023. He was also appointed as a member of the Board Committee. He has graduated from the University Teknologi Malaysia in Bachelor of Engineering (Electrical & Electronics).

Currently he is serving Intel Microelectronics Sdn Bhd as a Senior Engineer. He has over 23 years of engineering experience in electrical and electronics aspect of the industry.

Since his appointment to the Board of the Company, he has attended three (3) Board of Directors' Meetings held during the financial period ended 30 June 2023.

He has no conflict of interest with the Company and has not been convicted of any offences in the last five years.

## **KEY SENIOR MANAGEMENT PROFILE**

### **DATO' YU KUAN HUAT**, DPMP, PMP, AMP, PPT

Managing Director

Malaysian, Male, aged 65

(Please refer to his profile as listed in Profile of the Board of Directors)

### **DATO' DR. YU KUAN CHON**, DIMP, PPT, MBBS

Executive Director

Malaysian, Male, aged 61

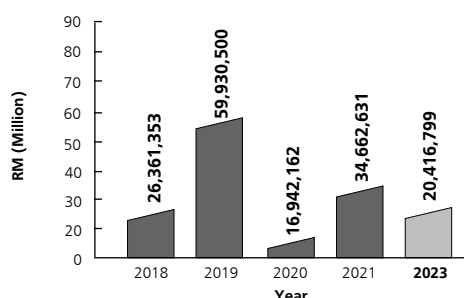
(Please refer to his profile as listed in Profile of the Board of Directors)

## FINANCIAL HIGHLIGHTS

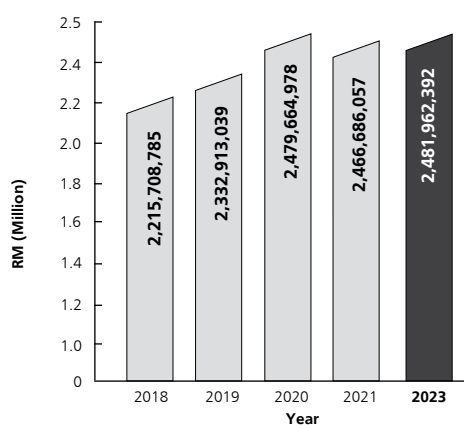
### FIVE YEARS FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2023 (18 months)
Revenue (RM)	359,460,256	366,008,628	263,126,137	231,277,909	307,516,997
Profit before tax (RM)	26,361,353	59,930,500	16,942,162	34,662,631	20,416,799
Earnings (Loss) per share (Basic) - Sen	2.97	6.41	(2.61)	(0.53)	(6.10)
Total assets (RM)	2,215,708,785	2,332,913,039	2,479,664,978	2,466,686,057	2,481,962,392
Dividend pay out (RM)	9,638,402	NIL	13,212,194	NIL	NIL

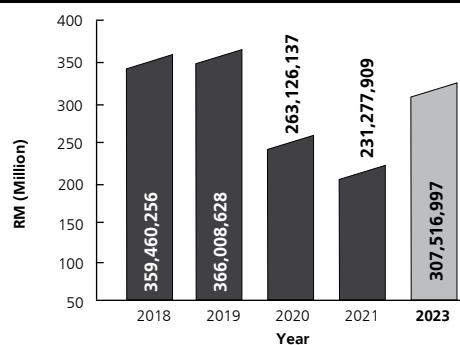
#### Profit before tax



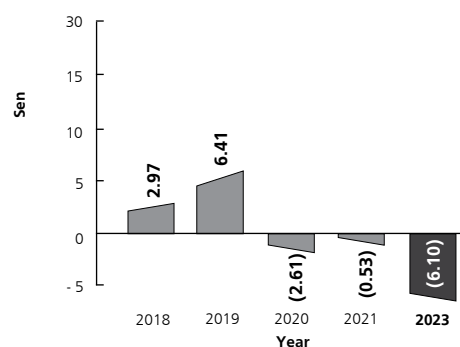
#### Total assets



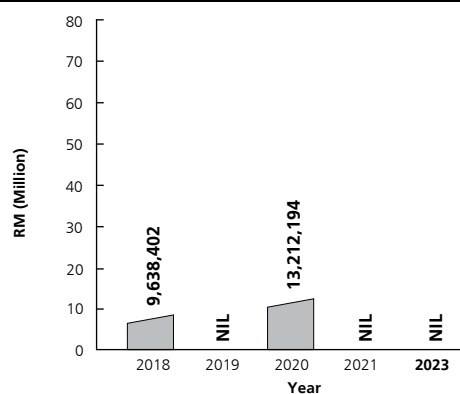
#### Revenue



#### Earnings per share (Basic)



#### Dividend pay out



## CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of YNH Property Berhad, it is my honour to present to you the Annual Report and Audited Consolidated Financial Statements of the Company and its subsidiaries ("Group") for the financial period ended 30 June 2023.

During the financial period, YNH continued to build on the growing township development in Manjung District, Perak for stable revenue contribution, while The OOAK serviced apartments and The OOAK Suites of Kiara 163 and Solasta Dutamas also contributed to our earnings. The Group's FY2023 revenue (18 months) is **RM307,516,997** while profit before taxation is **RM20,416,799**.

### Solasta Dutamas

The Solasta Dutamas is a freehold serviced apartment located within the Mont Kiara Neighbourhood. Solasta Dutamas consists of 3 blocks of serviced apartments with a total of 1,159 units. The project's strategic location in a matured neighbourhood, being less than 10 km away from Kuala Lumpur City Centre, efficient unit layouts and competitive pricing will attract young working executives who are buying their first homes and customers who prefer to stay nearer to their work places for convenience.

Construction of the project is undertaken by our wholly owned subsidiary YNH Construction Sdn Bhd. Construction works has reached 25% as at 30th September 2023.

### Genting Highlands Development

The Company has in the final quarter of 2008 acquired 95 acres of strategic development land bank in Genting Highlands. The Genting land is located strategically next to the Genting Highland Resort and was acquired for RM16.05 million. The advantage of this land bank is that the purchase consideration is very low and it comes with infrastructure. The land has already been converted to building title. The proximity to the existing Genting Highland Resort is an advantage as the proposed development will complement the existing infrastructure. Other plus point for this development is that it is located in a cool environment and yet only 45 minutes drive from the Kuala Lumpur city centre.

The proposed development for this 95 acres land includes commercial units, bungalows, condominium, retail units which will be targeted at both local and foreign investors. The estimated gross development value for this future development is RM1.96 billion and it is expected to contribute to the Group's earnings in the next 20 years.

The 1st phase of the proposed development is a 35-storey serviced apartment building consisting of 908 units. The proposed phase 1 will have an estimated GDV of about RM700 million. Phase 1 of Genting Highlands Development is in its final stages of planning, and we are targeting to launch the project end 2024, subject to the prevailing market conditions, and final approvals from relevant authorities.

## **CHAIRMAN'S STATEMENT** (cont'd)

### **Kuala Pilah Development**

I am also pleased to announce that the Group have obtained a development order from the Kuala Pilah District Council (Majlis Daerah Kuala Pilah or MDKP) in early 2023 for a 2,200 units of mixed development township located in the heart of Negeri Sembilan.

The township, located within proximity of Kuala Pilah town and Bahau town, will have access to readily available amenities such as Lotus's and Giant hypermarkets, hospitals, restaurants, banks and much more. The township is envisioned to become an economic growth catalyst for the area, while catering to the strong demand for quality yet affordable homes. The total Gross Development Value of the township is estimated at RM600 million.

The development of the Kuala Pilah township is expected to contribute positively to the Group's performance over the next five years.

### **Development Projects in Perak**

The Manjung Point Township has provided the Group with consistent revenue over the years. The Group targets to generate RM100 million revenue every year with both residential and commercial project launches in the coming years utilizing a portion of the undeveloped land bank in the Manjung Point Township.

The remaining 700 acres of undeveloped land bank in Seri Manjung is expected to contribute to the Group's revenue for another 50 years to come.

### **Corporate Development**

The Board is proud to announce that we have obtained the approval from shareholders for the Proposed Disposal via EGM conducted on 1st March 2023 pursuant to the fund raising proposal via the ABS announced in 22nd September 2022.

The Company obtained shareholders approval to dispose of the assets. As this is a related party transaction, the major shareholders have abstained from voting.

Separately, as per Company announcements, the Group is in the midst of land disposal as part of the Company's plans to raise cash and reduce borrowings.

### **Appreciation**

On behalf of the Board, I would like to extend our heartfelt appreciation to Dato' Robert Lim @ Lim Git Hooi, Mr Ching Nye Mi @ Chieng Ngie Chay and Mr Ding Ming Hea who resigned as Independent and Non-Executive Director of the Company on 31st March 2023 and 31st May 2023 respectively, after serving as Independent and Non-Executive Director of the Company for more than 12 years. Their wisdom and diligence has ensured the Group's continuous success over the years.

## **CHAIRMAN'S STATEMENT** (cont'd)

### **Appreciation** (cont'd)

I would also like to take this opportunity to welcome Madam Oon Seow Ling, Mr Khong Kam Hou and Mr Ching Lee Fong who has joined the Company as Independent and Non-Executive Director on 31 March 2023. We look forward to their esteemed contribution to the Group with their knowledge and experience in their respective fields.

I would like to thank the management team and all our employees for their tireless and continuous effort in ensuring the Group's success. I would also like to take the opportunity to express my gratitude to our customers, bankers and business associates for their unwavering support all these years. My heartfelt appreciation also extended to our customers for always believing in us.

**DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS**

Chairman



## MANAGEMENT DISCUSSION & ANALYSIS

As at the financial period ended 30 June 2023, the Group's revenue is mainly contributed by sale of inventories in Kiara 163 OAK Suites and Solasta Dutamas for projects in Kuala Lumpur, while Pusat Perniagaan Manjung Point 3 projects are the main revenue contributor for projects in the state of Perak.

The Board is pleased to inform that the Kiara 163 has obtained full Certificate of Completion and Compliance in February 2022. As at 30th September 2023, the project was 99% sold. The management is pleased that the project is well received by the market, and will strive to replicate the elements of success in upcoming developments.

Located in Dutamas, Kuala Lumpur, Solasta Dutamas has a Gross Development Value ("GDV") of approximately RM720 million, and is expected to contribute positively to the Group's earnings for the next 3 years. As at 31 March 2023, the construction of Solasta Dutamas substructure works is almost complete. Since official launch in July 2022, 30% of total units has been convert into sales.

In Perak, Manjung Commercial Shoplots and Manjung Point Township residential units (Seri Manjung, Perak) will continue to contribute strongly to the Group's income.

Furthermore, the Group's township development in Seri Manjung of approximately 700 acres will continue to contribute to the Group's profit for the next 20 to 30 years.

AEON Seri Manjung and Pantai Hospital Seri Manjung both fully operational together with the international school, had improved the value of the Company's existing and future developments of this township.

The Group is making preparations for the launch of several projects in the pipeline, namely the 1st phase of the Project in Genting Highland, which has a GDV of RM700 million, planned for launch after the Solasta Dutamas Project. The 1st Phase will occupy approximately 5 acres of the 95 acres land bank in Genting highland.

The Group will be venturing into Negeri Sembilan after securing a Development Order from the Kuala Pilah District Council (Majlis Daerah Kuala Pilah or MDKP) for a 2,200 units of mixed development township with estimated GDV of RM600 million.

The Group is also planning to develop the approximately 300 acres land bank in Tanjung Malim into a township of more than 3000 units of mixed developments. Located near Proton City in Tanjung Malim, the project is set to benefit from the RM30 billion foreign investment committed by Chinese automaker Zhejiang Geely Holding Group Co Ltd pursuant to the signing of Memorandum of Understanding signed between Malaysian and Chinese companies announced this year.

Last but not least, a prestigious project planned for the future by YNHP is the Menara YNH development. The commercial development sits on approximately 3 acres of land on Jalan Sultan Ismail, which is located within the Golden Triangle area of Kuala Lumpur city centre. The location of Menara YNH offers easy accessibility and close proximity to public transport facilities. This development has an internal targeted GDV of approximately RM4 billion.

The Menara YNH mixed development will comprise the mix of hotel, service apartments and shopping mall. Contribution from this project which includes rental income is expected to contribute positively to the Group's future earnings.

In terms of Corporate Developments, the Group is expected to receive RM422.5 million from the asset disposal to an SPV pursuant to the Asset Backed Securitisation of the Kiara 163 Retail Park and Aeon Seri Manjung in 2 tranches, and is expected to complete the 1st tranche by end of FY2023 and the 2nd tranche before June 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") is committed in ensuring good corporate governance practices throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the long-term financial performance of the Group. The Board acknowledged and welcomes the implementation towards achieving the objectives of the Malaysian Code on Corporate Governance ("the Code").

The Board is pleased to report on the manner that the Group has complied with the relevant principle and recommendations of good governance as set out in the Code pursuant to Paragraph 15.25 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (the Main Market Listing Requirements). The Board having duly considered the rationale for the said exception as explained in this Annual Report.

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

#### 1. BOARD RESPONSIBILITIES

##### Board's Role

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group. The following are specific areas of responsibilities of the Board:-

- Strategic plan of the Group
- Monitoring the conduct and management of the Group's business
- Identification of risks and ensure appropriate systems for risk management
- Succession planning for senior management
- Internal control system
- Developing and implementing an investor and shareholders communication policy

The Board shall meet at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Nine (9) Board Meetings were held during the financial period ended 30 June 2023. Details of the attendance of the directors at the Board Meetings are presented in the Statement Accompanying the Notice of the Twenty-First Annual General Meeting.

##### Board Charter and Code of Conduct

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

The Board Charter will be reviewed and updated periodically to ensure it complies with the legislation, best practices, and remains relevant and effective for good governance policy and processes.

The Board Charter is made available at the Company's website at [www.ynhb.com.my](http://www.ynhb.com.my).

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which are made available on the Company's website:

- Code of Ethics and Conduct
- Corporate Disclosure Policy
- Annual Assessment Policy & Remuneration Policy
- Sustainability Policy
- Whistle Blowing Policy
- Anti-Bribery and Corruption Policy
- Fit and Proper Policy for Directors

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### 1. BOARD RESPONSIBILITIES (cont'd)

##### Supply of Information

All directors have unhindered access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. All directors have access to all information within the Group.

A formal procedure was implemented to enable the Board or in their individual capacity to obtain independent professional advice at the Group's expense in furtherance of their duties.

##### Key Roles of Chairman, Managing Director and Independent Non-Executive Directors

There is a clear division of responsibility between the Chairman and Managing Director to ensure a proper balance of power and authority. The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of policies and decisions. The Chairman's responsibility is to ensure effectiveness and conduct of the Board. The presence of three (3) Independent Non-Executive Directors fulfil a pivotal role in corporate accountability. Although all the directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors are particularly important as they provide unbiased and independent views, advice and judgement.

Khong Kam Hou acts as the Senior Independent Non-Executive Director. Any concerns relating to the Group may be conveyed to him.

##### Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries who are accountable to the Board and are responsible for the following:

- Advising the Board on matters related to corporate governance and the Main Market Listing Requirements;
- Ensuring that procedures and applicable rules are observed;
- Maintaining records of the Board and ensuring effective management of the Company's statutory records;
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;
- Assisting the communication between the Board and Management;
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- Preparing agendas and coordinating the preparation of the Board papers.

#### 2. BOARD COMPOSITION

The Company is currently led by a Board comprising of five (5) members, one (1) of whom is the Executive Chairman and one (1) is the Managing Director whilst the remaining three (3) are the Independent Non-Executive Directors. The Board has reviewed the composition of its members with three (3) of the five (5) Directors being Independent Directors and with one woman Director to comply with Paragraph 15.09 (1)(c)(i) and 15.02 (1)(a)(b) of the Bursa Securities Listing Requirement on the Composition of the board of directors.

There is a balance of Executive Directors and Independent Non-Executive Directors with at least 2 directors or (1/3) of the Board consisting of Independent Non-Executive Directors. Together, the directors bring a wide range of business and financial experience relevant to the direction of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### 2. BOARD COMPOSITION (cont'd)

##### Board Committees

The Board has established three committees to assist the Board in discharging certain responsibilities and duties. The establishment of these Board Committees further enhances the effectiveness of the Board in decision making.

##### a) Audit Committee

The Audit Committee is made up of three (3) Independent Non-Executive Directors. The Terms of Reference of the Audit Committee regulates the conduct of the members. The members are empowered to review the financial statements of the Group and deliberate on any audit finding from both the external and internal auditors arising from the Group's financial statements and any issues raised by the external and internal auditors.

The Committee has full access to both internal and external auditors. These auditors in turn have access at all times to the Chairman of the Audit Committee.

The Audit Committee Report is set out in this Annual Report.

##### b) Nominating Committee

The Nominating Committee comprises three members all of whom are Independent Non-Executive Directors as follows:

Chairman	:	Oon Seow Ling (Independent Non-Executive Director)
Member	:	Khong Kam Hou (Senior Independent Non-Executive Director)
		Ching Lee Fong (Independent Non-Executive Director)

The activities of the Nominating Committee during the financial period are as follows:

- Reviewed and assessed the independence of Independent Directors and tenure of service.
- Reviewed and assessed the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual director.
- Reviewed the mix of skills and experience and other qualities of the Board.
- Assessed directors' training needs to ensure all directors receive appropriate continuous training programmes.

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT** (cont'd)

### **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS** (cont'd)

#### **2. BOARD COMPOSITION** (cont'd)

##### **Board Committees** (cont'd)

##### **c) Remuneration Committee**

The Remuneration Committee comprises four members, the majority of whom are Independent Non-Executive Directors as follows:

Chairman	:	Oon Seow Ling (Independent Non-Executive Director)
Members	:	Khong Kam Hou (Senior Independent Non-Executive Director)
		Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT (Managing Director)
		Ching Lee Fong (Independent Non-Executive Director)

The remuneration of each director reflects the level of responsibility and commitment, which goes with Board membership. The Board determines the remuneration of each director. It is the Board's or Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the directors needed to run the Company successfully. The Executive Directors play no parts in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

##### **Directors' Remuneration**

The Company's policy on directors' remuneration is to set the remuneration package of the directors of the Group. The Remuneration Committee is responsible to determine and recommend to the Board on the remuneration of all directors.

The Directors' Fees for the Non-Executive Directors are endorsed by the Board for approval by the shareholders at the Annual General Meeting prior to payment to the Non-Executive Directors. The Non-Executive Directors are also paid an attendance allowance for all meetings that they attend.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### 2. BOARD COMPOSITION (cont'd)

##### Board Committees (cont'd)

##### c) Directors' Remuneration (cont'd)

The details of the remuneration for directors of the Company and the Group received or receivable for the financial period ended 30 June 2023 are as follows:

The Company	Salary & Bonus RM'000	Fees RM'000	Allowance RM'000	Benefits-in-kind RM'000	Total RM'000
<b>Executive Directors</b>					
Dato' Dr. Yu Kuan Chon	-	-	-	-	-
Dato' Yu Kuan Huat	-	-	-	-	-
<b>Non-Executive Directors</b>					
Dato' Robert Lim @ Lim Git Hooi*	-	70	78	-	148
Ching Nye Mi @ Chieng Ngie Chay@	-	68	58	-	126
Ding Ming Hea@	-	68	58	-	126
Oon Seow Ling#	-	11	14	-	25
Khong Kam Hou#	-	9	12	-	21
Ching Lee Fong#	-	9	12	-	21
<b>Total</b>	-	<b>235</b>	<b>232</b>	-	<b>467</b>

The Group	Salary & Bonus RM'000	Fees RM'000	Allowance RM'000	Benefits-in-kind RM'000	Total RM'000
<b>Executive Directors</b>					
Dato' Dr. Yu Kuan Chon	7,582	-	-	-	7,582
Dato' Yu Kuan Huat	7,573	-	-	-	7,573
<b>Non-Executive Directors</b>					
Dato' Robert Lim @Lim Git Hooi*	-	70	78	-	148
Ching Nye Mi @ Chieng Ngie Chay@	-	68	58	-	126
Ding Ming Hea@	-	68	58	-	126
Oon Seow Ling#	-	11	14	-	25
Khong Kam Hou#	-	9	12	-	21
Ching Lee Fong#	-	9	12	-	21
<b>Alternate Director</b>					
Datin Chan Sow Keng	2,605	-	-	-	2,605
<b>Total</b>	<b>17,760</b>	<b>235</b>	<b>232</b>	-	<b>18,227</b>

\* Resigned on 31 March 2023

@ Resigned on 31 May 2023

# Appointed on 31 March 2023

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT** (cont'd)

### **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS** (cont'd)

#### **2. BOARD COMPOSITION** (cont'd)

##### **Board Committees** (cont'd)

##### **Appointments to the Board**

The Board has set up a Nominating Committee on 20 February 2004 with the responsibility for proposing new nominees for the Board and for assessing directors on an on-going basis. Nevertheless, the actual decision as to who shall be appointed should be the responsibility of the entire Board after considering the recommendations of the Nominating Committee.

##### **Re-election of Directors**

In accordance with the Constitution of the Company, all directors who are appointed by the Board are subject to re-election at the next Annual General Meeting immediately after appointment and at least one-third (1/3) of the directors are subject to re-election by rotation at each Annual General Meeting. The Constitution also provide that all directors shall retire at least once every three (3) years.

##### **Directors Training**

The Board has undertaken an assessment of the training needs of each director. All directors have complied with the Continuous Training Programme prescribed by Bursa Malaysia Securities Berhad and during the financial period, the following training programmes were attended by Dato' Yu Kuan Huat and Dato' Dr. Yu Kuan Chon:-

In-house trainings for the directors:

- a) Corporate Training on Fundamental 4.0 + Financial Statement 101.
- b) Corporate Governance Audit

The directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

### **PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT**

#### **1. Risk Management and Internal Control**

The Board recognises the importance of a sound risk management and internal control practices to good corporate governance. In this respect, the Board affirms its overall responsibility for the Group's system of internal control and risk management, and for reviewing the adequacy and integrity of these systems.

The Board has established a Risk Management Committee in 2005 that comprises the Managing Director and all senior management to assess the various types of risk which might have an impact on the operation of the Group's business.

The Statement on Risk Management and Internal Control furnished in this Annual Report provides an overview on the state of risk management and internal controls within the Group.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT** (cont'd)**PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT** (cont'd)**2. Financial Reporting**

The Company's financial statements are prepared in accordance with the requirements of applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy and adequacy. In this respect, it is the Board's policy to ensure the accurate and timely dissemination of financial and corporate announcements for greater accountability and transparency. Such announcements are made to Bursa Malaysia Securities Berhad promptly upon the Board's approval.

**3. Directors' Responsibility Statement in respect of the Preparation of the Audited Financial Statements**

The Board is responsible to ensure that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial period and of their profit or loss and cash flows for the year then ended. In preparing the financial statements, the directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 have been applied.

In preparing the financial statements, the directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**4. Relationship with the Auditors**

The Company has always maintained a formal and transparent relationship with the External Auditors in seeking professional advice and ensuring compliance with approved accounting standards. The External Auditors will meet the Board at least twice a year for the presentation of audit plan and results of audit when the annual financial statements are presented to the directors. The Audit Committee will have a private session with the External Auditors without the presence of any executive directors of the Group at least twice a year. Annual appointment or re-appointment of the External Auditors is by shareholders' resolution at the AGM on the recommendation of the Board. Annual appointment or re-appointment of the Internal Auditors is made by the Board on the Audit Committee's recommendation.

**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND STAKEHOLDER ENGAGEMENT****1. Investor Relations and Shareholder Communication**

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. These are available on the Bursa Malaysia Securities Berhad website and provides an avenue to its shareholders to receive information about the Group electronically.



**CORPORATE GOVERNANCE OVERVIEW STATEMENT** (cont'd)**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND STAKEHOLDER ENGAGEMENT** (cont'd)**2. The AGM**

The Annual General Meeting which is held each year (not later than 30 June each year), provides a means of communication with shareholders. A copy of the Annual Report and notice of AGM are sent to all shareholders at least twenty-one (21) days before the AGM. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Shareholders are also informed and invited to attend any Extraordinary General Meetings through circulars and notice of meeting where the Board is available to respond to shareholders' questions during the meeting.

As stipulated in the Main Market Listing Requirements, voting of all resolutions at general meetings shall be carried out by way of poll.

At all times shareholders may contact the Company through the Company Secretary for information.

**3. Sustainability Strategies**

The Group is committed towards building an enduring business model that take into consideration the environment, community, workplace, marketplace and balance between business opportunity and risks in order to deliver lasting value for the shareholders and stakeholders. Details of the day-to-day business activities is disclosed in the Sustainability Statement in this Annual Report.

**Compliance with the Code**

The Group has complied with the relevant principle and recommendations of good governance as contained in the Code except for the departures set out in the Corporate Governance Report.

The Corporate Government Overview Statement was approved by the Board of Directors on 30 October 2023.

This statement is prepared in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirement and it is read together with the Corporate Governance Report which available on the Company's website at [www.ynhb.com.my](http://www.ynhb.com.my).

## SUSTAINABILITY STATEMENT

### Sustainability Reporting

The Board of Directors “Board” of YNH Property Bhd “YNHP” is pleased to present our Group Sustainability Statement for the financial period ended 30 June 2023, which is prepared in accordance with Bursa Malaysia Sustainability Reporting Guidelines. This report illustrates the Group’s sustainability challenges and opportunities.

YNHP is an investment holding company with subsidiaries involved in property development, construction and property investment.

### Sustainability Governance Structure

The Board has the overall responsibility for the Group’s sustainability strategy and performance. It ensures that the Group’s sustainability plans are aligned to corporate strategies and drive business performance. The Executive Director is primarily in control of strategic planning and the Senior Management team is responsible in managing, monitoring, and evaluating all the sustainability matters and ensure that these are under control and in line with the Group’s policies and others relevant requirements.

The sustainability governance structure of the Group is as follows:

Committee	Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>• Approve and monitor the development of corporate sustainability strategy, policies and business performance.</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>• Control and provide the overall direction, make decision and drive the execution for all sustainability matters.</li> </ul>
Senior Management Team	<ul style="list-style-type: none"> <li>• Manage the implementation of the sustainability strategies and policies within the respective department.</li> <li>• Monitor and provide constant update to the Executive Director in relation to the department’s sustainability performance as set out by the Board of Directors.</li> <li>• Identify, assess, evaluate, manage and report material sustainability risks and opportunities relevant to the Group’s operations for approval.</li> <li>• Facilitate the sustainability disclosures as required by laws and regulations and subsequently recommend for approval.</li> </ul>

The implementation of our strategies on sustainability is available at the Company’s website at [www.ynhb.com.my](http://www.ynhb.com.my).

### Scope

The scope of this sustainability statement encompasses on the Group’s business divisions comprising property development, construction and property investment. The Group works to achieve sustainability growth and enhance long term value for its stakeholders by building and delivering our products at a high quality level with competitive price to our customers. We are committed to deliver our products with high value, safely and on a timely basis.

The introduction to sustainability reporting marks the beginning of a deeper commitment towards discharging our social responsibility. Our management is taking steps to look into progressive improvement of our sustainability practices.

## SUSTAINABILITY STATEMENT (cont'd)

### Stakeholder Engagement

The Board has collaborated with the Group's stakeholders to understand their needs and to adopt key concerns into our business plans and strategies. The effort is as summarised in the table below:

Key Stakeholders	Engagement Method	Engagement Focus	Management's Respond
Employees	<ul style="list-style-type: none"> <li>• Management Meetings</li> <li>• Internal communications</li> <li>• Apprenticeship Programme</li> <li>• Internal/External training</li> <li>• Employee recreation</li> <li>• Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Work performance</li> <li>• Knowledge, skills and future prospect enhancement</li> <li>• Team work</li> <li>• Safety facility and working environment</li> <li>• Staff welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Suggestions on areas for improvement</li> <li>• Annual performance review</li> <li>• Career enhancement through trainings</li> <li>• Appreciation lunch/ dinner gathering</li> <li>• Sport Club</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Advertisements and marketing team</li> <li>• Social media networks</li> <li>• Sales brochures</li> <li>• Company's website</li> <li>• Customer complain response department</li> </ul>	<ul style="list-style-type: none"> <li>• Product design and features</li> <li>• Price competitiveness</li> <li>• Quality products to match value for money</li> <li>• Customer satisfaction on the products and services delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and Environmental Systems through ISO 9001:2015 and ISO 14001:2015</li> <li>• On time delivery</li> <li>• Responsive support team</li> </ul>
Contractors and Suppliers	<ul style="list-style-type: none"> <li>• Consultant/Contractors meetings</li> <li>• Contract negotiation</li> <li>• Tender process</li> <li>• Site inspection</li> <li>• Regular engagement with suppliers</li> <li>• Supplier assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent procurement practices</li> <li>• Health, safety and environment compliance</li> <li>• Timely completion and delivery</li> <li>• Payment schedule</li> <li>• Pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous sourcing</li> <li>• Procurement and supply chain management</li> <li>• Attending Trade Fair</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Company's website</li> <li>• Bursa announcement</li> <li>• Quarterly Financial reporting</li> <li>• Annual Report</li> <li>• Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Financial and operational performance</li> <li>• Sustainability business growth</li> <li>• Enhancing shareholders' value</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible reporting and compliance</li> <li>• Focus on financial performance, risk management, internal and external control</li> </ul>
Government/ Regulation	<ul style="list-style-type: none"> <li>• Dialogues, meetings and discussions</li> <li>• Attend briefing, workshops and trainings</li> <li>• Periodic visits and site inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with all rules and regulations of local authorities, government bodies and regulators.</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible reporting</li> <li>• Complying all the requirement and following the best practices</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Engagement with technical school</li> <li>• Social engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting local communities in economic, environmental and social development</li> </ul>	<ul style="list-style-type: none"> <li>• Internship programme</li> <li>• Social service activities</li> </ul>

## **SUSTAINABILITY STATEMENT** (cont'd)

### **Material Sustainability Matters**

The Group has identified sustainability matters relating to economic, environmental and social factors that are deemed relevant to the Group's business. In identifying and prioritising the material sustainability matters for the Group, an analysis exercise was conducted by enhancing and understanding the views and responses from the Group's stakeholders.

The Group's material sustainability matters are identified as follows:

- Economic – Financial performance
- Environmental – Waste and energy management
- Social – Human capital development and social programme

### **Economic**

The Group realizes the importance of building and maintaining good relationships with its customers, suppliers and contractors. The Group is also committed to promote open communication with our shareholders, investors, analysts, fund managers, business partners and the media to keep them abreast with our strategies, performance as well as business activities. The Group also contribute to nation economy by developing new township and enhancing value of existing townships and cities.

#### o Local Employment Opportunity

The management actively engage with our employees and encouraged them to bring forth their full potential and enabling a satisfy career of them. We offer students internship to all local technical schools and provide industrial training to technical students from various colleges and universities. After the internship, we encourage students to continue to work with us if they do not wish to further their studies. We are always mindful to attract talents from local community.

Our existing employees are encouraged to improve their skills by attending external and internal trainings. Upon completion of annual performance review, the management has the option to reward those outstanding employees with monetary benefits based on their annual performance.

#### o Customer Satisfaction

We realise the importance of delivery of good products in order to meet our customers satisfaction. The management is committed to adopt best practices as to achieve and maintain excellence in all the projects and considering the preservation of the natural environment.

We have obtained ISO9001:2015 certification as a testimpny of our commitment to deliver high quality product.

Customers complain response department has been set up to address all matters relating to warranty and workmanship of our products. Meeting are conducted on weekly basis and if require ad-hoc meeting would be conducted to brainstorm for solution to problem encounter with various brainstorm technique employed including "Fish Bone Analysis" to address and rectify all the issues faced.

As part of our commitment to customer satisfaction, we conduct customer satisfaction survey to obtain feedback/complaints from our customers so that corrective action plans can be devised and implemented with the aim to improve the delivery of our products and services.

## **SUSTAINABILITY STATEMENT** (cont'd)

### **Economic** (cont'd)

#### o Suppliers

The purchasing team always sources for quality materials at competitive price. There is a standard operating procedure quality benchmark for all suppliers under the purview of ISO9001:2015 quality certification which guides of the evaluation, selection and monitoring of our supply chain.

#### o Tenants

Tenancy rates are decided upon based on market demand and supply situation for non-purpose build building whilst purpose build building are negotiated based on the contribution of the tenant to the surrounding property market value.

#### o Risk Management

The Group has engaged the services of an internal audit services provider to assess the Group's risks. The internal auditors adopt a risk based approach in devising and executing an internal audit plan that covers the Group's key business areas and risks. Reports are tabled regularly to the management with regular follow-ups on implementation of any agreed recommendation.

### **Environment**

The Group ensures strict compliance with the environment laws and regulations in order to sustain the Group's business and we have obtained ISO14001:2015 as our commitment to safeguard the environment ensuring waste are properly managed and wastage are minimised and resources are preserved whenever and wherever possible.

#### o Waste and energy management

The Group strives to provide a safe and healthy environment for employees. As a developer, we preserve the environment when embarking on our property projects. It is our priority that we review the Group's environmental objectives periodically to minimize negative environment impact.

In order to prevent wastages, the Group has promoted environmental friendly awareness among its employees by educating its employees to adopt and to instil habits of environment friendly approach towards daily operations.

Several practices have been put in practice which includes recycling papers, documents to be printed on double-sided to reduce usage of paper and documents circulated through electronic communication channels to save paper.

Apart from recycling policy, suggestions on ways to save energy were introduced to the employees such as switching off non-essential equipment, lighting, electrical devices or air-condition when it is not in use.

The Group also insists that its contractors implement and be responsible for effective cleaning and safety measures to safeguard the environment and random inspections are conducted from time to time to ensure that such measures are being undertaken and observed.

## **SUSTAINABILITY STATEMENT** (cont'd)

### **Social**

The Group is conscious that human capital is the main impetus towards achieving the Group's goals. We are also aware of the impact we have on society.

#### **o Employees**

##### *Safety working environment*

The Group consistently promote a safe and healthy work culture for a more conducive work environment. Implementing quality assurance is salient in all our projects and in various stages of each project. Quality, environment, health and safety criteria are established and implemented through our best practices. Personal Protection Equipment are provided to employee in discharging their duties.

##### *Trainings*

The Group believes that passionate and capable employees are the key assets and they are the great contributors to the Group. Therefore, it is important to continuously provide its employees with skills development and training programmes that encourage progression and self-enrichment.

As part of our efforts to provide growth and progression of opportunities for our employees, the Group sponsors employees to attend external seminars as well as management and financial skill upgrading programmes to strengthen their competencies, skills and knowledge to enhance work quality and to achieve optimal job performance.

##### *Welfare*

The Group creates a happy and harmonious workplace by providing opportunities for our employees to engage in sports and recreational activities to promote a healthy lifestyle for the employees.

We also organised events like Company's local trip, lunch and dinner together with our employees to foster a closer relationship and to show our appreciation for employees' dedication and commitment towards the business.

Such activities have added benefits of reinforcing interpersonal relationships and enhancing team spirit.

#### **o Society**

##### *Job opportunity*

The Group provides value-added job opportunities to the local community. We encourage the students from internships at our technical or non-technical divisions to continue to work with us after their graduation. The process is mutually beneficial as we understand the employment needs and learnt to engage effectively with the students who would become the future human resources of our country.

**SUSTAINABILITY STATEMENT** (cont'd)**Social** (cont'd)

## o Society (cont'd)

*Contribution to community*

The Group has contributed to the local community through Dato' Yu Neh Huat Foundation ("the Foundation") which is a trust maintained and operated by the controlling shareholder of YNHP.

The Foundation is dedicated to the advancement of education and religion, relief of poverty, promotion of activities for the benefit and advancement of the sports, culture and art for the benefit and preservation of the environment, nature and wildlife and specifically for purposes beneficial to the local community mainly in the District of Manjung, Perak.

The Foundation has donated to Old Folks Home in Kg Cina, Community Centre, Temples, Sports Associations and various local schools in the District of Manjung. The Foundation also continues to provide scholarships to qualified students from the lower income group of society.

Other than financial assistance through the Foundation, the Group has also donated directly to other charitable foundation, temples and community centre.

The Group emphasizes the need for safety and ethics not only in the work place but also in the products that it delivers. The Group also provide industrial training to technical students from various colleges and universities for a period of three to six months.

**Moving Forward**

The board recognises that embedding sustainability into the Group's business is a continuous and evolving practices in which the Board will strive to enhance in order to achieve the Group's long term sustainable growth.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds

On 25 November 2021 the Company made a lodgement with the Securities Commission Malaysia ("SC") for the establishment of the Sukuk Wakalah Programme pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 22 November 2021, as amended from time to time).

The Sukuk Wakalah Programme is structured based on the Shariah principle of Wakalah Bi Al-Istithmar and accords the Company the flexibility to issue secured or unsecured Sukuk Wakalah from time to time. The Sukuk Wakalah Programme has been assigned a preliminary rating of A+IS by Malaysian Rating Corporation Berhad.

As at the financial period end, the Company had not issued any Sukuk Wakalah under the Sukuk Wakalah Programme.

### 2. Auditors' Remuneration

The Auditors' Remuneration of the Company and Group for the financial period ended 30 June 2023 is as follows:

	<b>Audit Fees (RM)</b>	<b>Non-Audit Fees (RM)</b>
Company	418,000	8,000
Group	1,068,000	20,000

### 3. Material Contracts

There were no material contracts, entered into or loans made by the Company and its subsidiaries, involving directors and substantial shareholders either still subsisting at the end of the financial period ended 30 June 2023 or entered into since the end of the previous financial year except as disclosed in note 38 in the notes for the financial statements.

### 4. Revaluation of Landed Properties

There were no revaluations of landed properties during the financial period.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### *Introduction*

Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements requires the Board of Directors of public listed companies to include in its annual report a statement about the state of internal control of the listed issuer as a group.

The Board of Directors is committed to maintain a sound system of risk management and internal control in the Group and is pleased to provide the following statement which has been prepared in accordance with the Guidelines for Directors of Listed Issuers on the Statement on Risk Management and Internal Control.

### *Key Elements of Risk Management and Internal Control*

The Board has overall responsibility for the Group's risk management and system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and Group's assets. The Board has received assurance from the Group Managing Director and Group Financial Controller that the Group's risk management and internal control system is operating adequately. The Board's responsibility covers not only financial controls, but also relating to operational risk management and compliance with applicable laws and regulations and guidelines set by the authorities.

However, because of the limitations that are inherent in any internal control, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide a reasonable assurance against material misstatement. The directors have established the following operational framework to provide an adequate internal control system.

- The Board meets at least quarterly and have set a schedule of matters to be deliberated during the Board meetings to ensure that the Board maintains full and effective supervision over the control processes.
- The Group operates within an organizational structure with defined lines of responsibilities and accountabilities. A procedural and hierarchical reporting has been established which provides for a documented and auditable trail of accountability.
- The Group's risk management process identifies the principal business risks. The Management is responsible for the identification and evaluation, on an on-going basis, of significant risks inherent in the business. Appropriate action plans are developed to mitigate the key risk areas.
- The Audit Committee provides assistance to the Board of Directors in fulfilling its overall responsibilities. The Audit Committee reviews the internal audit plan for the year, and reviews the action taken on internal control issues identified in the reports prepared by the Internal Auditors.
- The Group outsourced its Internal Audit Function to an accounting firm and the Internal Auditors, which report directly to the Audit Committee, performed reviews on the effectiveness of the current controls in place and highlighted key risk areas affecting the Group as well as made practical recommendations to address any potential weaknesses. The Internal Audit Function carries out the audit on rotational basis to cover selected areas and companies in every audit. The Audit Committee has full access to the service and advice of the Internal Auditors and the Audit Committee, together with the Management, reviewed the issues identified by the Internal Auditors and External Auditors and ensured that all practical recommendations, agreed to by the Management, are implemented. In year 2022, the Internal Audit Function reviewed the internal control systems on lease rental of 163 Retail Park, Mont Kiara, Kuala Lumpur and lease rental of construction machineries at YNH Kuala Lumpur office. Procedures carried out including:
  - Review and assess the adequacy of internal controls and operating effectiveness and efficiency of internal control system in operation.
  - Review the Standard Operating Policies and Procedures,
  - Review fixed and variable rent agreement, rent computation and rebate, debtor ageing review as well as physical inspection of the assets

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

The Group has established appropriate risk management infrastructure to ensure that the Group's assets are protected and shareholders' value are enhanced. The Group has a Risk Management Committee ("RMC"), which is chaired by the Group Managing Director, Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, and attended by the assistant to the Group Managing Director, Group Financial Controller, and all heads of departments. The RMC is given the task of implementing and maintaining appropriate risk management framework to achieve the following objectives:

- Identify business risks/threats and monitor significant risks in an effective manner.
- To carry out review and reporting on key risk areas, at least once every year.

Risk assessment, monitoring and review of the various risks are an on-going process with RMC playing a vital role. The RMC's meeting is conducted at least once a year to review the key risk profile that may impact the implementation and completion of the projects and report the findings directly to the Audit Committee. The risk assessment, monitoring and review process has been in place for the year under review up to the date of approval of this statement for inclusion in the annual report.

***Monitoring and Review of the Adequacy and Integrity of the System of Internal Control***

The procedures adopted by the Group to review the adequacy and integrity of the system of internal control include:

- Confirmation and assurance by the Group Managing Director/Head of RMC that the Group's risk management and material control system is operating adequately and effectively in all material aspects, highlighting potential risk areas and weaknesses in management control.
- Examination on the control procedures by Internal Audit Function, which are carried out and reported the findings directly to the Audit Committee.

***Weaknesses in Internal Control and Risk Management That Result in Material Losses***

There were no material losses incurred during the financial period under review as a result of weaknesses in internal control.

The Board concurs that the system of internal control will continue to be reviewed, added on or updated in line with the changes in the operating environment. The Board will continue to seek regular assurance on the effectiveness of the internal control system through the work carried out by the Internal Auditors. The monitoring, review and reporting arrangement in place provide a reasonable assurance that the control procedures and risk management are appropriate to the Group's operation and that risks are at an acceptable level. The Board is of the view that the existing system of internal control and risk management is adequate and effective to safeguard the Group's assets at the existing level of operations of the Group.

***Review of the Statement by External Auditors***

As required by Paragraph 15.23 of Bursa Malaysia Listing Requirements, the External Auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with ISAE 3000 (Revised), *Assurance Engagement other than Audits or Review of Historical Financial Information* and the Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on Directors' Statement on Internal Control included in the Annual Report*.

Based on the procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that would cause them to believe that this statement is not prepared, in all material aspects, in accordance with disclosures required by Paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidance for Directors of Listed Issuers, nor is it factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and internal control system.

## AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") is pleased to present the Audit Committee Report for the financial period ended 30 June 2023 in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors as follows:

<b>Name of Members</b>	<b>Directorship</b>	<b>Designation</b>
Oon Seow Ling	Independent Non-Executive Director	Chairman of Committee
Khong Kam Hou	Senior Independent Non-Executive Director	Committee Member
Ching Lee Fong	Independent Non-Executive Director	Committee Member

The Chairman of the Audit Committee, Oon Seow Ling is a member of the Malaysian Institute of Accountants which complies with Paragraph 15.09 (1)(c)(i) of the MMLR of Bursa Securities and is in line with Practice 8.1 under the Malaysian Code on Corporate Governance.

### Attendance of Meetings

During the financial period, a total of nine (9) meetings were held.

The details of the attendance of the Committee Members are as follows:

<b>Name</b>	<b>Number of Meetings Attended</b>
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP*	5/6
Ching Nye Mi @ Chieng Ngie Chay@	9/9
Ding Ming Hea@	9/9
Oon Seow Ling#	3/3
Khong Kam Hou#	3/3
Chin Lee Fong#	3/3

\* Resigned on 31 March 2023

@ Resigned on 31 May 2023

# Appointed on 31 March 2023

### Summary of Activities

The activities of the Audit Committee during the financial period under review are as summarised below:

- Reviewed and approved the internal audit's plan and programmes;
- Reviewed the internal audit reports and considered the findings by the auditors' and management's responses thereto;
- Carried out an annual review of the performance of the internal auditors, including assessment of their suitability and independence in performing their obligation;
- Reviewed, prior to the commencement of audit, the external auditors' scope of engagement, their audit plan and approach;
- Reviewed with the external auditors the results of their audit, their audit report and management letters relating to the audit, their internal control recommendations in respect of control weaknesses noted in the cause of their audit and the management's responses thereto;
- Reviewed the performance and effectiveness of external auditors including assessment of their suitability and independence in performing their obligations and made recommendation to the Board for approval of their reappointment.

**AUDIT COMMITTEE REPORT** (cont'd)**Summary of Activities** (cont'd)

The activities of the Audit Committee during the financial period under review are as summarised below: (cont'd)

- Reviewed the annual financial statements and quarterly financial reports and reporting to Bursa Malaysia Securities Berhad and ensured compliance with additional disclosure requirements in accordance with the Main Market Listing Requirements of Bursa Malaysia;
- Reviewed the related party transactions and conflict of interest situations that arose within the Company or Group during the financial period.

**Internal Audit Function**

The Internal Audit Function was established in 2004 with the initial engagement of an internal audit service firm to provide the internal audit services. The role of the internal audit team is to provide independent and objective reports on the state of internal control and compliance to policies and procedures. The internal audit team will assist the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The Internal Audit Function is currently outsourced to a professional services firm which reports directly to the Audit Committee. The scope of work covered by the Internal Audit Function is determined by the Audit Committee after discussion of the audit plan with the Board. The costs incurred for the Internal Audit Function for the financial period ended 30 June 2023 were RM100,000.

## LIST OF PROPERTIES

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut, Perak (Old Lot No.1557 & 1932)						
- Portion for own investment (PT2781-2782)	Property, plant and equipment	27.94	Agricultural/ for investment	Freehold	5,142,000	2001
- Portion for fixed asset (G28079, PT2722-2780, 2785, 2822-2823)	Property, plant and equipment	125.29	Agricultural/ for investment	Freehold	23,256,000	2001
Lot 1612, Mukim Kota Lama Kiri, Kuala Kangsar	Property, plant and equipment	13.14	Agricultural/ for investment	Freehold	4,214,000	2001
Lot 2795, Mukim Lumut, Daerah Manjung, Perak	Property, plant and equipment	25.00	Agricultural/ for investment	Freehold	15,261,000	2001
Lot 36480 & Lot 36481, Sungai Terap, Perak	Property, plant and equipment	25.32	Agricultural/ for investment	Leasehold (28.11.2109)	2,111,000	2011 *
Lot 17196 to Lot 17201, Lot 17205-Lot 17208, Mukim Lumut, Daerah Manjung, Perak	Right of use	88.97	For investment	Leasehold (7.1.2107)	31,230,000	2011 *
Lot 198272, Mukim Hulu Kinta, Daerah Kinta, Perak	Property, plant and equipment	3.00	Vacant land	Leasehold (9.8.2052)	1,753,000	2014
Lot 6555 – PT2791, Mukim of Lumut, Daerah Manjung, Perak	Planted with oil palm tree and approved for development	25.00	Proposed mixed development – commercial and residential	Freehold	5,838,000	2001
Lot 6555 - PT2792, PT2793, PT2794, Mukim Lumut, Daerah Manjung, Perak	Planted with oil palm tree and approved for development	36.38	Proposed Hock Chew Centre with mixed development	Freehold	8,228,000	2001
Entry No.1577 Lot 712 Mukim Lumut, Perak	Planted with oil palm tree and approved for development	-	Proposed mixed development – commercial and residential	Freehold	468,000	2001
Entry No. 1380 Lot 1387 Mukim Lumut, Perak		4.78		Freehold		
HS (D) Dgs 1203/78 Lot 2740 Mukim Pengkalan Bharu, Perak	Planted with oil palm tree and approved for development	7.88	Taman Suria, Pantai Remis – commercial and residential	Freehold	1,186,000	2001
HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu, Perak				Freehold		
Geran 36493, Lot 495 & Geran 36944, Lot 496, Town of Lumut, Daerah Manjung, Perak	Vacant Land and approved for development	0.70	Proposed mixed development – commercial and residential	Freehold	1,230,000	2001

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
CT 17320 Lot 117 Town of Lumut, Perak	Vacant Land and approved for development	0.83	Proposed mixed development – commercial and residential	Freehold	541,000	2001
EMR 379 Lot 380 Mukim Pengkalan Bharu, Perak	Vacant Land and approved for development	1.37	Proposed mixed development	Freehold	361,000	2001
HS (D) Dgs 1042/78 Lot 5493 (New lot 13100) Mukim Lumut, Perak	Planted with oil palm tree and approved for development	7.60	Taman Layar, Kg. Acheh, Sitiawan – commercial and residential	Freehold	2,890,000	2001
EMR 9714 Lot 10054 Mukim Sitiawan, Perak	Planted with oil palm tree and approved for development	3.08	Proposed mixed development – commercial and residential	Freehold	418,000	2001
EMR 5198 Lot 4622 Mukim Sitiawan, Perak	Planted with oil palm tree and approved for development	5.04	Proposed mixed development – commercial and residential	Freehold	988,000	2001
Geran 7419 Lot 15655 Mukim Sitiawan, Perak	Planted with oil palm tree and approved for development	3.04	Proposed development – residential	Freehold	1,413,000	2001
HS(D)Dgs1673/83 PT10382 & (Lot No. 25893 25900) HS(D)Dgs 1680/83 PT10389 Mukim Sitiawan, Perak	Vacant Land	0.04	Proposed mixed development – residential and commercial	99 years (23.9.2082)	46,000	2001
HS(D)Dgs 830/89 PT625 Bandar Lumut, Perak	Vacant Land	0.75	Proposed development – residential	60 years (7.6.2049)	273,000	2001
Lot 1983, Lot 1984 (GM1246, GM1247) Mukim Lumut, Daerah Manjung, Perak	Vacant Land	2.97	Agricultural land	Freehold land	249,000	2004 *
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut (Old Lot No. 1557 & 1932) PT2789-PT2790, Perak	Vacant Land	50.00	Proposed for clubhouse usage	Freehold	9,045,000	2004 *
Lot 140, Town of Lumut, Perak	Vacant Land	0.69	Proposed mixed development	Freehold	177,000	2005 *
Lot 732, 733, all in Mukim of Sitiawan, Perak	Vacant Land	0.02	Proposed mixed development	Freehold	89,000	2005 *
Lot 31776-31780 PT47587-47591 Mukim Sitiawan (Old Lot No. 15173-15177) Perak	Vacant Land and approved for development	0.20	Proposed mixed development – commercial and residential	99 years (5.5.2088)	163,000	2001

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Balance Lot 4818 Mukim Lumut (PT6677, 6678, 4118-4133 4510-4592, 4673-4778, 4840-4853, PN84692, PN84694) Perak	Vacant Land and approved for development	0.45	Taman Samudera, Phase 10 & 11 – commercial and residential	99 years (27.3.2093 [PT 6677 & 6678] and 19.5.2091 [the rest])	1,604,000	2001
Geran 7270-7273 Lot 14851-14854 Mukim Sitiawan, Perak	Vacant Land and approved for development	23.87	Taman Limbungan, Kg. Acheh, Sitiawan – commercial and residential	Freehold	5,966,000	2001
Geran 7274 Lot 14855 Mukim Sitiawan (Old Lot No. 34043) (Lot 31656) Perak						
Geran 7276 Lot 14857 Mukim Sitiawan (Old Lot No. 34045)(Lot 21658) Perak						
GM 375 & 376 Lot 6493 & 6494 Mukim Lumut (Old EMR No. 2424 Lot 4275), Perak	Vacant Land and approved for development	1.12	Proposed development – commercial	Freehold	720,000	2001
EMR 9488 Lot 9187 Mukim Sitiawan, Perak	Vacant Land and approved for development	0.51	Proposed mixed development – commercial and residential	Freehold	63,000	2001
HS (M) 1528 PT1728 Mukim Sitiawan, Perak	Vacant Land and approved for development		Proposed mixed development – commercial and residential	Freehold	49,000	2001
PT22973-PT22975, Bandar Baru, Sri Manjung, Perak - Commercial Complex	Vacant Land and approved for development	0.38	Commercial Land, Jalan Lumut, Sri Manjung	99 years (25.2.2101)	564,000	2001
- Shops unit		0.08	Commercial	99 years (25.2.2101)	117,000	2001
Lot 246 Village of Pekan Gurney, Perak	Vacant Land and approved for development	2.90	Taman Delima, Ayer Tawar – residential	Freehold	455,000	2001
Lot 4818 Mukim Lumut HS (D) Dgs 3618-3663 (Lot 10685)-Hawker Center Perak	Vacant Land and approved for development	2.27	Taman Samudera, Sri Manjung – commercial and residential	99 years (29.9.2094)	3,523,000	2001
Geran 18770 Lot 3335 Mukim Pengkalan Bharu Perak	Vacant Land and approved for development	18.20	Taman Bintang, Pantai Remis – commercial and residential	Freehold	3,455,000	2001

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Geran 9851 Lot 379 Town of Lumut, Perak	Vacant Land and approved for development	1.75	Lumut Ria Condominium, Lumut – residential	Freehold	3,844,000	2001
Lot 6555 – PT 2786 Mukim of Lumut Perak	Vacant Land and approved for development	0.65	Taman Desa, Manjung Point – residential	Freehold	195,000	1993
Lot 5,6, (Lot 1791), Lot 1105-1110 (Trong), Perak	Vacant Land and approved for development	1.04	Taman Seri Trong Perak, Taiping – commercial	Freehold	329,000	1996
Lot 15541, Geran 7305 Mukim of Sitiawan	Vacant Land	4.04	Proposed mixed development	Freehold	1,296,000	2003
Geran 21668 Lot 6274 Mukim Beruas, Perak	Planted with oil palm tree and not approved for development	37.88	Proposed mixed development – commercial and residential	Freehold	2,568,000	1989
PT33990 (Lot 14785-14788 (old lot 26789-26793), PT19589-PT19637) Mukim Sitiawan, Perak	Vacant Land and approved for development	5.38	Proposed mixed development – commercial and residential	Leasehold	4,200,000	2001
Lot 17768, PT4860 and Lot 17769, PT4861 & PT4862 Mukim Lumut, Perak	Vacant Land and approved for development	5.08	Proposed mixed development – commercial and residential	99 years (29.04.2101)	4,818,000	2001
Lot 803, EMR1616, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	2.97	Proposed mixed development	Freehold	1,279,000	2004 *
Lot 716, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.02	Proposed mixed development	Freehold	163,000	2005 *
Lot 717, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.02	Proposed mixed development	Freehold	155,000	2005 *
Lot 721, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.01	Proposed mixed development	Freehold	130,000	2005 *
Lot 722, undivided 1/3 land under HSM 86/68, Mukim Sitiawan, Perak	Vacant Land and approved for development	0.03	Proposed mixed development	Freehold	91,000	2005 *
Lot 188, Mukim Lumut, Daerah Manjung, Perak	Vacant Land and approved for development	4.50	Proposed mixed development	Freehold	2,039,000	2005 *
Lot 5614 (GRN61063) and Lot 5615 (GRN61064), Mukim Batang Padang, Perak	Vacant Land approved for development	14.74	Proposed mixed development	Freehold	660,000	2005 *

\* Year of Acquisition



**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Lot 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur	Vacant land approved for development	6.49	Proposed high rise condominium	Freehold	23,115,000	2007 *
Lot 51630, (Old Lot 3719), HSD 83603, Wilayah Persekutuan, Daerah Kuala Lumpur	Vacant land approved for development	2.98	Proposed mixed development	Freehold	12,347,000	2007 *
Lot 41023, 41024, 41025, 41026 Mukim Lumut, Daerah Manjung, Perak	Vacant land approved for development	48.62	Proposed mixed development	Freehold	24,140,000	2007 *
Lot 1612, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.68	Proposed mixed development	Freehold	397,000	2008 *
Lot 15666, Mukim Sitiawan, Perak	Vacant land approved for development	2.32	Proposed mixed development	Freehold	1,272,000	2008 *
PT 11202 & PT 11388, Mukim Bentong, Pahang Darul Makmur	Vacant land	91.49	Proposed mixed development and resort development	Freehold	19,239,000	2008 *
Lot 382868 (old PT 212710), Mukim Hulu Kinta, Daerah Kinta, Perak	Vacant land approved for development	1.40	Proposed commercial development	Leasehold (24.7.2105)	6,053,000	2008 *
PT 2788, Mukim Lumut, Daerah Manjung, Perak	Vacant land approved for development	15.00	Proposed mixed development	Freehold	13,143,000	2008 *
PT 357017, Mukim Hulu Kinta, Daerah Kinta, Perak	Vacant land approved for development	1.00	Proposed mixed development	Leasehold (4.6.2103)	6,001,000	2008 *
Lot 29760 & 29761, Mukim Sungai Terap, Daerah Kinta, Perak	Vacant land approved for development	36.00	Proposed mixed development	Leasehold (25.11.2101)	5,839,000	2008 *
PT 6152, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.92	Proposed mixed development	Freehold	615,000	2008 *
Lot 337443-Lot 307541, Mukim Kampar, Daerah Kampar, Perak	Vacant land approved for development	3.46	Proposed mixed development	Leasehold (10.2.2103)	1,507,000	2009 *
Lot 51845 (Old Lot 180, PT22972), Bandar Baru Seri Manjung, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land approved for development	5.12	Proposed commercial development	Leasehold (15.6.2099)	4,029,000	2001
PT6151, Mukim Pengkalan Baru, Perak	Vacant land approved for development	3.16	Proposed mixed development	Freehold	991,000	2011 *

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Lot 6254, Lot 307627- Lot 307696, PT 17105- PT 17194, Lot 308020- Lot 308097, Lot 305190, Mukim Kampar, Perak	Vacant land approved for development	12.70	Proposed mixed development	Freehold	18,248,000	2012 *
Lot 40931, Mukim Sitiawan, Perak	Vacant land	1.46	Proposed mixed development	Freehold	517,000	2011 *
Lot 412, Mukim Pengkalan Baharu, Perak	Vacant land	2.00	Proposed mixed development	Freehold	112,000	2011 *
PT10860 (PT 17284, Bal Pantai Hospital land) Mukim Lumut, Perak	Vacant land	1.30	Proposed mixed development	Freehold	1,140,000	2011 *
Lot 38321 (Lot 16060), Mukim Sitiawan, Perak	Vacant land	1.02	Residential development	Freehold	44,000	2012 *
Lot 303864-Lot 303915, Mukim Belanja, Daerah Kinta	Vacant land	2.02	Residential development	Leasehold (29.1.2103)	400,000	2012 *
Lot 3624 (Lot 302158), Mukim Belanja, Daerah Kinta	Vacant land	6.81	Residential development	Leasehold (24.9.2100)	622,000	2012 *
PT 17468 (Old Lot 6517), Mukim Lumut, Daerah Manjung	Vacant land	1.15	Vacant land	Freehold	106,000	-
Lot 214, Mukim of Kuala Lumpur	Vacant land approved for development	2.88	High Rise development	Freehold	36,385,000	2012 *
Lot 4958, Mukim Sayung, Kuala Kangsar	Vacant land	1.65	Residential development	Freehold	397,000	2012 *
Lot 4959,3332,3334,3337, Mukim Sayung, Kuala Kangsar	Vacant land	8.56	Residential development	Freehold	3,230,000	2012 *
Geran 7256 Lot 14837 Mukim Sitiawan, Perak	Vacant land	4.94	Residential development	Freehold	432,000	2012 *
Geran 7444, Lot 15680, Mukim Sitiawan (Balance of land), Perak	Vacant land	0.68	Residential development	Freehold	228,000	2012 *
PT 28260, Lot 16059, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	0.04	Residential development	Freehold	6,000	2012 *
Lot 966 EMR 1237 Mukim Sitiawan, Perak	Vacant land	0.89	Taman Mutiara - residential	Freehold	294,000	2012 *
Lot 4818 (Balance of commercial) (Plot 1, 22 dsth, and balance of land), Perak	Vacant land	0.91	Taman Samudera, residential	Leasehold (19.5.2091)	82,000	2001 *

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
Lot 9910 (PT 2818, PT 2819, PT 2803, PT 2804 & PT 2805) Balance Phase III, net off sports complex & bowling centre, Mukim Lumut, Daerah Manjung, Perak	Vacant land	2.76	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	928,000	2001 *
HSD 15538, PT 5018, Bandar Teluk Intan, Perak	Vacant land	0.13	Commercial development - Bandar Baru Teluk Intan	Leasehold (24.09.2100)	388,000	2001 *
Lot 605, Mukim Kamunting, Daerah Larut & Matang, Perak	Vacant land	9.94	Vacant land	Freehold	2,997,000	2013 *
Lot 549, Mukim Kamunting, Daerah Larut & Matang, Perak	Vacant land	48.00	Vacant land	Freehold	11,536,000	2013 *
PT2800, PT2801, PT2802 (New - Lot 9907, 9908, 9909) (8.33 commercial area and Plot 1-132 residential), Perak	Vacant land	12.90	Manjung point Township	Freehold	3,119,000	2001
Lot 1.88, Mukim Kampar, Perak	Vacant land	1.88	Vacant land	Leasehold (6.12.2111)	420,000	2013 *
PT320-PT331, Daerah Petaling, Selangor	Vacant land	1.57	Mixed development	Freehold	14,969,000	2013 *
Lot 2569, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	1.98	Mixed development	Freehold	5,503,000	2014
Lot 730, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	5.47	Mixed development	Freehold	2,697,000	2014
Lot 14825 & Lot 14826, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	8.13	Mixed development	Freehold	9,400,000	2014
Lot 1451, Mukim Pengkalan Baharu, Daerah Manjung	Vacant land	2.58	Vacant land	Freehold	1,289,000	2016
Lot 474, Mukim Pengkalan Baharu, Daerah Manjung	Vacant land	2.46	Vacant land	Freehold	1,502,000	2016
PT4374, PT4375, PT4376 PT4377 (old name PT2787) Mukim Lumut, Daerah Manjung, Perak	Vacant land	8.98	Vacant land	Freehold	9,000,000	2022 *
CL045352234, Telipok, Jalan Tuaran, Kota Kinabalu	Vacant land	13.00	Agricultural land		18,148,000	2022 *
Lot PT6676, 9445 and Lot 9240 to Lot 9248, Mukim of Lumut, Perak	Property, plant and equipment	1.44	Hotel operation	Freehold	26,275,000	2001

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
<b>DEVELOPMENT PROPERTIES</b>						
Lot 374, Mukim Pengkalan Baru, Perak	Development properties	0.19	Proposed development - commercial	Freehold	244,000	2004 *
Lot 4818 - Balance of Phase 9 (Shop unit) Mukim Lumut (PT6398-PT6411, PT6412-PT6421), Perak	Development properties	0.84	Proposed development - commercial (Taman Samudera)	99 years (19.5.2091)	16,000	2001
PT 2812-2814 (Giant shop land), Perak	Development properties	0.39	Pusat Perniagaan Manjung Point 1	Freehold	68,000	2001
Lot 4818 (behind office land - 12 units 2 1/1 house vacant plots)	Development properties	1.18	Proposed development of commercial units	Leasehold (19.5.2091)	659,000	2001
Lot 4818 (behind office land - LVSB car park & vacant land, PT10411), Perak	Development properties	-	Proposed development of commercial units (Taman Samudera)	Leasehold (19.5.2091)	706,000	2001
Lot 44, Mukim of Sitiawan Perak	Development properties	0.37	Commercial development - Medan Sitiawan	Freehold	1,243,000	2005 *
EMR 523 Lot 600 Mukim Pengkalan Bharu, Perak	Development properties	0.15	Taman Bahtera – commercial and residential	Freehold	48,000	2001
Geran 7582 Lot 16047 Mukim Sitiawan, Perak	Development properties	0.10	Taman Sejati IV, Sitiawan – commercial and residential	Freehold	64,000	2001
CT 21662 Lot 11430 (New Lot 5942) Mukim Sitiawan, Perak	Development properties	0.11	Proposed mixed development – commercial and residential	Freehold	171,000	2001
Lot 26805 part of Geran 7255 Lot 14836 Mukim Sitiawan, Perak	Development properties	1.43	Taman Pelabuhan, Kg Acheh, Sitiawan – commercial and residential	Freehold	570,000	2001
Lot 10465, Mukim Sitiawan, Perak	Development properties	0.10	Commercial development	Freehold	196,000	2002
PT 2818, PT2819, PT2803, PT 2804 & PT 2805 (PPMP Phase 2A 32 units), Mukim Lumut, Daerah Manjung, Perak	Development properties	1.18	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	1,354,000	2001
PT 2818, PT2819, PT2803, PT 2804 & PT 2805 (PPMP Phase 2A 24 units), Mukim Lumut, Daerah Manjung, Perak	Development properties	0.96	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	619,000	2001

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
PT 2818, PT2819, PT2803, PT 2804 & PT 2805 (PPMP Phase 2A 8 units), Mukim Lumut, Daerah Manjung, Perak	Development properties	0.29	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	117,000	2001
Lot 9910, Plot 35-Plot 96, PPMP 2, Mukim Lumut, Daerah Manjung, Perak	Development properties	2.19	Pusat Perniagaan Manjung Point Seksyen 2	Freehold	385,000	2001 *
Lot 1616, Mukim Pengkalan Baharu, Perak	Development properties	7.61	Mixed development - Taman Pancur Damai	Freehold	1,086,000	2004 *
Lot 1440, Mukim Pengkalan Baharu, Perak	Development properties	1.15	Mixed development	Freehold	1,758,000	2011 *
Lot 441, Mukim Pengkalan Baharu, Perak	Development properties	0.97	Mixed development	Freehold	832,000	2011 *
Lot 42693, Mukim Sitiawan	Development properties	0.32	Commercial units	Freehold	20,000	2012
HS (D) Dgs 11772 PT 8073 Mukim Lumut, Perak	Development properties	6.93	Manjung Point Sekyen II	Freehold	5,137,000	2001 *
Lot 15700, Mukim Sitiawan, Perak	Development properties	1.55	Proposed Mixed development	Freehold	932,000	2011 *
<b>INVESTMENT PROPERTIES</b>						
PT 6706-6724, Daerah Manjung (Fasa 2B), Perak	Investment property	0.70	Shop houses	Leasehold land (expired 29.8.2081)	2,214,000	2001 *
Lot 1077, Geran 11310, Section 57, Kuala Lumpur	Investment property - Proposed Menara YNH	3.00	Vacant Land	Freehold	109,425,000	2005
PT 2838 (Lot 13107), Mukim Lumut, Perak	Investment property - Proposed Hotel & a completed petrol station	5.00	Vacant Land & Shell Petrol station building	Freehold	2,692,000	2011 *
Plot 276, Pusat Perniagaan Manjung Point Seksyen 1, Seri Manjung, Perak	Investment property - Multi purpose sports complex	2.25	Multi purpose sports complex	Freehold	2,517,000	2001
Hawker center, Taman Samudera, Seri Manjung, Perak	Investment property - Hawker center	N/A	Hawker center building	N/A	408,000	2009 *
Lot 1791, Mukim Terung Daerah Larut Matang, Perak	Investment property - Petrol Station	0.49	Petrol Station	Building	835,000	2021

\* Year of Acquisition

## LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
<b>LIINVESTMENT PROPERTIES (cont'd)</b>						
ot 382868 (old PT212710), Mukim Hulu Kinta, Daerah Kinta, Perak	Investment property - Hotel	1.40	Vacant land	Leasehold (24.7.2105)	2,370,000	2008
PT357017, Mukim Hulu Kinta, Daerah Kinta, Perak	Investment property - Hotel	1.00	Vacant land	Leasehold (4.6.2103)	3,915,000	2008
Lot 163, Jln Perak, Kuala Lumpur (Level 3, 4, 9, 12, 13)	Investment property - Hotel	0.90	Fraser Place Kuala Lumpur	Freehold	20,661,000	2015
Lot 15010 (Part Lot 2793, part 2794), Mukim Lumut, Daerah Manjung	Investment property - City Harbour International School	15.00	International School	Freehold	11,341,000	2015
PT15244-PT15249, PT15250-15264, Mukim Lumut, Daerah Manjung, Perak	Investment property - Hawker center & Hotel Car Park	0.63	Hotel Hawker center & car park	Freehold	848,000	2001
PT 14646, Mukim Lumut, Daerah Manjung (Bowling Centre)	Investment property Bowling Centre and Event Hall	10.35	Investment property Bowling Centre and Event Hall	Freehold	7,492,000	2001
<b>MAJOR ASSETS HELD FOR SALES</b>						
PT 15074, Mukim Lumut. Daerah Manjung	AEON Shopping Mall	30.25	AEON Shopping Complex	Freehold	141,717,000	2015 *
K163 Retail Park, Jalan Kiara, Mont Kiara	K163 Retail Park, KL	5.20	Shopping Mall	Freehold	205,616,000	2019 *
<b>JOINT DEVELOPMENT PROPERTIES</b>						
Lot 4753, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	5.14	Proposed high risk condominium	Freehold	48,725,000	N/A
Lot 449, Mukim Batu, Tempat Segambut, Daerah Kuala Lumpur	Joint development properties	5.07	Proposed high rise condominium	Freehold	401,000	N/A
Lot 400, Mukim Lumut, Daerah Manjung, Perak	Joint development properties	36.97	Proposed mixed development	Leasehold (15.11.2105)	3,798,000	N/A
Lot 10153, Mukim Lumut, Daerah Manjung	Joint development properties	34.67	Proposed mixed development	Leasehold (22.11.2103)	267,000	N/A
Lot 13079, Mukim Lumut, Perak	Joint development properties	0.32	Mixed development	Freehold	663,000	N/A

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
<b>JOINT DEVELOPMENT PROPERTIES</b> (cont'd)						
Lot 14838, Mukim Sitiawan, Daerah Manjung, Perak	Joint development properties	3.90	Mixed development	Freehold	315,000	N/A
Lot 16061, Mukim Sitiawan, Daerah Manjung, Perak	Joint development properties	8.94	Mixed development	Freehold	13,000	N/A
Lot 48632, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Vacant land approved for development	6.28	Proposed mixed development	Freehold	15,539,000	N/A
Lot 224018, Mukim Hulu Kinta, Ipoh, Perak	Joint development properties	0.14	Commercial development	Freehold	8,000	N/A
Lot 224019, Mukim Hulu Kinta, Ipoh, Perak	Joint development properties	0.17	Commercial development	Leasehold	227,000	N/A
<b>JOINT VENTURE DEPOSITS PAID</b>						
Lot 2579, Lot 2594, Lot 3458 & Lot 3469, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	12.30	Proposed high rise condominium	Freehold	129,500,000	-
Lot 4753, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	5.14	Proposed high rise condominium	Freehold	207,300,000	-
Lot 449, Mukim Batu, Dearah Kuala Lumpur	Joint development properties	5.06	Proposed high rise condominium	Freehold	72,000,000	-
PT 10415, PT 10416, Mukim Lumut, Daerah Manjung	Joint development properties	50.00	Proposed mixed development	Leasehold (3.3.2104)	39,811,000	-
Lot 400, Bandar Lumut, Daerah Manjung	Joint development properties	25.87	Proposed mixed development	Leasehold (15.1.2105)	37,509,000	-
Lot 3566, Lot 3567, Lot 3568, Pangkor Island	Joint development properties	5.21	Proposed mixed development	Freehold	6,500,000	-
PT 10513, Mukim Lumut, Daerah Manjung	Joint development properties	24.67	Proposed mixed development	Leasehold (2.11.2103)	12,100,000	-
Lot 15233, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	2.66	Proposed high rise condominium	Freehold	54,500,000	-
Lot 10496 to lot 10518, Mukim Hulu Bernam Timur, District Batang Padang, Perak	Joint development properties	307.30	Proposed mixed development	Leasehold (4.7.2095)	34,848,000	-

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

Location	Description Property	Remaining Land Area @ 30.6.23 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 30.6.23 (RM)	Year of Acquisition/ Last Revaluation
<b>JOINT VENTURE DEPOSITS PAID</b> (cont'd)						
PT 1792 etc, Kuala Pilah, Negeri Sembilan	Joint development properties	76.72	Proposed mixed development	Leasehold (30.12.2086)	65,653,000	-
Lot 61113, Mukim Belanja, Perak	Joint development properties	22.67	Proposed mixed development	Leasehold (4.3.2112)	28,500,000	-
Lot 48632, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Joint development properties	6.29	Proposed high rise condominium	Freehold	239,500,000	-
Lot 594, Mukim 09, Daerah Sebarang Prai Selatan	Joint development properties	27.06	Proposed mixed development	Freehold	27,669,000	-
PT 2856, 3168, 8289, Mukim Damansara, Daerah Petaling	Joint development properties	0.71	Proposed high rise condominium	Freehold	10,500,000	-
69 plots, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Joint development properties	1.00	Proposed commercial development	Leasehold (2.11.2066)	72,800,000	-
Lot 5274, Mukim Damansara, Daerah Petaling	Joint development properties	1.51	Proposed high rise condominium	Freehold	23,045,000	-
Lot 2355, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	2.78	Proposed high rise condominium	Freehold	38,383,000	-
<b>GRAND TOTAL</b>		<b>1,763.00</b>			<b>2,133,571,000</b>	

\* Year of Acquisition



**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

## **DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2023.

## **CHANGE OF FINANCIAL YEAR END**

The Company has changed its financial year end from 31 December to 30 June. Accordingly, the financial statements of the Company for the financial period ended 30 June 2023 cover an eighteen-month period compared to a twelve-month period for the financial year ended 31 December 2021.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are property development, cultivation and sale of oil palm produce, general contracting, provision of consultancy services, provision of management services, lodging facilities, property investment holding, rental of plant and equipment, energy and utility provider, operation and management of a hotel and marketing agent.

There have been no significant changes in the nature of these principal activities during the financial period.

## **RESULTS**

	<b>Group RM</b>	<b>Company RM</b>
Profit/(Loss) for the financial period, net of tax	<u>3,682,219</u>	<u>(2,215,484)</u>
Attributable to:		
Owners of the Company	<u>3,682,219</u>	<u>(2,215,484)</u>

## **DIVIDENDS**

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial period ended 30 June 2023.

## **RESERVES OR PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial period.

## **DIRECTORS' REPORT (CONTINUED)**

### **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

### **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### **VALUATION METHODS**

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

### **CONTINGENT AND OTHER LIABILITIES**

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial period.

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

### **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances 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 financial statements misleading.

## **DIRECTORS' REPORT (CONTINUED)**

### **ITEMS OF MATERIAL AND UNUSUAL NATURE**

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

### **ISSUE OF SHARES AND DEBENTURES**

During the financial period, the Company issued Sukuk Wakalah in aggregate of RM323 million with tenure of 3 years and 5 years, which will be due 28 February 2025 and 26 February 2027.

No new issue of shares were made by the Company during the financial period.

### **TREASURY SHARES**

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

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial period.

As at 30 June 2023, the Company held 512,512 treasury shares out of its 528,999,579 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM970,157.

### **DIRECTORS**

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

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS\*  
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT\*  
Oon Seow Ling  
Khong Kam Hou  
Ching Lee Fong  
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP\*  
Ching Nye Mi @ Chieng Ngie Chay  
Ding Ming Hea

(Appointed on 31 March 2023)  
(Appointed on 31 March 2023)  
(Appointed on 31 March 2023)  
(Resigned on 31 March 2023)  
(Resigned on 31 May 2023)  
(Resigned on 31 May 2023)

\* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Datin Dr. Chan Sow Keng (Alternate Director to Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS)  
Datin Teh Nai Sim

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company during the financial period were as follows:

#### Interests in the Company

		Number of ordinary shares			
	Note	At 1.1.2022	Bought	Sold	At 30.06.2023
Direct interests					
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS		128,982,770	-	-	128,982,770
Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT		23,656,810	-	-	23,656,810
Indirect interests					
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	*	43,180,507	-	-	43,180,507
Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT	*	131,402,938	-	-	131,402,938

\* Shares held through spouse, sibling and spouse of sibling.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares or debentures of the Company and its related corporations during the financial period.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than any deemed benefit which may arise from transactions as disclosed in Note 34 to the financial statements.

**DIRECTORS' REPORT (CONTINUED)**

**DIRECTORS' BENEFITS (CONTINUED)**

The directors' benefits of the Group and of the Company were as follows:

	<b>Group RM</b>	<b>Company RM</b>
<b>Directors of the Company</b>		
Director's fees	235,640	235,640
Salaries and other emoluments	17,568,356	231,258
Employees Provident Fund	415,703	-
Estimated monetary value of benefits-in-kind	7,951	-
	<u>18,227,650</u>	<u>466,898</u>

Neither during, nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**AUDITORS' REMUNERATION**

The remuneration paid or payable to the auditors of the Group and the Company during the financial period were RM1,068,000 and RM418,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

**INDEMNITY TO DIRECTORS AND OFFICERS**

During the financial period, no indemnity was given to or insurance effected for any director or officer of the Company.

**SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 10 to the financial statements, which also serve for the purpose of this report.

The auditor's report on the financial statements of a subsidiary that contain a qualification on matter that is material to the members of the Company is disclosed in Note 10 to the financial statements.

**DIRECTORS' REPORT (CONTINUED)**

**SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

(a) On 17 November 2022, the Company announced that:

- (i) D'Kiara Place Sdn. Bhd. ("DPSB"), a wholly-owned subsidiary of the Company, intends to enter into a conditional sale and purchase agreement with ALX Asset Berhad for the disposal of 163 Retail Park shopping centre to ALX Asset Berhad for a cash consideration of RM270,500,000; and
- (ii) YNH Hospitality Sdn. Bhd., a wholly-owned subsidiary of the Company, and Kar Sin Berhad, the registered proprietor of AEON Seri Manjung holding in trust for YNH Hospitality Sdn. Bhd. and a wholly-owned subsidiary of the Company, intends to enter into a conditional sale of purchase agreement with ALX Asset Berhad for the disposal of AEON Seri Manjung shopping centre and the freehold land on which it is erected on to ALX Asset Berhad for a cash consideration of RM152,000,000.

(Collectively known as the "Proposed Disposals").

On 1 March 2023, the shareholders of the Company approved the Proposed Disposals.

On 4 April 2023, DPSB. executed the sale and purchase agreement for the proposed disposal of 163 Retail Park.

On 3 July 2023, DPSB and ALX Asset Berhad had mutually agreed to extend the fulfilment date of the conditions precedent in the 163 Retail Park SPA until 3 January 2024.

- (b) On 1 April 2022, Imbuhan Sempurna Sdn. Bhd. ("ISSB"), the first beneficial owner of the freehold vacant land held under the individual title H.S.(D) 47946 P.T 48632 in the Mukim of Kuala Lumpur ("the Property") and Kar Sin Berhad ("KSB"), a wholly-owned subsidiary of the Company agreed to mutually terminate the Turnkey Construction Agreement where upon ISSB should refund to KSB the security deposit sum of RM239.5 million within 6 months from 1 April 2022 ("Termination Notice").

On 18 April 2022, by way of a Sub-Sale Agreement ("SSA"), KSB purchased the Property from ISSB for a purchase consideration of RM150.0 million ("Purchase Price"), subject to fulfilment of the conditions precedent. The parties agreed in a supplemental agreement to the Termination Notice that part of the security deposit of RM150.0 million shall be deemed full payment of the purchase price, and balance security deposit shall be refunded within six (6) months from 1 April 2022.

On 1 September 2022, in a supplemental letter, ISSB and KSB clarified the intention of the parties pertaining to the SSA whereof the sub-sale agreement shall continue to be effective, valid and enforceable only upon fulfilment of the following conditions:

- (i) that KSB does not continue to develop the Property; and
- (ii) that the Property is successfully sold by KSB to third party purchaser.

Both parties also agreed that the balance security deposit shall be refunded to KSB on or before 30 June 2024.

- (c) On 12 May 2023, KSB entered into a conditional sale and purchase agreement ("SPA") with Sunway Living Space Sdn. Bhd. ("SLS") for the disposal of the Property for a cash consideration of RM170,000,000. An additional consideration of RM50.0 million is payable by SLS to KSB if KSB obtained a new development order with plot ratio of 7 on net land area within 1 year from the date of SPA. KSB and SLS had on 12 October 2023 mutually agreed to extend the conditional period to 12 November 2023 for the Company to fulfill all conditions precedent of the SPA.

**AUDITORS**

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

.....  
**DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS**  
Director

.....  
**DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT**  
Director

Date: 27 October 2023

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
			<b>Restated</b>		
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	94,982,568	110,892,220	-	-
Right-of-use assets	6	38,548,067	47,372,364	-	-
Investment properties	7	144,792,782	295,711,195	-	-
Inventories	8	1,018,834,297	1,167,812,133	-	-
Goodwill on consolidation	9	17,626,036	17,626,036	-	-
Investment in subsidiaries	10	-	-	1,358,151,879	977,923,548
Deferred tax assets	11	116,014,561	99,094,902	-	-
<b>Total non-current assets</b>		<b>1,430,798,311</b>	<b>1,738,508,850</b>	<b>1,358,151,879</b>	<b>977,923,548</b>
<b>Current assets</b>					
Inventories	8	791,627,532	591,368,008	-	-
Current tax assets		2,091,080	1,381,934	-	-
Other current assets	12	5,697,485	4,945,986	32,077	32,077
Trade and other receivables	13	72,746,485	96,331,420	17,998,141	5,037,213
Cash and short-term deposits	14	37,284,256	34,149,859	3,672,613	87,546
		909,446,838	728,177,207	21,702,831	5,156,836
Non-current assets classified as held for sale	15	141,717,243	-	-	-
<b>Total current assets</b>		<b>1,051,164,081</b>	<b>728,177,207</b>	<b>21,702,831</b>	<b>5,156,836</b>
<b>TOTAL ASSETS</b>		<b>2,481,962,392</b>	<b>2,466,686,057</b>	<b>1,379,854,710</b>	<b>983,080,384</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	528,999,579	528,999,579	528,999,579	528,999,579
Treasury shares	17	(970,157)	(970,157)	(970,157)	(970,157)
Other reserves	18	26,530,438	31,121,893	-	-
Retained earnings		292,713,385	324,993,475	(93,316,335)	(55,138,542)
		847,273,245	884,144,790	434,713,087	472,890,880
Perpetual securities	19	345,915,827	345,915,827	345,915,827	345,915,827
<b>TOTAL EQUITY</b>		<b>1,193,189,072</b>	<b>1,230,060,617</b>	<b>780,628,914</b>	<b>818,806,707</b>



**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
			<b>Restated</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>(CONTINUED)</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	<b>20</b>	383,147,472	267,897,766	320,289,654	-
Lease liabilities	<b>21</b>	-	-	-	-
Deferred tax liabilities	<b>11</b>	24,430,161	28,593,064	-	-
<b>Total non-current liabilities</b>		<b>407,577,633</b>	<b>296,490,830</b>	<b>320,289,654</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	<b>20</b>	525,978,991	539,153,531	-	-
Lease liabilities	<b>21</b>	4,153,007	84,256	-	-
Provision	<b>22</b>	135,379	277,887	-	-
Current tax liabilities		76,663,600	54,868,191	79,035	79,035
Trade and other payables	<b>23</b>	228,753,530	249,956,619	278,857,107	164,194,642
Contract liabilities	<b>24</b>	45,511,180	95,794,126	-	-
<b>Total current liabilities</b>		<b>881,195,687</b>	<b>940,134,610</b>	<b>278,936,142</b>	<b>164,273,677</b>
<b>TOTAL LIABILITIES</b>		<b>1,288,773,320</b>	<b>1,236,625,440</b>	<b>599,225,796</b>	<b>164,273,677</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,481,962,392</b>	<b>2,466,686,057</b>	<b>1,379,854,710</b>	<b>983,080,384</b>

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

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

		<b>Group</b>		<b>Company</b>	
		<b>01.01.2022</b>	<b>01.01.2021</b>	<b>01.01.2022</b>	<b>01.01.2021</b>
		<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
		<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	<b>25</b>	307,516,997	231,277,909	42,300,000	-
Costs of sales	<b>26</b>	(156,942,559)	(116,325,943)	-	-
<b>Gross profit</b>		<b>150,574,438</b>	<b>114,951,966</b>	<b>42,300,000</b>	<b>-</b>
Other operating income		84,565,789	32,183,941	-	-
Administrative expenses		(94,941,293)	(57,699,766)	(1,818,669)	(1,259,719)
Selling and marketing expenses		(6,499,306)	(7,579,202)	-	-
Net (allowance)/reversal for impairment losses on receivables		(1,666,087)	3,880,807	(16,858,705)	(15,941,425)
Other operating expenses		(33,219,578)	(17,211,723)	-	(1,500,000)
<b>Operating profit/(loss)</b>		<b>98,813,963</b>	<b>68,526,023</b>	<b>23,622,626</b>	<b>(18,701,144)</b>
Finance costs	<b>27</b>	(78,397,164)	(33,863,392)	(25,838,110)	-
<b>Profit/(Loss) before tax</b>	<b>28</b>	<b>20,416,799</b>	<b>34,662,631</b>	<b>(2,215,484)</b>	<b>(18,701,144)</b>
Income tax expense	<b>30</b>	(16,734,580)	(13,411,484)	-	-
<b>Profit/(Loss) for the financial period/year</b>		<b>3,682,219</b>	<b>21,251,147</b>	<b>(2,215,484)</b>	<b>(18,701,144)</b>
<b>Other comprehensive loss, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of a subsidiary		(4,591,455)	(100,179)	-	-
<b>Total comprehensive (loss)/income for the financial period/year</b>		<b>(909,236)</b>	<b>21,150,968</b>	<b>(2,215,484)</b>	<b>(18,701,144)</b>

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2022</b>	<b>01.01.2021</b>	<b>01.01.2022</b>	<b>01.01.2021</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	<b>3,682,219</b>	<b>21,251,147</b>	<b>(2,215,484)</b>	<b>(18,701,144)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	<b>(909,236)</b>	<b>21,150,968</b>	<b>(2,215,484)</b>	<b>(18,701,144)</b>
<b>Loss per share (sen) attributable to ordinary equity holders of the Company</b>				
<b>31</b>				
- Basic	(6.10)	(0.53)		
- Diluted	(6.10)	(0.53)		

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

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Attributable to owners of the Company							
	Share capital RM	Capital reserve RM	Translation reserve RM	Treasury shares RM	Retained earnings RM	Sub-total RM	Perpetual securities RM	Total equity RM
<b>Group</b>								
<b>1 January 2021</b>	528,999,579	26,578,054	4,644,018	(970,157)	327,816,043	887,067,537	345,915,827	1,232,983,364
<b>Total comprehensive income for the financial year</b>								
Profit for the financial	-	-	-	-	21,251,147	21,251,147	-	21,251,147
Other comprehensive loss for the financial year	-	-	(100,179)	-	-	(100,179)	-	(100,179)
Total comprehensive income	-	-	(100,179)	-	21,251,147	21,150,968	-	21,150,968
<b>Transaction with owners</b>								
Distribution paid to holders of perpetual securities	-	-	-	-	(24,073,715)	(24,073,715)	-	(24,073,715)
Total transaction with owners	-	-	-	-	(24,073,715)	(24,073,715)	-	(24,073,715)
<b>At 31 December 2021</b>	528,999,579	26,578,054	4,543,839	(970,157)	324,993,475	884,144,790	345,915,827	1,230,060,617

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	Attributable to owners of the Company							
	Share capital RM	Capital reserve RM	Translation reserve RM	Treasury shares RM	Retained earnings RM	Sub-total RM	Perpetual securities RM	Total equity RM
Group (Continued)								
At 1 January 2022	528,999,579	26,578,054	4,543,839	(970,157)	324,993,475	884,144,790	345,915,827	1,230,060,617
Total comprehensive income for the financial year								
Profit for the financial period	-	-	-	-	3,682,219	3,682,219	-	3,682,219
Other comprehensive loss for the financial period	-	-	(4,591,455)	-	-	(4,591,455)	-	(4,591,455)
Total comprehensive income	-	-	(4,591,455)	-	3,682,219	(909,236)	-	(909,236)
Transaction with owners								
Distribution paid to holders of perpetual securities	-	-	-	-	(35,962,309)	(35,962,309)	-	(35,962,309)
Total transactions with owners	-	-	-	-	(35,962,309)	(35,962,309)	-	(35,962,309)
At 30 June 2023	528,999,579	26,578,054	(47,616)	(970,157)	292,713,385	847,273,245	345,915,827	1,193,189,072

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	<----- Attributable to owners of the Company ----->					
	Share capital RM	Treasury shares RM	Retained earnings RM	Sub-total RM	Perpetual securities RM	Total equity RM
<b>Company</b>						
<b>At 1 January 2021</b>	528,999,579	(970,157)	(12,363,683)	515,665,739	345,915,827	861,581,566
<b>Total comprehensive loss for the financial year</b>						
Loss for the financial year	-	-	(18,701,144)	(18,701,144)	-	(18,701,144)
Total comprehensive loss	-	-	(18,701,144)	(18,701,144)	-	(18,701,144)
<b>Transaction with owners</b>						
Distribution paid to holders of perpetual securities	-	-	(24,073,715)	(24,073,715)	-	(24,073,715)
Total transaction with owners	-	-	(24,073,715)	(24,073,715)	-	(24,073,715)
<b>At 31 December 2021</b>	528,999,579	(970,157)	(55,138,542)	472,890,880	345,915,827	818,806,707

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	<----- Attributable to owners of the Company ----->					
	Share capital RM	Treasury shares RM	Retained earnings RM	Sub-total RM	Perpetual securities RM	Total equity RM
<b>Company (Continued)</b>						
<b>At 1 January 2022</b>	528,999,579	(970,157)	(55,138,542)	472,890,880	345,915,827	818,806,707
<b>Total comprehensive income for the financial period</b>						
Profit for the financial period	-	-	(2,215,484)	(2,215,484)	-	(2,215,484)
Total comprehensive income	-	-	(2,215,484)	(2,215,484)	-	(2,215,484)
<b>Transaction with owners</b>						
Distribution paid to holders of perpetual securities	-	-	(35,962,309)	(35,962,309)	-	(35,962,309)
Total transaction with owners	-	-	(35,962,309)	(35,962,309)	-	(35,962,309)
<b>At 30 June 2023</b>	528,999,579	(970,157)	(93,316,335)	434,713,087	345,915,827	780,628,914

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

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Note				
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	20,416,799	34,662,631	(2,215,484)	(18,701,144)
Adjustments for:				
Amortisation of transaction cost	1,590,267	-	1,227,932	-
Adjustment to cost of investment properties	-	600,000	-	-
Depreciation of investment properties	4,858,701	4,952,586	-	-
Depreciation of property, plant and equipment	4,222,764	1,531,380	-	-
Depreciation of right-of-use assets	5,060,163	2,895,380	-	-
(Gain)/loss on disposal of:				
- property, plant and equipment	(23,352,136)	-	-	-
- investment properties	(10,110,038)	(36,452)	-	-
- right-of-use assets	4,192,549	-	-	-
Inventories written down	1,934,239	-	-	-
Impairment losses on:				
- right-of-use assets	1,809,846	-	-	-
- investment properties	1,092,236	-	-	-
- trade receivables	881,753	166	-	-
- lease receivables	-	1,299,572	-	-
- other receivables	5,572,430	-	-	-
- investment in subsidiaries	-	-	16,858,705	1,500,000
- amount owing by subsidiaries	-	-	-	15,941,421
Reversal of impairment losses on:				
- trade receivables	(2,359,900)	(413,575)	-	-
- lease receivables	(485,886)	(32,779)	-	-
- other receivables	(1,942,310)	(4,734,191)	-	-
Finance costs	51,990,866	33,863,392	25,838,110	-
Finance income	(172,156)	(408,060)	-	-
Property, plant and equipment written off	758,009	8,403	-	-
Provision for rectification works	475,315	120,905	-	-
<b>Operating profit/(loss) before changes in working capital, carried forward</b>	<b>66,433,511</b>	<b>74,309,358</b>	<b>41,709,263</b>	<b>(1,259,723)</b>



**YNH PROPERTY BHD.**  
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**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023  
(CONTINUED)**

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Note				
<b>Cash flows from operating activities (Continued)</b>				
<b>Operating profit/(loss) before changes in working capital, brought forward</b>	66,433,511	74,309,358	41,709,263	(1,259,723)
<u>Changes in working capital:</u>				
Inventories	47,822,523	26,324,591	-	-
Trade and other receivables	20,805,014	41,618,429	(254,400)	-
Trade and other payables	(20,143,085)	(32,960,887)	6,505,809	(999,537)
Contract liabilities	(50,282,946)	(44,868,015)	-	-
Cash generated from/ (used in) operations	64,635,017	64,423,476	47,960,672	(2,259,260)
Rectification work paid	(617,823)	(322,408)	-	-
Income tax refunded	455,998	-	-	-
Income tax paid	(17,187,102)	(3,102,137)	-	-
Interest received	172,156	408,060	-	-
Interest paid	(51,990,866)	(33,863,392)	(25,838,110)	-
Net cash (used in)/from operating activities	(4,532,620)	27,543,599	22,122,562	(2,259,260)
<b>Cash flows from investing activities</b>				
Additions in properties held for development	(97,500,000)	(60,987,520)	-	-
Purchase of property, plant and equipment	(3,827,967)	(999,537)	-	-
Purchase of right-of-use assets	-	(4,624)	-	-
Proceeds from disposal of:				
- property, plant and equipment	34,570,532	-	-	-
- investment properties	13,411,238	871,017	-	-
- right-of-use assets	6,535,000	-	-	-
<b>Investing activities carried forward</b>	(46,811,197)	(61,120,664)	-	-

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**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023  
(CONTINUED)**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2022 to 30.06.2023 RM</b>	<b>01.01.2021 to 31.12.2021 RM</b>	<b>01.01.2022 to 30.06.2023 RM</b>	<b>01.01.2021 to 31.12.2021 RM</b>
<b>Note</b>				
<b>Cash flows from investing activities (Continued)</b>				
<b>Investing activities brought forward</b>	(46,811,197)	(61,120,664)	-	-
Additions in investment properties	(50,967)	(420,214)	-	-
Withdrawal of fixed deposits pledged	(415,764)	297,244	-	-
Withdrawal of Escrow accounts	130	10	130	10
Advances to subsidiaries (Contribution to)/Capital repayment from subsidiaries	-	-	(12,706,528)	(16,246,071)
	-	-	(397,087,036)	43,307,042
<b>Net cash (used in)/from investing activities</b>	<b>(47,277,798)</b>	<b>(61,243,624)</b>	<b>(409,793,434)</b>	<b>27,060,981</b>
<b>Cash flows from financing activities</b>	<b>(a)</b>			
Advances from/(Repayment to) subsidiaries	-	-	108,103,656	(808,951)
Advances from directors	101,626	13,000	53,000	-
Advances from/(Repayment to) persons related to directors	1,800,000	(1,950,790)	-	-
Repayment to director related companies	(7,553,085)	(30,048,021)	-	-
Debts issuance cost of Sukuk Wakalah	(3,938,278)	-	(3,938,278)	-
Proceeds from issuance of Sukuk Wakalah	323,000,000	-	323,000,000	-
Drawdown of term loans	58,000,000	10,750,000	-	-
Drawdown of hire purchase payables	2,562,000	-	-	-
Repayment of hire purchase payables	(1,205,158)	(6,354,560)	-	-
Payment of lease liabilities	(4,704,285)	(8,106,835)	-	-
Drawdown of short-term revolving credits	(188,054,915)	115,207,034	-	-
Repayment of term loans	(79,034,453)	(32,200,525)	-	-
<b>Financing activities carried forward</b>	<b>100,973,452</b>	<b>47,309,303</b>	<b>427,218,378</b>	<b>(808,951)</b>

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**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023  
(CONTINUED)**

	Note	Group		Company	
		01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
<b>Cash flows from financing activities (Continued)</b>					
<b>Financing activities brought forward</b>	(a)	100,973,452	47,309,303	427,218,378	(808,951)
Drawdown of bankers' acceptances		2,229,228	359,570	-	-
Distribution paid to holders of perpetual securities		(35,962,309)	(24,073,715)	(35,962,309)	(24,073,715)
Net cash from/(used in) financing activities		67,240,371	23,595,158	391,256,069	(24,882,666)
Net increase/(decrease) in cash and cash equivalents		15,429,953	(10,104,867)	3,585,197	(80,945)
<b>Cash and cash equivalents at the beginning of the financial period/year</b>		(21,497,289)	(11,392,422)	85,526	166,471
<b>Cash and cash equivalents at the end of the financial period/year</b>	14	(6,067,336)	(21,497,289)	3,670,723	85,526

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**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

(a) Reconciliation of changes in liabilities arising from financing activities

	1 January 2022 RM	Cash flows RM	Non-cash Additions RM	30 June 2023 RM
<b>Group</b>				
Lease liabilities	84,256	(4,704,285)	8,773,036	4,153,007
Revolving credits	414,897,925	(188,054,915)	-	226,843,010
Sukuk Wakalah	-	319,061,722	1,227,932	320,289,654
Term loans	327,728,324	(21,034,453)	-	306,693,871
Bankers' acceptances	4,652,623	2,229,227	-	6,881,850
Hire purchase payables	4,654,352	1,356,842	-	6,011,194
Amount owing to a director	683,871	101,626	-	785,497
Amount owing to companies related to directors	15,855,696	(7,553,085)	-	8,302,611
Amount owing to persons related to directors	1,271,290	1,800,000	-	3,071,290
	769,828,337	103,202,679	10,000,968	883,031,984

	1 January 2022 RM	Cash flows RM	Non-cash Amortisation RM	30 June 2023 RM
<b>Company</b>				
Amount owing to subsidiaries	163,826,679	108,103,656	-	271,930,335
Amount owing to a director	12,944	53,000	-	65,944
Sukuk Wakalah	-	319,061,722	1,227,932	320,289,654

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**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

(a) Reconciliation of changes in liabilities arising from financing activities (Continued)

	1 January 2021 RM	Cash flows RM	Non-cash Other payables RM	30 June 2021 RM
<b>Group</b>				
Lease liabilities	13,670,442	(8,106,835)	(5,479,351)	84,256
Revolving credits	299,690,891	115,207,034	-	414,897,925
Term loans	349,178,849	(21,450,525)	-	327,728,324
Bankers' acceptances	4,293,053	359,570	-	4,652,623
Hire purchase payables	11,008,912	(6,354,560)	-	4,654,352
Amount owing to a director	670,871	13,000	-	683,871
Amount owing to companies related to directors	45,903,717	(30,048,021)	-	15,855,696
Amount owing to persons related to directors	3,222,080	(1,950,790)	-	1,271,290
	<u>727,638,815</u>	<u>47,668,873</u>	<u>(5,479,351)</u>	<u>769,828,337</u>

Changes in liabilities arising from financing activities of the Company in the previous financial year are changes arising from cash flows.

(b) During the financial period, the total cash outflows of the Group for leases are RM14,647,034 (Financial year ended 31.12.2021: RM11,320,147).

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

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

YNH Property Bhd. (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan. The principal place of business of the Company is located at No. 188, Jalan PPMP 3/3, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak Darul Ridzuan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are property development, cultivation and sale of oil palm produce, general contracting, provision of consultancy services, provision of management services, lodging facilities, property investment holding, rental of plant and equipment, energy and utility provider, operation and management of a hotel and marketing agent.

There have been no significant changes in the nature of these principal activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 October 2023.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of Compliance**

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

#### **2.2 Adoption of amendments/improvements to MFRSs**

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial period:

##### Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but are yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sales and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 9	Financial Instruments	1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16	Lease	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 <sup>#</sup>
MFRS 138	Intangible assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>

<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

- 2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below.

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

The initial application of the above applicable amendments/improvements to MFRSs is not expected to have material impact to the current and prior years financial statements of the Company.

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.



### **3. SIGNIFICANT ACCOUNTING POLICIES**

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

#### **3.1 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

##### **(a) Subsidiaries and business combination**

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8 to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.1 Basis of consolidation (Continued)

##### (a) Subsidiaries and business combination (Continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

##### (b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.2 Separate financial statements**

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

#### **3.3 Foreign currency transactions and operations**

##### **(a) Translation of foreign currency transactions**

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.3 Foreign currency transactions and operations (Continued)

##### (b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

#### 3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.4 Financial instruments (Continued)

##### (a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

##### (i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**  
Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.
- **Fair value through other comprehensive income ("FVOCI")**  
Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.4 Financial instruments (Continued)

##### (a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows (Continued):

##### (i) Financial assets (Continued)

###### Debt instruments (Continued)

- **Fair value through profit or loss (“FVPL”)**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

###### Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.4 Financial instruments (Continued)

##### (a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows (Continued):

##### (ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

##### Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

##### (b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.4 Financial instruments (Continued)

##### (c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.5 Property, plant and equipment

##### (a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

##### (b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

##### (c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rates:

Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Tennis court	10%
Office equipment, furniture, fittings and renovations	10% - 20%
Crockery, glassware, cutlery, carpet and linen	12.5% - 25%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.5 Property, plant and equipment (Continued)

##### (d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

#### 3.6 Leases

##### (a) Definition of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified assets;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

##### (b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets and lease liabilities as separate lines in the statement of financial position.

##### Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.6 Leases (Continued)

##### (b) Lessee accounting (Continued)

###### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

###### Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.6 Leases (Continued)

##### (c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is intermediate lessor, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

#### 3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17 to the financial statements.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in investment properties are not depreciated as these assets are not yet available for use.

All other investment properties are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the annual rate of 1% - 14%.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.7 Investment properties (Continued)**

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

#### **3.8 Goodwill on consolidation**

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

#### **3.9 Inventories**

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- building materials and consumables: purchase costs on a first-in first-out basis.
- unsold completed development properties held for sale: specific identification.
- stationeries and housekeeping supplies: purchase costs on a first-in first-out basis.

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

##### Properties held for development

Properties held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Properties held for development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

##### Properties under development or held for sale

Cost includes:

- freehold and leasehold rights for land;
- amounts paid to contractors for construction; and
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.9 Inventories (Continued)

##### Completed properties

The cost of unsold completed development units comprises cost associated with the acquisition of land, construction costs and appropriate proportions of common development costs.

#### 3.10 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

#### 3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

#### 3.12 Impairment of assets

##### (a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), lease receivables, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- non-trade receivables and deposits that are determined to have low credit risk at the reporting date; and
- other non-trade receivables, deposits and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit loss.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.12 Impairment of assets (Continued)**

##### **(a) Impairment of financial assets and contract assets (Continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.12 Impairment of assets (Continued)

##### (a) Impairment of financial assets and contract assets (Continued)

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

##### (b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.12 Impairment of assets (Continued)

##### (b) Impairment of non-financial assets (Continued)

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

#### 3.13 Equity instruments

##### (a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### (b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.13 Equity instruments (Continued)

##### (c) Perpetual securities

Perpetual securities is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the Group. Distribution on perpetual securities is recognised in equity in the period in which they are declared or paid.

Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

#### 3.14 Employee benefits

##### (a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period where the employees have rendered their services to the Group.

##### (b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

#### 3.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

##### (a) Onerous contract

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the lower of the present value of the expected cost of terminating the contract and the present value of the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.15 Provisions (Continued)

##### (b) Rectification works

A provision for rectification works is recognised when the Group expects to incur rectification costs on completed contracts within one year after the completion of the construction contracts.

##### (c) Legal claims

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

#### 3.16 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group measures revenue at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group assesses the type of modification and accounted for as either creates a separate new contract; terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.16 Revenue and other income (Continued)

##### Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

##### **(a) Property development**

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an 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 a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date, then the Group recognises a contract liability for the difference.

Revenue from sale of properties held for development and completed properties are recognised at a point in time when the control of the properties has been transferred to the customers i.e. upon delivery to purchasers, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the properties held for development and completed properties sold.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.16 Revenue and other income (Continued)

##### (a) Property development (Continued)

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision, if any.

For commercial properties, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent according to the terms of contract are recognised as a provision, if any.

##### (b) Construction contracts

The Group constructs properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. 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 a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference. Defect liability period which commenced from the date of Certificate of Practical Completion are provided in the contracts with customers.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.16 Revenue and other income (Continued)

**(c) Income from estates**

Revenue from estates is recognised at a point in time when control of the produce is transferred to the customer. The sale of estates produce is either on cash terms or on credit terms of up to 30 days.

**(d) Rendering of hotel services**

Revenue from a contract to provide hotel services is recognised at a point in time as the services are rendered. Payment terms are either on cash terms or on credit terms of up to 30 days for corporate customer.

**(e) Sale of electricity**

The Group sells electricity to residents of a development and tenants of a shopping mall. Revenue from sale of electricity is recognised over time when electricity is supplied as the customers simultaneously received and consumed the benefits provided by the Group. The promise to supply electricity represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customers. Consideration from the prepaid sale to tenants where services have not been rendered at the reporting date is deferred as contract liability until actual consumption.

Revenue from postpaid sale of electricity is recognised when electricity is used. Postpaid sales are made with a credit term of 30 days, which is consistent with market practices, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

**(f) Interest income**

Interest income is recognised using the effective interest method.

**(g) Dividend income**

Dividend income is recognised when the right to receive payment is established.

**(h) Rental income**

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### 3.18 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

##### (a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial period, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

##### (b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.18 Income tax (Continued)

##### (b) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

##### (c) Sales and service tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales and services tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.



### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.19 Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### **3.20 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

#### **3.21 Fair value measurements**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

#### 3.23 Contract costs

##### (a) Recognition and measurement

Contract costs include costs of obtaining a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

##### (b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

##### (c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.23 Contract costs (Continued)**

The Group has applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group would have recognised is one year or less.

#### **3.24 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

#### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

##### **(a) Impairment of goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rate to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for the cash-generating unit, including sensitivity analysis, are disclosed in Note 9 to the financial statements.

##### **(b) Property development revenue**

The Group recognised property development revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs for each project.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the potential exposure to liquidated ascertained damages. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The estimated total revenue and costs are affected by a variety of uncertainties that depends on the outcome of future events.

The property development revenue is disclosed in Note 25 to the financial statements.

##### **(c) Funding requirements and ability to meet short term obligations**

The Group applies judgement in determining the funding requirements and its ability to meet short-term obligations. The Group considers the facts and circumstances and makes assumptions about the future, including the cash flows to be generated from the operations of the Group and the available financing facilities.

The details of funding requirements and ability to meet short-term obligations are disclosed in Note 32(b)(ii) to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant and machineries RM	Motor vehicles RM	Tennis court RM	Office equipment, furniture, fittings and renovations RM	Crockery, glassware, cutlery, carpet and linen RM	Construction in progress RM	Total RM
<b>Group Cost</b>									
At 1 January 2022	85,985,259	11,605,296	69,063,261	7,355,891	70,004	18,504,483	3,231,250	1,067,723	196,883,167
Additions	-	237,488	3,196,256	-	-	368,497	25,726	-	3,827,967
Disposal	(10,860,236)	-	(407,000)	-	-	-	-	-	(11,267,236)
Written off	-	(237,488)	(523,663)	-	-	(10,430)	-	-	(771,581)
At 30 June 2023	75,125,023	11,605,296	71,328,854	7,355,891	70,004	18,862,550	3,256,976	1,067,723	188,672,317
<b>Accumulated depreciation and impairment loss</b>									
At 1 January 2022	-	3,698,259	58,555,112	6,556,615	70,002	15,870,409	1,240,550	-	85,990,947
Depreciation charge for the financial period	-	813,218	5,022,523	205,379	-	1,681,406	38,688	-	7,761,214
Disposal	-	-	(48,840)	-	-	-	-	-	(48,840)
Written off	-	-	(4,185)	-	-	(9,387)	-	-	(13,572)
At 30 June 2023	-	4,511,477	63,524,610	6,761,994	70,002	17,542,428	1,279,238	-	93,689,749
<b>Carrying amount</b>									
At 30 June 2023	75,125,023	7,093,819	7,804,244	593,897	2	1,320,122	1,977,738	1,067,723	94,982,568

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant and machineries RM	Motor vehicles RM	Tennis court RM	Office equipment, furniture, fittings and renovations RM	Crockery, glassware, cutlery, carpet and linen RM	Construction in progress RM	Total RM
<b>Group (Continued)</b>									
<b>Cost</b>									
At 1 January 2021									
- As previously reported	85,985,209	11,605,296	28,080,157	6,799,215	70,004	18,286,805	3,231,250	1,067,723	155,125,659
- Reclassification (Note 37)	-	-	40,285,330	556,676	-	-	-	-	40,842,006
- As restated	85,985,209	11,605,296	68,365,487	7,355,891	70,004	18,286,805	3,231,250	1,067,723	195,967,665
Additions	50	-	731,924	-	-	267,563	-	-	999,537
Written off	-	-	(34,150)	-	-	(49,885)	-	-	(84,035)
At 31 December 2021	85,985,259	11,605,296	69,063,261	7,355,891	70,004	18,504,483	3,231,250	1,067,723	196,883,167
<b>Accumulated depreciation and impairment loss</b>									
At 1 January 2021									
- As previously reported	-	3,439,784	22,936,220	6,384,518	70,002	14,532,086	1,215,954	-	48,578,564
- Reclassification (Note 37)	-	-	31,482,257	25,050	-	-	-	-	31,507,307
- As restated	-	3,439,784	54,418,477	6,409,568	70,002	14,532,086	1,215,954	-	80,085,871
Depreciation charge for the financial year	-	258,475	4,167,370	147,047	-	1,383,220	24,596	-	5,980,708
Written off	-	-	(30,735)	-	-	(44,897)	-	-	(75,632)
At 31 December 2021	-	3,698,259	58,555,112	6,556,615	70,002	15,870,409	1,240,550	-	85,990,947
<b>Carrying amount</b>									
At 31 December 2021	85,985,259	7,907,037	10,508,149	799,276	2	2,634,074	1,990,700	1,067,723	110,892,220

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**(a) Assets pledged as security**

Freehold land with a carrying amount of RM81,452,598 (31.12.2021: RM84,648,700) has been pledged as security for banking facilities of the Group as disclosed in Note 20 to the financial statements.

**(b) Plant and machineries**

Plant and machineries are analysed as follows:

	<b>Machinery and equipment (own use) RM</b>	<b>Group Machinery and equipment (subject to operating lease) RM</b>	<b>Total RM</b>
<b>Cost</b>			
At 1 January 2022	57,248,159	11,815,102	69,063,261
Additions	3,196,256	-	3,196,256
Disposal	-	(407,000)	(407,000)
Written off	(523,663)	-	(523,663)
At 30 June 2023	59,920,752	11,408,102	71,328,854
<b>Accumulated depreciation</b>			
At 1 January 2022	48,140,673	10,414,439	58,555,112
Depreciation charge for the financial period	4,776,629	245,894	5,022,523
Disposal	-	(48,840)	(48,840)
Written off	(4,185)	-	(4,185)
At 30 June 2023	52,913,117	10,611,493	63,524,610
<b>Carrying amount</b>			
At 30 June 2023	7,007,635	796,609	7,804,244

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Plant and machineries (Continued)

Plant and machineries are analysed as follows (Continued):

	Machinery and equipment (own use) RM	Group Machinery and equipment (subject to operating lease) RM	Total RM
<b>Cost</b>			
At 1 January 2021			
- As previously reported	16,265,055	11,815,102	28,080,157
- Reclassification (Note 37)	40,285,330	-	40,285,330
- As restated	56,550,385	11,815,102	68,365,487
Additions	731,924	-	731,924
Written off	(34,150)	-	(34,150)
At 31 December 2021	57,248,159	11,815,102	69,063,261
<b>Accumulated depreciation</b>			
At 1 January 2021			
- As previously reported	12,673,698	10,262,522	22,936,220
- Reclassification (Note 37)	31,482,257	-	31,482,257
- As restated	44,155,955	10,262,522	54,418,477
Depreciation charge for the financial year	4,015,453	151,917	4,167,370
Written off	(30,735)	-	(30,735)
At 31 December 2021	48,140,673	10,414,439	58,555,112
<b>Carrying amount</b>			
At 31 December 2021	9,107,486	1,400,663	10,508,149

The Group leases some of its machinery and equipment to third parties.



## 6. RIGHT-OF-USE ASSETS

The Group leases several assets including leasehold land, and service suites.

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM	Group Service suites RM	Total RM
<b>Cost</b>			
At 1 January 2022	51,697,015	-	51,697,015
Additions	225	8,773,036	8,773,261
Disposal	(11,720,890)	-	(11,720,890)
At 30 June 2023	39,976,350	8,773,036	48,749,386
<b>Accumulated depreciation and impairment loss</b>			
At 1 January 2022	4,324,651	-	4,324,651
Depreciation charge for the financial period	861,589	4,198,574	5,060,163
Impairment loss for the financial period	-	1,809,846	1,809,846
Disposal	(993,341)	-	(993,341)
At 30 June 2023	4,192,899	6,008,420	10,201,319
<b>Carrying amount</b>			
At 30 June 2023	35,783,451	2,764,616	38,548,067

## 6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group is a lessee is presented below (Continued):

	Group				
	Leasehold land RM	Service and office suites RM	Plant and machineries RM	Motor vehicle RM	Total RM
<b>2021</b>					
<b>Cost</b>					
At 1 January 2021					
- As previously reported	51,692,391	45,100,868	40,285,330	556,676	137,635,265
- Reclassification (Note 37)	-	-	(40,285,330)	(556,676)	(40,842,006)
- As restated	51,692,391	45,100,868	-	-	96,793,259
Additions	4,624	-	-	-	4,624
Expiry of leases	-	(45,100,868)	-	-	(45,100,868)
At 31 December 2021	51,697,015	-	-	-	51,697,015
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2021					
- As previously reported	3,723,979	45,100,868	31,482,257	25,050	80,332,154
- Reclassification	-	-	(31,482,257)	(25,050)	(31,507,307)
- As restated	3,723,979	45,100,868	-	-	48,824,847
Depreciation charge for the financial year	600,672	-	-	-	600,672
Expiry of leases	-	(45,100,868)	-	-	(45,100,868)
At 31 December 2021	4,324,651	-	-	-	4,324,651
<b>Carrying amount</b>					
At 31 December 2021	47,372,364	-	-	-	47,372,364

### (a) Leasehold land

Leasehold land with a carrying amount of RM34,213,207 (31.12.2021: RM45,764,711) has been pledged as security for banking facilities of the Group as disclosed in Note 20 to the financial statements.

### (b) Service suites

During the financial period, the Group entered into lease arrangements for a period of 2 years from the commencement date.

## 7. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 January	329,166,828	330,449,897
Additions	50,967	420,214
Adjustment to cost	-	(600,000)
Disposal	(3,967,320)	(1,103,283)
Transfer to assets classified as held for sale (Note 15)	(170,171,181)	-
At 30 June 2023/31 December 2021	<u>155,079,294</u>	<u>329,166,828</u>
<b>Accumulated depreciation and impairment loss</b>		
At 1 January	33,455,633	28,771,765
Depreciation charge for the financial period/year	4,858,701	4,952,586
Impairment loss for the financial period/year	1,092,236	-
Disposal	(666,120)	(268,718)
Transfer to assets classified as held for sale (Note 15)	(28,453,938)	-
At 30 June 2023/31 December 2021	<u>10,286,512</u>	<u>33,455,633</u>
<b>Carrying amount</b>		
At 30 June 2023/31 December 2021	<u>144,792,782</u>	<u>295,711,195</u>
<b>Estimated fair value</b>		
At 30 June 2023/31 December 2021	<u>697,827,225</u>	<u>849,020,301</u>

Investment properties comprise service residences, shophouses, commercial buildings, a sports complex, shopping complex, vacant land and an international school.

Freehold and leasehold investment properties with a carrying amount of RM144,792,782 (2021: RM285,619,083) have been pledged as security to secure perpetual securities and banking facilities of the Group as disclosed in Notes 19 and 20 to the financial statements.

### Fair value information

Fair value of investment properties is categorised as follows:

	<b>Group</b>
	<b>Level 3</b>
	<b>RM</b>
<b>30 June 2023</b>	
Investment properties	<u>697,827,225</u>
<b>31 December 2021</b>	
Investment properties	<u>849,020,301</u>

There were no Level 1 or Level 2 investment properties or transfers between Level 1 and Level 2 during the financial period.

## 7. INVESTMENT PROPERTIES (CONTINUED)

### Level 3 fair value

The estimated fair values of the investment properties were determined by external, independent valuers or based on information available through internal research and the directors' best estimate primarily using market comparison method by reference to similar properties in the locality and adjusting for location, size and other differences and cost method. The most significant input into this valuation approach is price or cost per square foot of the properties.

## 8. INVENTORIES

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Properties held for development		
- Freehold land	638,538,873	775,021,704
- Leasehold land	301,371,361	290,554,013
- Development costs	78,924,063	102,236,416
	<u>1,018,834,297</u>	<u>1,167,812,133</u>
<b>Current</b>		
Properties under development		
- Freehold land	209,386,687	306,883,627
- Development costs	48,510,887	36,703,685
Property held for sale	255,039,458	-
Completed properties	274,741,061	247,439,092
Building materials and consumables	3,649,249	332,121
Stationeries and housekeeping supplies	300,190	9,483
	<u>791,627,532</u>	<u>591,368,008</u>
	<u>1,810,461,829</u>	<u>1,759,180,141</u>

- (i) The cost of inventories of the Group recognised as an expense in cost of sales during the financial period was RM116,938,617 (Financial year ended 31.12.2021: RM96,380,186). The amount recognised as an expense in other operating expenses during the financial period in respect of write down of inventories to net realisable value was RM1,934,239 (Financial year ended 2021: Nil).
- (ii) The following properties are pledged as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Properties held for development	684,961,743	525,890,305
Properties under development	260,334,599	337,679,482
Property held for sale	255,039,458	-
Completed properties	<u>234,682,801</u>	<u>235,134,927</u>

## 8. INVENTORIES (CONTINUED)

- (iii) Included in properties under development are development costs incurred during the financial period as follows:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Depreciation of property, plant and equipment	3,538,450	439,605
Expense relating to short-term leases of plant and machineries	228,886	649,380

- (iv) Included in inventories are properties held for development, properties under development and property held for sale of the Group of RM1,100,210,470 (31.12.2021: RM1,007,510,470) paid in respect of joint venture and turnkey contracts entered into with the joint venture parties or landowners for property development work. During the financial period, additional amounts of RM97,500,000 (Financial year ended 31.12.2021: RM55,600,000) were paid to the landowners. These amounts pertain to joint venture and turnkey contracts entered into with joint venture parties or landowners for development work. The land cost is subject to the agreed entitlement provided in the contract with the joint venture partners or landowners.

During the financial period, the Group was subject to queries and investigations by regulatory authorities regarding these joint venture and turnkey contracts entered into by the Group. Consequently, the Group has initiated a special review of these transactions to examine any potential involvement of related parties and the Group's compliance with the applicable laws and regulations. At the date of authorisation of these financial statements, the outcome of the regulatory authorities' investigation remain unknown, and the special review by the Group has not been completed.

- (v) During the financial period, the turnkey contract with a landowner was mutually terminated and a sub-sale agreement was entered into with the landowner to purchase the property as disclosed in Note 38(b). Subsequently, the Group entered into a sale and purchase agreement for the sale of the property to a third party as disclosed in Note 38(c). The transactions are subject to fulfilment of conditions precedent and the related inventory is classified as property held for sale.
- (vi) Titles of certain properties held for development of the Group with carrying amount of RM1,086,939,594 (31.12.2021: RM1,080,796,401) are registered under the names of the previous proprietors or joint venture partners.
- (vii) Titles of certain properties under development of the Group with carrying amount of RM259,410,423 (31.12.2021: RM239,666,718) are registered under the names of the previous proprietors or joint venture partners.

## 9. GOODWILL ON CONSOLIDATION

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Goodwill on consolidation	17,626,036	17,626,036

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to its business segments which is the property development segment.

## 9. GOODWILL ON CONSOLIDATION (CONTINUED)

The recoverable amount of the CGU is determined based on value-in-use calculations using three-year cash flow projections from financial budgets approved by management and cash flows beyond that period are extrapolated.

The values assigned to key assumptions are based on the Group's assessments after considering both external and internal sources of information. The following describes each key assumption which the directors have used in the cash flows projection for the purposes of impairment testing of goodwill:

- (i) Budgeted gross margins – Gross margins are based on the historical gross margins achieved and anticipated future projects.
- (ii) Growth rates – Growth rates are based on general market and economic conditions, existing and anticipated projects and other available information for the next 3 years and assuming no growth for subsequent years.
- (iii) Pre-tax discount rate – Discount rate of 14% (31.12.2021: 15%) reflects the current market assessment of the risks specific to the segment.

No impairment loss was required for the goodwill assessed as its recoverable amount was in excess of its carrying amount.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amount of goodwill to materially exceeds its recoverable amount.

## 10. INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Unquoted shares	552,221,584	552,221,584
Loans that are part of net investments	843,941,509	446,854,473
Less: Impairment loss	(38,011,214)	(21,152,509)
	<u>1,358,151,879</u>	<u>977,923,548</u>

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

During the financial period, an impairment loss on the entire investment in certain subsidiaries amounted to RM16,858,705 (2021: RM1,500,000) was recognised and included in other operating expenses line in profit or loss as the subsidiaries incurred continuous losses, recorded capital deficiency position and are not expected to have significant recoverable amount.

# 10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries, which are incorporated and have principal place of business/country of incorporation in Malaysia, are as follows:

Name of company	Ownership interest		Principal activities
	30.06.2023	31.12.2021	
	%	%	
Kar Sin Berhad @	100	100	Property development and, cultivation and sale of oil palm produce
YNH Construction Sdn. Bhd.	100	100	General contracting
D'Kiara Place Sdn. Bhd. ^	100	100	Property development and provision of consultancy services
YNH Hospitality Sdn. Bhd.	100	100	Provision of management services, lodging facilities and property investment holding
YNH Services Sdn. Bhd.	100	100	Ceased operation
YNH Land Sdn. Bhd.	97	97	Property investment holding
Green Mirage Sdn. Bhd.	100	100	Property investment holding
Kiara Desaru Sdn. Bhd.	100	100	Property investment holding
YNH Engineering Sdn. Bhd.	100	100	General contracting
YNH Electrical Engineering Sdn. Bhd.	100	100	General contracting
YNH Ready Mix Sdn. Bhd.	100	100	Rental of plant and equipment
Sky High Corporation *	100	100	Dormant
YNH Hardware Sdn. Bhd.	100	100	Dormant
YNH Communication Engineering Sdn. Bhd.	100	100	Dormant
YNH Utility Sdn. Bhd.	100	100	Energy and utility provider
Desaru Ace Services Sdn. Bhd.	100	100	Dormant
<b>Subsidiaries of Kar Sin Berhad</b>			
Hotel Sfera Sdn. Bhd.	100	100	Operation and management of a hotel and its related business and property investment holding
Mesra Unggul Sdn. Bhd.	100	100	Property investment holding and development
Bay Clubhouse Sdn. Bhd.	100	100	Property investment holding
YNH Land Sdn. Bhd.	3	3	Property investment holding
Benua Kukuh Sdn. Bhd.	100	100	Property investment holding
YNH Realty Sdn. Bhd.	100	100	Marketing agent

# 10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries, which are incorporated and have principal place of business/country of incorporation in Malaysia, are as follows (Continued):

- @ The auditor's opinion on the financial statements of this subsidiary included a qualification on the inventories amounting to RM1,100,210,470 being amounts paid in respect of the joint venture and turnkey contracts entered into by the subsidiary as auditors could not obtain sufficient appropriate evidence that the joint venture and turnkey contracts entered into with the respective joint venture parties or landowners are not related party transactions, and on the value of these inventories as at 30 June 2023 and the related disclosures. Consequently, the auditors were unable to determine whether any adjustments to the financial statements were necessary.
- ^ D'Kiara Place Sdn Bhd's shares are held in trust by Kar Sin Berhad as a trustee for the Company.
- \* Incorporated and has principal place of business in the Federal Territory of Labuan, Malaysia.

# 11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	30.06.2023	31.12.2021
	RM	RM
<b>Deferred tax assets</b>		
At 1 January	99,094,902	99,094,902
Recognised in profit or loss (Note 30)	16,919,659	7,704,639
At 30 June 2023/31 December 2021	<u>116,014,561</u>	<u>99,094,902</u>
<b>Deferred tax liabilities</b>		
At 1 January	(28,593,064)	(28,593,064)
Recognised in profit or loss (Note 30)	4,162,903	3,173,579
At 30 June 2023/31 December 2021	<u>(24,430,161)</u>	<u>(28,593,064)</u>

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities of the Group.



11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following:

	At 1 January 2021 RM	Recognised in profit or loss RM	At 31 December 2021 RM	Recognised in profit or loss RM	At 30 June 2023 RM
<b>Deferred tax assets</b>					
Deductible temporary differences in respect of expenses	3,238,981	263,101	3,502,082	(1,291,461)	2,210,621
Arising from transfer of property development cost or inventories to investment properties	1,351,742	-	1,351,742	-	1,351,742
Differences between the carrying amount of property, plant and equipment and its tax base	37,666	(19,845)	17,821	(596,791)	(578,970)
Interest attributable to property development cost	42,433,186	5,708,954	48,142,140	3,913,906	52,056,046
Lease liabilities	-	-	-	462,114	462,114
Unrealised profit on development properties	44,328,688	1,752,429	46,081,117	11,302,905	57,384,022
Unutilised tax losses	-	-	-	3,128,986	3,128,986
	<b>91,390,263</b>	<b>7,704,639</b>	<b>99,094,902</b>	<b>16,919,659</b>	<b>116,014,561</b>
<b>Deferred tax liabilities</b>					
Taxable temporary differences in respect of income	(668,050)	(121,987)	(790,037)	580,637	(209,400)
Differences between the carrying amount of property, plant and equipment and its tax base	(586,278)	(361,190)	(947,468)	456,518	(490,950)
Fair value adjustment on consolidation	(30,512,315)	3,656,756	(26,855,559)	3,125,748	(23,729,811)
	<b>(31,766,643)</b>	<b>3,173,579</b>	<b>(28,593,064)</b>	<b>4,162,903</b>	<b>(24,430,161)</b>
	<b>59,623,620</b>	<b>10,878,218</b>	<b>70,501,838</b>	<b>21,082,562</b>	<b>91,584,400</b>

# 11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	30.06.2023	31.12.2021
	RM	RM
Deductible temporary difference in respect of expenses	3,084,177	(1,494,503)
Unutilised tax losses	56,838,829	56,152,149
Unabsorbed capital allowances	14,890,178	12,829,528
	<u>74,813,184</u>	<u>67,487,174</u>

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses which are available for offset against future taxable profits of the subsidiaries will expire in the following financial years:

	Group	
	30.06.2023	31.12.2023
	RM	RM
2028	38,191,473	41,063,852
2029	8,755,671	7,435,237
2030	8,582,110	7,653,060
2031	478,718	-
2032	830,857	-
	<u>56,838,829</u>	<u>56,152,149</u>

# 12. OTHER CURRENT ASSETS

		Group		Company	
	Note	30.06.2023	31.12.2021	30.06.2023	31.12.2021
		RM	RM	RM	RM
Costs to obtain contracts	(a)	1,573,233	1,236,289	-	-
Deposits for acquisition of development lands		125,211	125,211	-	-
Mobilisation deposits	(b)	3,158,700	3,158,700	-	-
Prepayments		840,341	425,786	32,077	32,077
		<u>5,697,485</u>	<u>4,945,986</u>	<u>32,077</u>	<u>32,077</u>

## 12. OTHER CURRENT ASSETS (CONTINUED)

### (a) Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining residential and commercial properties sales contracts.

These costs are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. In 30 June 2023, amortisation amounting to RM1,696,830 (Financial year ended 31.12.2021: RM6,269,813) was recognised as part of selling and marketing expenses. There was no impairment loss in relation to the costs capitalised.

### (b) Mobilisation deposits

These amounts are paid to architects and other professional services for development projects. The directors, after considering all relevant and available information, are of the opinion that these amounts are fully recoverable.

## 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
Note	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
<b>Trade</b>				
Trade receivables from contracts with customers	66,531,414	93,701,132	-	-
Lease receivables	2,390,009	3,816,019	-	-
Less: Allowance for impairment loss				
- Trade receivables from contracts with customers	(7,805,914)	(8,089,518)	-	-
- Lease receivables	(2,390,009)	(3,816,019)	-	-
<b>(a)</b>	<b>58,725,500</b>	<b>85,611,614</b>	<b>-</b>	<b>-</b>
<b>Non-trade</b>				
Other receivables	19,192,796	13,247,978	254,400	-
Less: Allowance for impairment loss	(11,674,695)	(8,044,575)	-	-
<b>(b)</b>	<b>7,518,101</b>	<b>5,203,403</b>	<b>254,400</b>	<b>-</b>
GST refundable	189,095	557,070	-	-
Deposits	6,313,789	4,959,333	-	-
Amount owing by subsidiaries	-	-	38,300,358	25,593,830
Less: Allowance for impairment loss	-	-	(20,556,617)	(20,556,617)
	14,020,985	10,719,806	17,998,141	5,037,213
Total trade and other receivables	72,746,485	96,331,420	17,998,141	5,037,213

### 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 14 to 60 days (31.12.2021: 14 to 60 days) from the date of invoices.

Included in trade receivables of the Group are amounts of:

- (i) RM3,693,256 (31.12.2021: RM6,831,096) owing by a company related to a director of the Company;
- (ii) RM4,037,550 (31.12.2021: RM7,540,837) owing by certain directors of the Company;
- (iii) RM238,800 (31.12.2021: RM6,220,005) owing by persons related to directors of the Company; and
- (iv) RM13,585,262 (31.12.2021: RM14,284,926) being retention sums held by stakeholders. The retention sums which are receivable upon the expiry of defect liability period as provided in the contracts with customers expected to be collected are as follows:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Within one year	13,585,262	740,454
Later than one year	-	13,544,472
	<u>13,585,262</u>	<u>14,284,926</u>

The amounts owing by a company related to a director, certain directors and persons related to directors of the Company are in respect of purchase of properties from the Group.

The movement in the allowance for impairment loss of trade receivables is as follows:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>At 1 January</b>	11,905,537	11,052,153
Charge for the financial period/year (Note 28)		
- Trade receivables from contracts with customers	881,753	166
- Lease receivables	-	1,299,572
Reversal of impairment losses (Note 28)		
- Trade receivables from contracts with customers	(2,359,900)	(413,575)
- Lease receivables	(485,886)	(32,779)
Written off	254,419	-
<b>At 30 June 2023/31 December 2021</b>	<u>10,195,923</u>	<u>11,905,537</u>

The information about the credit exposures are disclosed in Note 32(b)(i) to the financial statements.

### 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (b) Other receivables

Included in other receivables are lease receivables amounted to RM3,583,847 (31.12.2021: RM2,160,134).

The movement in the allowance for impairment loss of other receivables is as follows:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>At 1 January</b>	8,044,575	12,778,766
Charge for the financial period/year (Note 28)	5,572,430	-
Reversal of impairment losses (Note 28)	(1,942,310)	(4,734,191)
<b>At 30 June 2023/31 December 2021</b>	<b>11,674,695</b>	<b>8,044,575</b>

#### (c) Amount owing by subsidiaries

The amount owing by subsidiaries is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

The movement in the allowance for impairment loss of amount owing by subsidiaries is as follows:

	<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
<b>At 1 January</b>	20,556,617	4,615,196
Charge for the financial period/year (Note 28)	-	15,941,421
<b>At 30 June 2023/31 December 2021</b>	<b>20,556,617</b>	<b>20,556,617</b>

### 14. CASH AND SHORT-TERM DEPOSITS

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and bank balances	35,735,717	33,608,164	3,672,613	87,546
Short-term deposits	942,818	527,054	-	-
Short term fund				
- redeemable at call	605,721	14,641	-	-
	<b>37,284,256</b>	<b>34,149,859</b>	<b>3,672,613</b>	<b>87,546</b>

#### 14. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Short-term deposits	942,818	527,054	-	-
Less: Pledged deposits	(942,818)	(527,054)	-	-
	-	-	-	-
Cash and bank balances	35,735,717	33,608,164	3,672,613	87,546
Short term fund	605,721	14,641	-	-
Bank overdrafts (Note 20)	(42,406,884)	(55,118,074)	-	-
Escrow accounts	(1,890)	(2,020)	(1,890)	(2,020)
	(6,067,336)	(21,497,289)	3,670,723	85,526

The short-term deposits of the Group amounting to RM942,818 (31.12.2021: RM527,054) is pledged as security for bank guarantees granted to the Group.

Included in cash and bank balances of the Group is an amount of RM1,030,612 (31.12.2021: RM1,917,312) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Included in cash and bank balances of the Group and of the Company is an amount of RM1,890 (31.12.2021: RM2,020) held as Escrow Accounts pursuant to the Perpetual Securities Programme as disclosed in Note 19 to the financial statements.

Included in short-term deposits of the Group is an amount of RM161,420 (31.12.2021: RM161,420) held in trust by a director of the Company.

The short-term deposits of the Group bear interest rates with maturity periods as follows:

	<b>Maturities</b>		<b>Interest rates</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>Days</b>	<b>Days</b>	<b>%</b>	<b>%</b>
<b>Group</b>				
Short-term deposits	30 - 365	30 - 365	1.30 - 2.93	1.30 - 2.53

## 15. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 17 November 2022, YNH Hospitality Sdn. Bhd., a wholly-owned subsidiary of the Company proposed to enter into a sale and purchase agreement with ALX Asset Berhad for the disposal of two-storey retail shopping mall known as "AEON Seri Manjung" erected on a freehold land for a cash consideration of RM152,000,000 ("Proposed Disposal"). The Proposed Disposal is expected to be completed within the next financial year.

On 12 April 2023, YNH Ready Mix Sdn. Bhd., a wholly-owned subsidiary of the Company entered into sale and purchase agreements with a person connected to a director of the Company for the disposal of fifteen (15) units of service residences for a total cash consideration of RM13,142,000. The disposal is expected to be completed within the next financial year.

Accordingly, the freehold land and building, and service residences have been classified as non-current assets held for sale.

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Investment properties (Note 7)	141,717,243	-

The investment properties have been pledged as security for banking facilities of the Group as disclosed in Note 20 to the financial statements.

## 16. SHARE CAPITAL

	<b>Group and Company</b>			
	<b>Number of ordinary shares</b>		<b>&lt;-----Amounts-----&gt;</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
<b>Issued and fully paid up (no par value):</b>				
At 1 January/ 31 December/ 30 June	528,999,579	528,999,579	528,999,579	528,999,579

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 17. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the cost of acquisition of treasury shares net of the proceeds received on their subsequent sale or issuance. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan are applied in the best interests of the Company and its shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia.

As at 30 June 2023, the Company held 512,512 (31.12.2021: 512,512) ordinary shares as treasury shares at a carrying amount of RM970,157 (31.12.2021: RM970,157).

## 18. OTHER RESERVES

		<b>Group</b>	
	<b>Note</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
		<b>RM</b>	<b>RM</b>
Capital reserve	<b>(a)</b>	26,578,054	26,578,054
Translation reserve	<b>(b)</b>	(47,616)	4,543,839
		<u>26,530,438</u>	<u>31,121,893</u>

### (a) Capital reserve

This capital reserve represents the changes in fair value of the subsidiaries acquired.

### (b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiary whose functional currency is different from that of the Group's presentation currency.

## 19. PERPETUAL SECURITIES

On 7 August 2019, the Company made its first issuance of RM263 million nominal value of senior ranking unrated perpetual securities ("Perpetual Securities") pursuant to the RM750 million Perpetual Securities Programme.

On 30 July 2020, the Company made its second issuance of RM87 million nominal value of Perpetual Securities under the same programme.

The net proceeds raised from the Perpetual Securities will be utilised for investments, capital expenditure, working capital and repayment of the Group's existing borrowings.

The salient features of the Perpetual Securities are as follows:

- (a) The Perpetual Securities has no fixed maturity date and the Company has an option to redeem all or part of the Perpetual Securities at the end of the fifth year from the issuance date, and on each subsequent coupon payment date (i.e. semi-annually);
- (b) The Company also has the option to redeem the Perpetual Securities if there is any change or amendment to the accounting standards resulting in the Perpetual Securities no longer being classified as equity;



**19. PERPETUAL SECURITIES (CONTINUED)**

The salient features of the Perpetual Securities are as follows (Continued):

- (c) The Perpetual Securities carries a coupon rate of 6.85% per annum payable semi-annually for the first 5 years;
- (d) Deferred coupon payment, if any, will be cumulative but will not earn additional coupon (i.e. there will be no compounding);
- (e) The Perpetual Securities is unrated and is secured over an investment property, specific debenture and assignment over escrow bank account of the Group; and
- (f) Payment to holders of Perpetual Securities will rank:
  - (i) ahead of any class of the Company's share capital, including, without limitation, any preference shares and ordinary shares in the capital of the Company;
  - (ii) any other instruments or securities issued, entered into or guaranteed by the Company, whether by its terms or by operation of law, ranks in right of payment behind the claims of unsecured or unsubordinated obligations of the Company; and
  - (iii) upon the security pledged being exhausted and Perpetual Securities are still outstanding, rank pari passu, without discrimination, preference or priority among themselves and rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company and with any parity obligations.

During the financial period, the Company recognised coupon payment as distribution to the holders of perpetual securities of RM35,962,309 (31.12.2021: RM24,073,715).

## 20. LOANS AND BORROWINGS

	Note	Group		Company	
		30.06.2023	31.12.2021	30.06.2023	31.12.2021
		RM	RM	RM	RM
			Restated		
<b>Non-current:</b>					
Secured:					
Term loans	(a)	59,884,387	265,689,785	-	-
Sukuk Wakalah	(b)	320,289,654	-	320,289,654	-
Hire purchase payables	(c)	2,973,431	2,207,981	-	-
		383,147,472	267,897,766	320,289,654	-
<b>Current:</b>					
Secured:					
Term loans	(a)	246,809,484	62,038,539	-	-
Hire purchase payables	(c)	3,037,763	2,446,371	-	-
Revolving credits	(d)	226,843,010	414,897,925	-	-
Bank overdrafts (Note 15)	(e)	42,406,884	55,118,074	-	-
Bankers' acceptances	(f)	6,881,850	4,652,622	-	-
		525,978,991	539,153,531	-	-
<b>Total loans and borrowings</b>					
Term loans	(a)	306,693,871	327,728,324	-	-
Sukuk Wakalah	(b)	320,289,654	-	320,289,654	-
Hire purchase payables	(c)	6,011,194	4,654,352	-	-
Revolving credits	(d)	226,843,010	414,897,925	-	-
Bank overdrafts (Note 15)	(e)	42,406,884	55,118,074	-	-
Bankers' acceptances	(f)	6,881,850	4,652,622	-	-
		909,126,463	807,051,297	320,289,654	-

## 20. LOANS AND BORROWINGS (CONTINUED)

### (a) Term loans

The terms and conditions of the term loans of the Group are as follows:

Repayment terms	Interest rate	Security	Amounts outstanding	
			30.06.2023 RM	31.12.2021 RM
(i) Repayable by 168 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM11,933, 49th to 84th instalment of RM14,709 and 85th to 167th instalment of RM14,709 and 168th instalment of RM3,891,675	1.5% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	4,433,969	4,747,159
(ii) Repayable by 168 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM107,401, 49th to 167th instalment of RM132,377 and 168th instalment of RM35,025,069	1.5% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	39,904,588	42,724,039
(iii) Repayable by 168 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM11,933, 49th to 167th instalment of RM14,708 and 168th instalment of RM3,891,675	1.5% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	4,450,602	4,715,357
(iv) Repayable by 168 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM107,401, 49th to 167th instalment of RM132,377 and 168th instalment of RM35,025,069	1.5% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	40,055,411	42,438,205
(v) Repayable by 120 equal instalments of RM96,873 commencing on the 7th month from the date of first drawdown	1.75% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	13,171,121	14,674,771

## 20. LOANS AND BORROWINGS (CONTINUED)

### (a) Term loans (Continued)

The terms and conditions of the term loans of the Group are as follows (Continued):

Repayment terms	Interest rate	Security	Amounts outstanding	
			30.06.2023 RM	31.12.2021 RM
(vi) Repayable by 60 equal instalments of RM182,487 commencing on the 1st month from the date of first drawdown	8% flat rate	Legal charge over certain investment properties of the Group*	-	1,062,747
(vii) Repayable by 84 equal instalments of RM415,058 (2021: RM415,058) commencing on the 1st month from the date of first drawdown	1.25% above bankers' cost of funds	Legal charge over certain land held for development and inventories of the Group*	1,660,232	9,131,274
(viii) Repayable by 7 equal instalments of RM6,125,000 commencing in 2022 (2021: repayable by a reduction schedule and/or redemption of commercial units and residential units under the proposed Desa Sri Hartamas project)	2.0% above bankers' cost of funds	Legal charge over certain joint development land of the Group*	32,501,322	45,492,013
(ix) Repayable by 8 equal instalments of RM4,500,000 commencing in quarter 2 of 2022 (2020: repayable by a reduction schedule and/or redemption of commercial units and residential units under the proposed Desa Sri Hartamas project)	2.0% above bankers' cost of funds	Legal charge over certain joint development land of the Group*	28,187,810	35,979,903
(x) Repayable by 120 monthly instalments of RM400,000 commencing from the date of first drawdown to 24th instalments, 25th to 48th instalments of RM600,000, 49th to 72th instalments of RM800,000, instalments of RM1,000,000, 97th to 119th instalments of RM1,200,000 and 120th instalments of RM65,200,000; or by way of redemption, whichever is earlier	1.5% above bankers' cost of funds	Legal charge over certain investment properties of the Group*	90,908,996	117,112,589

## 20. LOANS AND BORROWINGS (CONTINUED)

### (a) Term loans (Continued)

The terms and conditions of the term loans of the Group are as follows (Continued):

Repayment terms	Interest rate	Security	Amounts outstanding	
			30.06.2023 RM	31.12.2021 RM
(xi) Repayable by 84 equal instalments of RM166,216 commencing on the 1st month from the date of first drawdown	7.75% flat rate	Legal charge over certain investment properties of the Group*	7,673,942	9,650,267
(xii) Repayable by 35 equal principal instalments of RM1,388,889 commencing on the first day of the 25th month after the date of the first drawdown and to be concurrent with the interest payment date or by way of redemption, whichever is earlier	1.75% above bankers' cost of funds	Legal charge over a joint development land of the Group*	35,706,215	-
(xiii) Repayable by 23 equal principal instalments of RM417,000 commencing on the first day of the 37th month after the date of the first drawdown and to be concurrent with the interest payment date or by way of redemption, whichever is earlier	1.75% above bankers' cost of funds	Legal charge over a joint development land of the Group*	8,039,663	-
			<b>306,693,871</b>	<b>327,728,324</b>

\* The term loans are guaranteed by the Company.

The term loans of the Group bear interest at rates ranging from 3.61% to 8.00% (2021: 3.77% to 8.00%) per annum.

Term loans with carrying amount of RM188,005,002 (2021: RM Nil) have been classified as current liabilities in view of the proposed disposals as disclosed in Note 38 are expected to be completed within the next financial year.

## 20. LOANS AND BORROWINGS (CONTINUED)

### (b) Sukuk Wakalah

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Sukuk Wakalah at nominal value	323,000,000	-	323,000,000	-
Debts issuance cost of Sukuk Wakalah	(2,710,346)	-	(2,710,346)	-
	<u>320,289,654</u>	<u>-</u>	<u>320,289,654</u>	<u>-</u>

On 28 February 2022, the Company issued Sukuk Wakalah in aggregate of RM323 million, with tenure of 3 years and 5 years, which will be due on 28 February 2025 and 26 February 2027.

The net proceeds raised will be utilised by the Company for the following Shariah compliant purposes in the following order of priority:

- (i) repayment of existing financing/borrowings to unencumber the Secured Properties;
- (ii) defraying fees, costs and expenses in relation to the issuance of the Sukuk Wakalah and Sukuk Wakalah Programme;
- (iii) capital expenditure and/or investments (comprising the purchase of land(s), building(s), Shariah-compliant shares, property and/or payment into joint ventures) of the Company, its group of companies and/or any of the security providers for the Sukuk Wakalah;
- (iv) working capital of the Company and/or its group of companies;
- (v) refinancing of existing financing/borrowings of the Company or its group of companies;
- (vi) general corporate purposes of the Company and/or its group of companies; and/or
- (vii) inter-company advances between the Company and its group of companies.

The Sukuk Wakalah bears interest at rates ranging from 5.50% to 5.90% (2021: Nil) per annum and is secured by way of legal charge over land held for future development.

### (c) Hire purchase payables

Plant and machineries of the Group as disclosed in Note 6 to the financial statements are pledged under hire purchase arrangement. The hire purchase payables of the Group bear interest at rates ranging from 2.13% to 3.35% (31.12.2021: 2.13% to 5.76%) per annum.

## 20. LOANS AND BORROWINGS (CONTINUED)

### (d) Revolving credits

The revolving credits of the Group bear interest at rates ranging from 2.40% to 7.20% (31.12.2021: 2.40% to 5.00%) per annum and are secured by way of:

- (i) legal charges over certain property, plant and equipment, investment properties, land held for property development and inventories of the subsidiaries; and
- (ii) corporate guarantee from the Company.

During the financial period, monthly limit reduction over a three-year period effective January 2023 on revolving credits with outstanding amount of RM137,041,205 as at 30 June 2023 was imposed on the Group.

Subsequent to the end of the financial period, monthly limit reduction over a two-year period effective September 2023 on revolving credits with outstanding amount of RM20,052,533 as at 30 June 2023 was imposed on the Group.

### (e) Bank overdrafts

Bank overdrafts of the Group bear interest at rates ranging from 6.00% to 7.58% (31.12.2021: 3.19% to 7.58%) per annum and are secured by way of:

- (i) legal charges over certain property, plant and equipment, investment properties and inventories of the subsidiaries; and
- (ii) corporate guarantee from the Company.

### (f) Bankers' acceptances

The bankers' acceptances of the Group bear interest at rate of 6.50% (31.12.2021: 4.52% to 4.60%) per annum and are secured by corporate guarantee from the Company.

## 21. LEASE LIABILITIES

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
		<b>Restated</b>
<b>Current</b>		
Lease liabilities	4,153,007	84,256

The weighted average incremental borrowing rate applied to the lease liabilities was 5.50% (31.12.2021: 5.50%) per annum.

## 21. LEASE LIABILITIES (CONTINUED)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	<b>Group</b> <b>30.06.2023</b> <b>RM</b>	<b>31.12.2021</b> <b>RM</b> <b>Restated</b>
Minimum lease payments:		
Not later than one year	4,247,474	84,256
Later than one year and not later than 5 years	-	-
	<u>4,247,474</u>	<u>84,256</u>
Less: Future finance charges	(94,467)	-
Present value of minimum lease payments	<u>4,153,007</u>	<u>84,256</u>
Present value of minimum lease payments payable:		
Not later than one year	4,153,007	84,256
Later than one year and not later than 5 years	-	-
	<u>4,153,007</u>	<u>84,256</u>
Less: Amount due within 12 months	(4,153,007)	(84,256)
Amount due after 12 months	<u>-</u>	<u>-</u>

## 22. PROVISION

	<b>Group</b> <b>30.06.2023</b> <b>RM</b>	<b>31.12.2021</b> <b>RM</b>
<b>Rectification work</b>		
At 1 January	277,887	479,390
Recognised in profit or loss (Note 28)	475,315	120,905
Utilised during the financial period	(617,823)	(322,408)
At 30 June 2023/31 December 2021	<u>135,379</u>	<u>277,887</u>
Current	<u>135,379</u>	<u>277,887</u>

A provision is recognised for expected rectification works on completed contracts. It is expected that most of these costs will be incurred within one year after the completion of the construction contract.

Based on management's past experience, provision for rectification works are computed at 0.2% (31.12.2021: 0.2%) on the total contracted sum of completed contracts.



## 23. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
<b>Current:</b>					
<b>Trade</b>					
Trade payables	(a)	65,742,982	73,242,450	-	-
<b>Non-trade</b>					
Other payables	(b)	95,206,641	133,203,039	639,650	319,985
GST payable		44,347	75,516	-	-
SST payable		48,942	8,386	-	-
Deposits	(c)	25,666,772	24,698,341	-	-
Accruals		41,258,349	18,045,016	6,221,178	35,034
Amount owing to a director	(d)	785,497	683,871	65,944	12,944
Amount owing to subsidiaries	(d)	-	-	271,930,335	163,826,679
		163,010,548	176,714,169	278,857,107	164,194,642
Total trade and other payables		228,753,530	249,956,619	278,857,107	164,194,642

### (a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 14 to 90 days (31.12.2021: 14 to 90 days).

Included in trade payables of the Group are amounts of:

- (i) RM10,250 (31.12.2021: RM10,250) owing to companies related to certain directors of the Company which are under normal credit terms; and
- (ii) RM3,027,561 (31.12.2021: RM6,153,673) being retention sums held by the Group. The retention sums which are payable upon expiry of defect liability period as provided in the contracts with contractors are expected to be settled as follows:

	Group	
	30.06.2023 RM	31.12.2021 RM
Within one year	-	3,093,085
Later than one year	3,027,561	3,060,588
	3,027,561	6,153,673

## 23. TRADE AND OTHER PAYABLES (CONTINUED)

### (b) Other payables

Included in other payables of the Group are:

- (i) RM9,414,531 (31.12.2021: RM15,855,696) unsecured advances which are owing to companies in which certain directors of the Company have significant financial interest. The amounts owing are non-interest bearing, have no fixed term of repayment and are expected to be settled in cash;
- (ii) RM68,723 (31.12.2021: RM2,108,846) landowners' entitlement pursuant to the joint venture agreements entered into with the landowners;
- (iii) RM3,025,543 (31.12.2021: RM1,271,290) unsecured advances which are owing to persons related to certain directors of the Company. The amounts owing are non-interest bearing, have no fixed term of repayment and is expected to be settled in cash;
- (iv) RM43,500,000 (31.12.2021: RM58,500,000) due to a third-party following revocation of land sales in previous financial years; and
- (v) RM8,096,677 (31.12.2021: RM21,632,265) of guarantee rental return ("GRR") in which amounts of RM Nil (2021: RM9,436,507) are owing to certain directors and persons related to certain directors of the Group.

Included in other payables of the Company are:

- (i) RM Nil (31.12.2021: RM300,006) unsecured advances which are owing to a company in which certain directors of the Company have significant financial interest. The amounts owing are non-interest bearing, have no fixed term of repayment and are expected to be settled in cash; and
- (ii) RM12,080 (31.12.2021: RM12,080) unsecured advances which are owing to person related to certain directors of the Company. The amounts owing are non-interest bearing, have no fixed term of repayment and is expected to be settled in cash.

### (c) Deposits

Included in deposits of the Group are rental and other related deposits amounting to RM12,267,820 (31.12.2021: RM10,336,381).

### (d) Accruals

Included in accruals of the Group and of the Company are interest accrued amounting to RM6,165,178 (31.12.2021: RM Nil).

### (e) Amounts owing to a director and subsidiaries

The amounts owing to a director and subsidiaries of the Company are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 32(b)(ii) to the financial statements.

## 24. CONTRACT LIABILITIES

	Group	
	30.06.2023	31.12.2021
	RM	RM
Contracts liabilities relating to property development	41,458,502	95,415,720
Advances from customers relating to utility charges	4,052,678	378,406
Total contract liabilities	45,511,180	95,794,126

### (a) Significant changes in contract balances

	Group	
	30.06.2023	31.12.2021
	Contract liabilities	Contract liabilities
	Increase/(decrease)	Increase/(decrease)
	RM	RM
Revenue recognised that was included in contract liability at the beginning of the financial year	(72,254,046)	(97,788,417)
Increase due to progress billings or cash received for work yet to be performed	21,971,100	52,920,402

## 25. REVENUE

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
<b>Revenue from contract customers:</b>				
Properties held for development	47,576,812	16,060,211	-	-
Properties under development	75,904,850	164,654,769	-	-
Completed properties	117,029,902	14,485,893	-	-
Construction contracts	8,092,037	5,056,137	-	-
Income from estates	5,439,918	4,122,718	-	-
Room sales, food and beverages	11,822,328	7,296,030	-	-
Sale of electricity and other operations	15,769,010	6,793,983	-	-
Project management consultant	1,962,892	-	-	-
	283,597,749	218,469,741	-	-
<b>Revenue from other sources:</b>				
Rental income from:				
- properties	22,690,556	12,204,630	-	-
- plant and machinery	1,228,692	603,538	-	-
- dividend income	-	-	42,300,000	-
	23,919,248	12,808,168	42,300,000	-
	307,516,997	231,277,909	42,300,000	-

## 25. REVENUE (CONTINUED)

### (a) Disaggregation of revenue

The Group reports the following segments: property development and hotel & hospitality in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Property development RM	Hotel & hospitality RM	Total RM
<b>Group - Financial period ended 30 June 2023</b>			
<b>Major goods or services:</b>			
Sale of properties held for development	47,576,812	-	47,576,812
Properties under development	75,904,850	-	75,904,850
Sale of completed properties	117,029,902	-	117,029,902
Construction services	8,092,037	-	8,092,037
Income from estates	5,439,918	-	5,439,918
Room sales, food and beverages	-	11,822,328	11,822,328
Sale of electricity and other operations	15,769,010	-	15,769,010
Project management consultant	1,962,892	-	1,962,892
	<b>271,775,421</b>	<b>11,822,328</b>	<b>283,597,749</b>
<b>Timing of revenue recognition:</b>			
At a point in time	170,046,632	11,822,328	181,868,960
Over time	101,728,789	-	101,728,789
	<b>271,775,421</b>	<b>11,822,328</b>	<b>283,597,749</b>
<b>Group - Financial year ended 31 December 2021</b>			
<b>Major goods or services:</b>			
Sale of properties held for development	16,060,211	-	16,060,211
Properties under development	164,654,769	-	164,654,769
Sale of completed properties	14,485,893	-	14,485,893
Construction services	5,056,137	-	5,056,137
Income from estates	4,122,718	-	4,122,718
Room sales, food and beverages	-	7,296,030	7,296,030
Sale of electricity and other operations	6,793,983	-	6,793,983
	<b>211,173,711</b>	<b>7,296,030</b>	<b>218,469,741</b>
<b>Timing of revenue recognition:</b>			
At a point in time	34,668,822	7,296,030	41,964,852
Over time	176,504,889	-	176,504,889
	<b>211,173,711</b>	<b>7,296,030</b>	<b>218,469,741</b>

## 25. REVENUE (CONTINUED)

### (b) Transaction price allocated to the remaining performance obligations

As of 30 June 2023, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM164,419,054 (31.12.2021: RM36,932,429) and the Group will recognise this revenue as the properties or construction are completed, which is expected to occur over the next 3 years.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and accordingly, does not disclose information about remaining performance obligations that have original expected duration of 1 year or less.

## 26. COST OF SALES

	Group	
	30.06.2023 RM	31.12.2021 RM
Cost of properties held for development sold	6,588,274	3,542,131
Cost of properties under development	36,135,021	84,114,157
Cost of completed properties sold	74,215,322	8,723,898
Cost of construction services	8,449,253	3,028,550
Cost of electricity	14,660,390	5,315,552
Cost of estates	1,136,830	1,278,687
Hotel and other operation costs:		
- expense relating to variable lease payments not included in the measurement of lease liabilities	-	214,060
- others	15,757,469	10,108,908
	<u>156,942,559</u>	<u>116,325,943</u>

## 27. FINANCE COSTS

	Group		Company	
	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
Interest expense on:				
- Sukuk Wakalah	24,610,178	-	24,610,178	-
- term loans	27,286,577	16,670,385	-	-
- revolving credits	19,909,366	13,700,447	-	-
- bank overdrafts	4,421,809	3,092,366	-	-
- hire purchase payables	568,188	397,486	-	-
- lease liabilities	373,114	2,708	-	-
- amortisation of transaction costs of loan and borrowings	1,227,932	-	1,227,932	-
	<u>78,397,164</u>	<u>33,863,392</u>	<u>25,838,110</u>	<u>-</u>

## 28. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Note	Group		Company	
		30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
Auditors' remuneration					
- statutory audit					
- current year		1,068,000	336,000	418,000	87,000
- prior year		15,089	27,724	5,000	2,750
- non-statutory audit		40,000	14,000	20,000	8,000
Depreciation of investment properties		4,858,701	4,952,586	-	-
Depreciation of property, plant and equipment		4,222,764	5,980,708	-	-
Depreciation of right-of-use assets		5,060,163	600,672	-	-
Direct operating expenses:					
- income generating investment properties		1,719,952	1,607,545	-	-
- non-income generating investment properties		858,108	577,645	-	-
Employee benefits expense (Note 29)		49,959,907	35,395,114	-	-
Expense relating to lease of low value assets		66,533	51,622	-	-
Expense relating to short-term leases		4,348,636	2,525,896	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities		372,868	235,600	-	-
Inventories written down		1,934,239	-	-	-
Impairment losses on:					
- right-of-use assets	6	1,809,846	-	-	-
- investment properties	7	1,092,236	-	-	-
- trade receivables arising from contract with customers	13	881,753	166	-	-
- lease receivables	13	-	1,299,572	-	-
- other receivables	13	5,572,430	-	-	-
- amount owing by subsidiaries	13	-	-	-	15,941,421
- investment in subsidiaries	10	-	-	16,858,705	1,500,000

## 28. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax (Continued):

Note	Group		Company	
	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
Non-executive directors' remuneration (Note 34)	466,898	303,838	466,898	303,238
Property, plant and equipment written off	758,009	8,403	-	-
Provision for rectification works (Note 22)	475,315	120,905	-	-
Interest income	(172,156)	(408,060)	-	-
Profit from sale of building materials	(370,259)	(141,009)	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(23,352,136)	-	-	-
- investment properties	(10,110,038)	(36,452)	-	-
- right-of-use assets	4,192,549	-	-	-
Rental income on properties	(17,991,302)	(12,515,934)	-	-
Reversal of impairment losses on:				
- trade receivables arising from contract with customers	13 (2,359,900)	(413,575)	-	-
- lease receivables	13 (485,886)	(32,779)	-	-
- other receivables	13 (1,942,310)	(4,734,191)	-	-

## 29. EMPLOYEE BENEFITS EXPENSE

	Group	
	30.06.2023 RM	31.12.2021 RM
Recognised in profit or loss:		
Salaries, bonus and other staff related costs	45,687,705	30,577,944
Employees Provident Fund	4,020,605	4,610,944
SOCSSO	251,597	206,226
	<u>49,959,907</u>	<u>35,395,114</u>
Included in employee benefits expenses are:		
Directors' other emoluments	<u>17,752,801</u>	<u>10,097,159</u>

### 30. INCOME TAX EXPENSE

The major components of income tax expense for the financial period/year are as follows:

	Group		Company	
	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
<b>Current tax:</b>				
Current income tax charge	38,667,175	24,150,126	-	-
Adjustment in respect of prior years	(850,033)	139,576	-	-
	<u>37,817,142</u>	<u>24,289,702</u>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>				
Reversal of temporary differences	(21,557,490)	(11,814,742)	-	-
Adjustment in respect of prior years	474,928	936,524	-	-
	<u>(21,082,562)</u>	<u>(10,878,218)</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>16,734,580</u>	<u>13,411,484</u>	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory income tax rate of 24% (Financial year ended 31.12.2021: 24%) of the estimated assessable profit for the financial period.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and of the Company's tax expense are as follows:

	Group		Company	
	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
Profit/(Loss) before tax	<u>20,416,799</u>	<u>34,662,631</u>	<u>(2,215,484)</u>	<u>(18,701,144)</u>
Tax at Malaysian statutory income tax rate of 24% (31.12.2021: 24%)	4,900,000	8,319,000	(531,700)	(4,488,300)
Non-deductible expenses	11,845,935	5,288,000	10,683,700	4,488,300
Non-taxable income	(223,054)	(457,594)	(10,152,000)	-
Income subject to RPGT	(1,171,438)	-	-	-
Utilisation of previously unrecognised deferred tax assets	-	(814,022)	-	-
Deferred tax assets not recognised	1,758,242	-	-	-
Adjustment in respect of prior years:				
- current tax	(850,033)	139,576	-	-
- deferred tax	474,928	936,524	-	-
Income tax expense	<u>16,734,580</u>	<u>13,411,484</u>	<u>-</u>	<u>-</u>



### 31. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

Basic loss per share are based on the (loss)/profit for the financial period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding, excluding treasury shares during the financial period, calculated as follows:

	<b>Group</b> <b>30.06.2023</b> <b>RM</b>	<b>31.12.2021</b> <b>RM</b>
Profit for the financial year attributable to owners of the Company	3,682,219	21,251,147
Less: Distribution to holders of perpetual securities	(35,929,279)	(24,040,685)
Loss attributable to ordinary equity holders of the Company	<u>(32,247,060)</u>	<u>(2,789,538)</u>
	<b>Group</b> <b>30.06.2023</b> <b>Units</b>	<b>31.12.2021</b> <b>Units</b>
Weighted average number of ordinary shares for basic earnings per share*	<u>528,487,067</u>	<u>528,487,067</u>
	<b>Group</b> <b>30.06.2023</b> <b>Sen</b>	<b>31.12.2021</b> <b>Sen</b>
Basic loss per ordinary share	<u>(6.10)</u>	<u>(0.53)</u>

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year, if any.

The Group has no dilutive potential ordinary shares. As such, the diluted loss per share is the same as the basic loss per share.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

## 32. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Fair value through profit or loss ("FVPL")
- (ii) Amortised cost

	Carrying amount RM	FVPL RM	Amortised cost RM
<b>At 30 June 2023</b>			
<b>Financial assets</b>			
<b>Group</b>			
Trade and other receivables #	72,557,390	-	72,557,390
Cash and short-term deposits	37,284,256	605,721	36,678,535
	<u>109,841,646</u>	<u>605,721</u>	<u>109,235,925</u>
<b>Company</b>			
Trade and other receivables #	17,998,141	-	17,998,141
Cash and short-term deposits	3,672,613	-	3,672,613
	<u>21,670,754</u>	<u>-</u>	<u>21,670,754</u>
<b>At 30 June 2023</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	909,126,463	-	909,126,463
Trade and other payables #	228,660,241	-	228,660,241
	<u>1,137,786,704</u>	<u>-</u>	<u>1,137,786,704</u>
<b>Company</b>			
Loans and borrowings	320,289,654	-	320,289,654
Trade and other payables	278,857,107	-	278,857,107
	<u>599,146,761</u>	<u>-</u>	<u>599,146,761</u>

### 32. FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Continued):

- (i) Fair value through profit or loss ("FVPL")
- (ii) Amortised cost

	Carrying amount RM	FVPL RM	Amortised cost RM
<b>At 31 December 2021</b>			
<b>Financial assets</b>			
<b>Group</b>			
Trade and other receivables #	95,774,350	-	95,774,350
Cash and short-term deposits	34,149,859	14,641	34,135,218
	<u>129,924,209</u>	<u>14,641</u>	<u>129,909,568</u>
<b>Company</b>			
Trade and other receivables #	5,037,213	-	5,037,213
Cash and short-term deposits	87,546	-	87,546
	<u>5,124,759</u>	<u>-</u>	<u>5,124,759</u>
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	807,051,297	-	807,051,297
Trade and other payables #	249,872,717	-	249,872,717
	<u>1,056,924,014</u>	<u>-</u>	<u>1,056,924,014</u>
<b>Company</b>			
Trade and other payables	<u>164,194,642</u>	<u>-</u>	<u>164,194,642</u>

# excluding GST refundable, GST payable and SST payable

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk primarily arises from its trade receivables and contract assets whilst the Company's exposure to credit risk primarily arises from amount owing by subsidiaries. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures for material contracts.

#### Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

In respect of trade receivables from sale of properties, the Group mitigates its credit risk by retaining legal title to all properties sold until the full contracted sales value is settled. Security deposits are collected and held as collateral by the Group to mitigate credit risk of lease receivables from tenants of properties.

At the reporting date, the Group did not have any significant concentration of credit risk that may arise from exposure to a single customer or to a group of customers other than amounts owing by certain directors and person connected to these directors, representing 13% (2021: 24%) of total trade receivables.

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (i) Credit risk (Continued)

##### Trade receivables and contract assets (Continued)

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") allowance for all trade receivables and contract assets. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

##### Credit risk concentration profile

The information about the credit risk exposure on the Group's trade receivables and contract assets as at 30 June 2023 and 31 December 2021 are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
<b>Group</b>			
<b>At 30 June 2023</b>			
<b>Trade receivables</b>			
Current (not past due)	19,026,145	-	19,026,145
1 to 30 days past due	2,238,622	-	2,238,622
31 to 60 days past due	1,097,471	-	1,097,471
61 to 90 days past due	630,440	-	630,440
91 to 120 days past due	1,514,394	-	1,514,394
121 to 150 days past due	1,048,428	-	1,048,428
More than 151 days past due	33,170,000	-	33,170,000
Credit impaired:			
- Individually assessed	10,195,923	(10,195,923)	-
	<u>68,921,423</u>	<u>(10,195,923)</u>	<u>58,725,500</u>

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (i) Credit risk (Continued)

##### Trade receivables and contract assets (Continued)

##### Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets as at 30 June 2023 and 31 December 2021 are as follows (Continued):

	Gross carrying amount RM	ECL allowance RM	Net balance RM
<b>Group (Continued)</b>			
<b>At 31 December 2021</b>			
<b>Trade receivables</b>			
Current (not past due)	16,698,201	-	16,698,201
1 to 30 days past due	3,479,563	-	3,479,563
31 to 60 days past due	2,535,463	-	2,535,463
61 to 90 days past due	3,619,168	-	3,619,168
91 to 120 days past due	2,185,370	-	2,185,370
121 to 150 days past due	14,232,462	-	14,232,462
More than 151 days past due	42,861,387	-	42,861,387
Credit impaired:			
- Individually assessed	11,905,537	(11,905,537)	-
	<u>97,517,151</u>	<u>(11,905,537)</u>	<u>85,611,614</u>

##### Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits, and amount owing by subsidiaries), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The cash and cash equivalents of the Group and of the Company are held with licensed financial institutions with high credit ratings.

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (i) Credit risk (Continued)

##### Other receivables and other financial assets (Continued)

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries in determining the recoverability of intercompany balances. The advances to subsidiaries are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the subsidiary does not have sufficient liquid reserves when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company determine that any loss allowance for impairment for other receivables and other financial assets, other than those as disclosed in Note 13 to the financial statements, would not be material.

Refer to Note 3.12(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

##### Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM588,836,809 (31.12.2021: RM807,051,297) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 32(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to the subsidiaries' secured borrowings.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (ii) Liquidity risk (Continued)

During the financial period ended 30 June 2023, as disclosed in Note 20 to the financial statements, certain revolving credits of the Group are subject to monthly limit reduction over a two to three-year period. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The Group has unutilised bank facilities in which the Group is able to utilise these facilities to finance its working capital and/or other funding requirements. There is no restriction under the terms of the facilities for such intended purposes. The Group may also consider sale of or further pledged its development land to secure additional funding to meet its liquidity requirements.

#### Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	Contractual cash flows -----			Total RM
		On demand or within one year RM	Between one to five years RM	More than five years RM	
<b>Group</b>					
<b>At 30 June 2023</b>					
Trade and other payables	228,660,241	228,660,241	-	-	228,660,241
Term loans	306,693,871	285,753,712	68,502,435	-	354,256,147
Hire purchase payables	6,011,194	3,365,983	2,944,926	-	6,310,909
Sukuk Wakalah	320,289,654	18,194,984	354,907,364	-	373,102,348
Lease liabilities	4,153,007	4,549,310	-	-	4,549,310
Revolving credits	226,843,010	238,190,019	-	-	238,190,019
Bank overdrafts	42,406,884	42,406,884	-	-	42,406,884
Bankers' acceptances	6,881,850	6,881,850	-	-	6,881,850
	<b>1,141,939,711</b>	<b>828,002,983</b>	<b>426,354,725</b>	<b>-</b>	<b>1,254,357,708</b>



## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (ii) Liquidity risk (Continued)

##### Maturity analysis (Continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows (Continued):

		Contractual cash flows -----			
	Carrying amount RM	On demand or within one year RM	Between one to five years RM	More than five years RM	Total RM
<b>Group (Continued)</b>					
<b>At 31 December 2021</b>					
Trade and other payables	249,872,717	249,872,717	-	-	249,872,717
Term loans	327,728,324	69,971,321	227,467,577	83,074,202	380,513,100
Hire purchase payables	4,654,352	2,446,371	2,854,757	-	5,301,128
Lease liabilities	84,256	84,256	-	-	84,256
Revolving credits	414,897,925	416,095,336	-	-	416,095,336
Bank overdrafts	55,118,074	55,118,074	-	-	55,118,074
Bankers' acceptances	4,652,622	4,652,622	-	-	4,652,622
	<b>1,057,008,270</b>	<b>798,240,697</b>	<b>230,322,334</b>	<b>83,074,202</b>	<b>1,111,637,233</b>
<b>Company</b>					
<b>At 30 June 2023</b>					
Trade and other payables	278,857,107	278,857,107	-	-	278,857,107
Sukuk Wakalah	320,289,654	18,194,984	354,907,364	-	373,102,348
Financial guarantee contracts	-	588,836,809	-	-	588,836,809
	<b>599,146,761</b>	<b>885,888,900</b>	<b>354,907,364</b>	<b>-</b>	<b>1,240,796,264</b>
<b>At 31 December 2021</b>					
Trade and other payables	164,194,642	164,194,642	-	-	164,194,642
Financial guarantee contracts	-	807,051,297	-	-	807,051,297
	<b>164,194,642</b>	<b>971,245,939</b>	<b>-</b>	<b>-</b>	<b>971,245,939</b>

#### (iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings with floating interest rates.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (Continued)

#### (iii) Interest rate risk (Continued)

The interest rate profile of the Group's financial liabilities, based on carrying amounts as at the end of the financial period are as follows:

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
<b>Fixed rate instrument</b>				
Loans and borrowings	333,974,790	15,367,366	320,289,654	-
<b>Floating rate instrument</b>				
Loans and borrowings	575,151,673	791,683,931	-	-
	<u>909,126,463</u>	<u>807,051,297</u>	<u>320,289,654</u>	<u>-</u>

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial period.

	Change in basis points %	Group Effect on profit for the financial year RM	Effect on equity RM
<b>30 June 2023</b>	25	(1,065,100)	(1,065,100)
	(25)	1,065,100	1,065,100
<b>31 December 2021</b>	25	(1,475,000)	(1,475,000)
	(25)	1,475,000	1,475,000

### (c) Fair value measurement

The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings are reasonable approximation to their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of long-term floating rate loans are reasonable approximation of fair value as these loans will be re-priced to market interest rates.

The fair value of the short-term fund is determined by reference to the redemption price at the reporting date.

The fair value of fixed rate loans, hire purchase payables and Sukuk Wakalah was estimated by discounting future cash flows using lending rate for similar type of arrangement.

## 32. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Fair value measurement

As at 30 June 2023 and 31 December 2021, the Group held the following financial asset carried at fair value:

	Carrying amount RM	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>									
<b>At 30 June 2023</b>									
<b>Financial asset</b>									
Cash and short-term deposits									
Short term fund - redeemable at call	605,721	605,721	-	-	605,721	-	-	-	-
<b>Financial liabilities</b>									
Fixed rate loan	(7,673,942)	-	-	-	-	-	-	(7,627,989)	(7,627,989)
Hire purchase payables	(6,011,194)	-	-	-	-	-	-	(5,912,650)	(5,912,650)
Sukuk Wakalah	(320,289,654)	-	-	-	-	-	-	(320,289,654)	(320,289,654)
<b>At 31 December 2021</b>									
<b>Financial asset</b>									
Cash and short-term deposits									
Short term fund - redeemable at call	14,641	14,641	-	-	14,641	-	-	-	-
<b>Financial liabilities</b>									
Fixed rate loan	(10,713,014)	-	-	-	-	-	-	(10,292,665)	(10,292,665)
Hire purchase payables	(4,654,352)	-	-	-	-	-	-	(5,038,932)	(5,038,932)

### Asset measured at fair value

There have been no transfers between Level 1 and Level 2 during the financial period (2021: no transfer in either directions).

### 33. COMMITMENTS

#### Operating lease commitments – as lessor

The Group leases its properties which are freehold land with shopping complexes and a school building with non-cancellable lease terms of 10 years. The lease may be renewed for a further 3 terms or 5 years each and contains a clause to enable upward revision on each renewal.

Future minimum rental receivable under the non-cancellable operating lease at the reporting date is as follows:

	<b>Group</b> <b>30.06.2023</b> <b>RM</b>	<b>31.12.2021</b> <b>RM</b>
Not later than one year	6,181,170	8,668,913
More than one year and not later than five years	2,500	-
	<b>6,183,670</b>	<b>8,668,913</b>

### 34. RELATED PARTIES

#### (a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interest;
- (iii) Persons related to directors; and
- (iv) Key management personnel of the Group's, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

**34. RELATED PARTIES (CONTINUED)**

**(b) Significant related party transactions**

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

		<b>Group</b>	
<b>(Received and receivable from)/ Paid and payable to related parties</b>		<b>30.06.2023 RM</b>	<b>31.12.2021 RM</b>
<b>Directors related companies/firm</b>	<b>Transactions</b>		
Various Promotion Sdn. Bhd.	Purchase of construction materials	-	199,975
	Estate maintenance	1,337	-
	Estate weedkillers & fertiliser	89,033	-
Rapid Synergy Bhd.	Rental of properties	499,590	333,060
	Sales of material	-	(40,679)
Kar Sin Hardware Sdn. Bhd.	Rental of equipment and transportation cost	2,729,007	2,733,855
Kar Sin Ready Mix Sdn. Bhd.	Purchase of construction materials	-	455,461
	Sale of wages	(25,064)	-
	Rental of machinery	(282,000)	(60,000)
N.A.B. Holdings Sdn. Bhd.	Rental of equipment and transportation cost	168,480	112,320
Mutual Boundary Sdn. Bhd.	Wages back charged	(2,608)	(3,422)
	Rental payable	289,582	201,515
Yu & Associates	Legal services	2,256,126	3,129,270
	Rental income of office premise	-	(36,000)

### 34. RELATED PARTIES (CONTINUED)

#### (b) Significant related party transactions (Continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows (Continued):

(Received and receivable from)/ Paid and payable to related parties		Group	
		30.06.2023 RM	31.12.2021 RM
Directors related companies/firm	Transactions		
Caldera Machinery Sdn. Bhd.	Rental of equipment	677,194	7,987
	Purchase of machinery	439,920	-
	Rental income of equipment	(126,196)	(147,975)
Kar Sin Premium Sdn. Bhd.	Broker fee paid	477,527	(336,000)
	Rental income of properties	(504,000)	-
Kar Sin Success Sdn. Bhd.	Rental income of properties	(247,484)	-
	Professional fee on rental	140,762	-
Halim & Yu Sdn. Bhd.	Billings in relation to room sales, food and beverages	(70,366)	(18,082)
Caldera Construction Sdn. Bhd.	Rental income of equipment	(354,510)	(158,801)
	Sale of wages	(315,672)	-
	Transportation cost	30,500	-
Good Intensive Sdn. Bhd.	Sale of construction materials	-	(7,970)
	Wages paid	10,523	-
Six Pack Fitness Sdn. Bhd.	Rental income of properties	(110,000)	-
	Sale of materials	-	(202,800)
Simbolik Tuah Sdn. Bhd.	Billings in relation to sale of properties	(20,503,000)	-
Teh & Yu Associate	Legal services	804,258	436,540
	Rental income	(36,000)	-
The Ark Event Sdn Bhd	Rental income of properties	(43,940)	-
Tanah Trio Sdn. Bhd.	Rental income of properties	-	(60,374)
Zillion Gain Sdn. Bhd.	Sales of material	-	(294,807)

### 34. RELATED PARTIES (CONTINUED)

#### (b) Significant related party transactions (Continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows (Continued):

		Group	
		30.06.2023	31.12.2021
Directors		RM	RM
- directors	Billings in relation to sale of properties	(50,626,667)	(6,335,634)
- persons related to directors	Billings in relation to sale of properties	(13,142,000)	-
	Employee benefits	7,246,919	7,142,809

#### Companies related to directors:

- (i) Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, who is the managing director and major shareholder of YNH Property Bhd., owns 85% equity interest in Kar Sin Hardware Sdn. Bhd. and 75% equity interest in N.A.B Holdings Sdn. Bhd.
- (ii) Kar Sin Ready Mix Sdn. Bhd. is a company in which Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT holds 50% equity interest and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS holds the remaining 50% equity interest.
- (iii) Yu & Associates is a solicitor firm owned by a sibling of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS.
- (iv) Rapid Synergy Bhd. is a company in which Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS is a substantial shareholder and non-independent non-executive director.
- (v) Various Promotion Sdn. Bhd. is a company owned by the spouse and the son of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (vi) Halim & Yu Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and his spouse.
- (vii) Mutual Boundary Sdn. Bhd. is a company owned by the sons of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (viii) Caldera Machinery Sdn. Bhd. is a company owned by the daughter and son-in-law of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT owns 50% equity interest.
- (ix) Kar Sin Premium Sdn. Bhd. is a company owned by the daughters of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (x) Pearl Total Sdn. Bhd. is a company owned by the daughters of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xi) Six Pack Fitness Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xii) Kar Sin Power Sdn. Bhd. is a company owned by Dato' Yu Kuan Chon, DIMP, PPT, MBBS and his spouse.

**34. RELATED PARTIES (CONTINUED)**

**(b) Significant related party transactions (Continued)**

Companies related to directors (Continued):

- (xiii) Kar Sin Hardware Sdn. Bhd. is a company in which Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT holds 85% equity interest.
- (xiv) Good Intensive Sdn. Bhd. is a company in which the sister-in-law of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS, holds 70% equity interest.
- (xv) Caldera Construction Sdn. Bhd. is a company owned by the son-in-law of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xvi) Tanah Trio Sdn. Bhd. is a company in which the son of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT owns 60% equity interest.
- (xvii) Simbolik Tuah Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS.
- (xviii) Teh & Yu Associate is a solicitor firm owned by the daughter of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xix) Zillion Gain Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS.
- (xx) Kar Sin Success Sdn. Bhd. is a company owned by the sons of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xxi) The Ark Event Sdn. Bhd. is a company owned by the son of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (xxii) N.A.B Holdings Sdn. Bhd. is a company in which Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT holds 75% equity interest.

Sales of properties

The sales of properties represent the agreed consideration as per the sale and purchase agreements entered into between the Group and the related parties on the sale of properties under development and completed properties.

Information regarding outstanding balances arising from related party transactions as at the reporting date is disclosed in Notes 13 and 23 to the financial statements.



### 34. RELATED PARTIES (CONTINUED)

#### (c) Compensation of key management personnel

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
<b>Executive:</b>				
Salaries and other emoluments	17,337,098	8,485,008	-	-
Employees Provident Fund	415,703	1,612,151	-	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 29)	17,752,801	10,097,159	-	-
Estimated monetary value of benefits-in-kind	7,951	-	-	-
Total executive directors' remuneration (including benefits-in-kind)	17,760,752	10,097,159	-	-
<b>Non-executive:</b>				
Fees	235,640	152,830	235,640	152,830
Other emoluments	231,258	151,008	231,258	151,008
Total non-executive directors' emoluments (Note 28)	466,898	303,838	466,898	303,838
	18,227,650	10,400,997	466,898	303,838

### 35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, share buyback, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period/year ended 30 June 2023 and 31 December 2021.

### 35. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using gearing ratio. The gearing ratio is calculated as total debts (including trade and other payables, and lease liabilities) divided by total equity. The gearing ratio as at 30 June 2023 and 31 December 2021 are as follows:

		<b>Group</b>	
	<b>Note</b>	<b>30.06.2023</b>	<b>31.12.2021</b>
		<b>RM</b>	<b>RM</b>
Loans and borrowings	<b>20</b>	909,126,463	807,051,297
Lease liabilities	<b>21</b>	4,153,007	84,256
Trade and other payables	<b>23</b>	228,753,530	249,956,619
Total debts		1,142,033,000	1,057,092,172
Total equity		1,193,189,072	1,230,060,617
Gearing ratio		96%	86%

The Company and certain of its subsidiaries are required to comply with externally-imposed capital requirements for certain debt-service ratio, debt-to-equity ratio, loan-to-valuation ratio and to maintain certain level of shareholders' equity in respect of their bank borrowings.

### 36. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director ("MD") for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax. Group's income taxes are managed on a group basis and are not allocated to operating segments.

The two reportable operating segments are as follows:

#### (a) Property development segment

The property development segment is in the business of constructing and developing residential and commercial properties. This reportable segment has been formed by aggregating the property construction/development operating segment, estates, trading or supply of construction materials and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

#### (b) Hotel and hospitality segment

Hotel and hospitality segment is the operation of and management of hotels and its related business.

Except as indicated above, no other operating segment has been aggregated to form the above reportable operating segments.

Inter-segment pricing is determined on negotiated basis.

36. SEGMENT INFORMATION (CONTINUED)

	Property development		Hotel and hospitality		Adjustment and elimination		Notes	Per consolidated financial statements	
	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM		30.06.2023 RM	31.12.2021 RM
<b>Revenue:</b>									
External customers	295,694,669	223,981,879	11,822,328	7,296,030	-	-		307,516,997	231,277,909
Inter-segment	-	-	-	-	-	-	<b>A</b>	-	-
	295,694,669	223,981,879	11,822,328	7,296,030	-	-		307,516,997	231,277,909
<b>Results:</b>									
Interest income	172,156	1,167,236	2,007,997	759,176	(2,007,997)	(759,176)	<b>B</b>	172,156	408,060
Depreciation	12,315,073	8,282,093	1,826,555	1,097,253	-	-		14,141,628	9,379,346
Finance costs	77,054,956	33,140,473	1,342,208	722,919	-	-	<b>B</b>	78,397,164	33,863,392
Other non-cash (income)/ expenses	5,801,493	(3,751,499)	-	-	-	-	<b>C</b>	5,801,493	(3,751,499)
Segment profit	17,255,682	29,288,473	3,161,117	5,374,158	-	-		20,416,799	34,662,631
<b>Assets:</b>									
Additions to non-current assets other than financial instruments and deferred tax assets	109,796,088	62,353,941	356,107	57,954	-	-	<b>D</b>	110,152,195	62,411,895
Segment assets	2,313,501,309	2,283,740,815	168,461,083	182,945,242	-	-		2,481,962,392	2,466,686,057
<b>Liabilities:</b>									
Segment total liabilities	1,248,332,462	1,181,914,062	40,440,858	54,711,378	-	-		1,288,773,320	1,236,625,440

### 36. SEGMENT INFORMATION (CONTINUED)

Notes Reconciliation of reportable segment revenue, interest income/finance costs, other material items and assets are as follows:

**A** Inter-segment revenues are eliminated on consolidation.

**B** The following item is deducted from segment interest income/finance costs to arrive at "Interest income/Finance costs" presented in the notes to the financial statements:

	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Inter-segment interest	2,007,997	759,176

**C** Other material non-cash expenses/income consist of the following items as presented in the respective notes to the financial statements:

	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment written off	758,009	8,403
Impairment losses on right-of-use assets	1,809,846	-
Impairment losses on investment properties	1,092,236	-
Impairment losses on trade and other receivables	6,454,183	1,299,738
Provision for rectification works	475,315	120,905
Reversal of impairment loss on trade and other receivables	(4,788,096)	(5,180,545)
	<u>5,801,493</u>	<u>(3,751,499)</u>

**D** Additions to non-current assets other than financial instruments and deferred tax assets consist of:

	<b>30.06.2023</b>	<b>31.12.2021</b>
	<b>RM</b>	<b>RM</b>
Inventories- properties held for development	97,500,000	60,987,520
Property, plant and equipment	3,827,967	999,537
Right-of-use assets	8,773,261	4,624
Investment properties	50,967	420,214
	<u>110,152,195</u>	<u>62,411,895</u>

#### Geographical information

The Group's operates predominantly in Malaysia and hence, no geographical segment is presented.

#### Information about major customers

There are no single external customers with revenue amounting to 10% or more of the Group's revenue.

### 37. RETROSPECTIVE RESTATEMENT

In the previous financial year, plant and machinery and motor vehicles under hire purchase arrangement and the related hire purchase payables were classified in right-of-use assets and lease liabilities respectively.

During the financial period, the nature of the hire purchase arrangement was re-assessed, and the plant and machinery and motor vehicles and related hire purchase payables were reclassified as property, plant and equipment and loans and borrowings respectively.

The comparative figures have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the profit, cash flows and loss per share of the Group for the current and previous financial periods.

The effects arising for the reclassifications are as follows:

	As previously reported RM	Reclassification RM	As restated RM
<b>Statement of Financial Position as at 31 December 2021</b>			
<b>Group</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	109,376,353	1,515,867	110,892,220
Right-of-use assets	48,888,231	(1,515,867)	47,372,364
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(265,689,785)	(2,207,981)	(267,897,766)
Lease liabilities	(2,207,981)	2,207,981	-
<b>Current liabilities</b>			
Loans and borrowings	(536,707,160)	(2,446,371)	(539,153,531)
Lease liabilities	(2,530,627)	2,446,371	(84,256)

The above reclassifications did not have material effect on the consolidated statement of financial position of the Company as at 1 January 2021, and accordingly, the statement was not presented.

**38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

(a) On 17 November 2022, the Company announced that:

- (i) D’Kiara Place Sdn. Bhd. (“DPSB”), a wholly-owned subsidiary of the Company, intends to enter into a conditional sale and purchase agreement with ALX Asset Berhad for the disposal of 163 Retail Park shopping centre to ALX Asset Berhad for a cash consideration of RM270,500,000; and
- (ii) YNH Hospitality Sdn. Bhd., a wholly-owned subsidiary of the Company, and Kar Sin Berhad, the registered proprietor of AEON Seri Manjung holding in trust for YNH Hospitality Sdn. Bhd. and a wholly-owned subsidiary of the Company, intends to enter into a conditional sale of purchase agreement with ALX Asset Berhad for the disposal of AEON Seri Manjung shopping centre and the freehold land on which it is erected on to ALX Asset Berhad for a cash consideration of RM152,000,000.

(Collectively known as the “Proposed Disposals”).

On 1 March 2023, the shareholders of the Company approved the Proposed Disposals.

On 4 April 2023, DPSB. executed the sale and purchase agreement for the proposed disposal of 163 Retail Park.

On 3 July 2023, DPSB and ALX Asset Berhad had mutually agreed to extend the fulfilment date of the conditions precedent in the 163 Retail Park SPA until 3 January 2024.

- (b) On 1 April 2022, Imbuhan Sempurna Sdn. Bhd. (“ISSB”), the first beneficial owner of the freehold vacant land held under the individual title H.S.(D) 47946 P.T 48632 in the Mukim of Kuala Lumpur (“the Property”) and Kar Sin Berhad (“KSB”), a wholly-owned subsidiary of the Company agreed to mutually terminate the Turnkey Construction Agreement where upon ISSB should refund to KSB the security deposit sum of RM239.5 million within 6 months from 1 April 2022 (“Termination Notice”).

On 18 April 2022, by way of a Sub-Sale Agreement (“SSA”), KSB purchased the Property from ISSB for a purchase consideration of RM150.0 million (“Purchase Price”), subject to fulfilment of the conditions precedent. The parties agreed in a supplemental agreement to the Termination Notice that part of the security deposit of RM150.0 million shall be deemed full payment of the purchase price, and balance security deposit shall be refunded within six (6) months from 1 April 2022.

On 1 September 2022, in a supplemental letter, ISSB and KSB clarified the intention of the parties pertaining to the SSA whereof the sub-sale agreement shall continue to be effective, valid and enforceable only upon fulfilment of the following conditions:

- (i) that KSB does not continue to develop the Property; and
- (ii) that the Property is successfully sold by KSB to third party purchaser.

Both parties also agreed that the balance security deposit shall be refunded to KSB on or before 30 June 2024.

**38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (CONTINUED)**

- (c) On 12 May 2023, KSB entered into a conditional sale and purchase agreement (“SPA”) with Sunway Living Space Sdn. Bhd. (“SLS”) for the disposal of the Property for a cash consideration of RM170,000,000. An additional consideration of RM50.0 million is payable by SLS to KSB if KSB obtained a new development order with plot ratio of 7 on net land area within 1 year from the date of SPA. KSB and SLS had on 12 October 2023 mutually agreed to extend the conditional period to 12 November 2023 for the Company to fulfil all conditions precedent of the SPA.

**39. COMPARATIVE FIGURES**

The comparative figures of the preceding financial year covered a period of 12 months from 1 January 2021 to 31 December 2021 whilst the figures of the current financial period's financial statements covered a period of 18 months from 1 January 2022 to 30 June 2023. Accordingly, the statements of comprehensive income, statements of cash flows and their related notes are not in respect of comparable period.

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS** and **DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT**, being two of the directors of YNH PROPERTY BHD., do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 55 to 158 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

.....  
**DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS**  
Director

.....  
**DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT**  
Director

Kuala Lumpur

Date: 27 October 2023



**Registration No. 200101026228 (561986 – V)**

**YNH PROPERTY BHD.**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**  
(Pursuant to Section 251(1) of the Companies Act 2016)

I, **DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS**, being the director primarily responsible for the financial management of YNH PROPERTY BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 55 to 158 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.

.....  
**DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 27 October 2023.

Before me,

.....  
Mohd Farid Bin Ab Ghazi  
(W 957)  
Commissioner for Oaths

**Registration No. 200101026228 (561986 – V)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
YNH PROPERTY BHD.**

(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of YNH Property Bhd., which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 55 to 158.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Qualified Opinion**

As disclosed in Note 8(iv) to the financial statements, included in inventories of the Group are amounts of RM1,100,210,470 paid in respect of joint venture and turnkey contracts entered into with the joint venture parties or landowners for property development work. During the financial period, additional amounts of RM97,500,000 were paid to the landowner. These amounts pertain to joint venture and turnkey contracts entered into with joint venture parties or landowners for development work. The land cost is subject to the agreed entitlement provided in the contract with the joint venture partners or landowners.

During the financial period, the Group was subject to queries and investigations by regulatory authorities regarding these joint venture and turnkey contracts entered by the Group.

In response to these new developments, we undertook additional and extended audit procedures over and beyond the normal audit procedures and actively engaged with the directors and the Audit Committee of the Group concerning these joint venture and turnkey contracts. Our additional and extended audit procedures resulted in our request for the Group to undertake extended procedures of the joint venture and turnkey contracts. Consequently, the Group agreed to and is in the midst of conducting a special review of these transactions to examine any potential involvement of related parties and any non-compliance with the applicable laws and regulations. At the date of authorisation of these financial statements, the outcomes of the regulatory authorities' investigation remain unknown, and the special review undertaken by the Group has not been completed.

**Basis for Qualified Opinion (Continued)**

Therefore, given the prevailing ongoing regulatory authorities' investigations and the Group's special review which have not been completed, we could not obtain sufficient appropriate audit evidence that the joint venture and turnkey contracts entered into with the respective joint venture parties or landowners are not related party transactions, and on the value of these inventories as at 30 June 2023 and the related disclosures. Consequently, we were unable to determine whether any adjustments to the financial statements were necessary.

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 qualified 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.

**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 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. As described in *Basis for Qualified Opinion* section above, we are unable to conclude whether or not the other information is materially misstated with respect to that matter.

## **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 period. 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. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters below to be the key audit matters to be communicated in our report.

### **Group**

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#### **Goodwill on consolidation (Notes 4(a) and 9 to the financial statements)**

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The Group has significant goodwill on consolidation. The goodwill is tested for impairment annually. We focused on this area because the impairment assessment requires the exercise of significant judgements and estimates by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections.

##### **Our response:**

Our audit procedures focus on evaluating the cash flow projections which included, among others:

- comparing the actual results with previous budget to assess the performance of the business;
- comparing the Group's key assumptions to our understanding obtained during our audit in relation to key assumptions;
- testing the mathematical computation of the impairment assessment; and
- evaluating sensitivity analysis around the key assumptions that are expected to be most sensitive to the recoverable amount.

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#### **Revenue recognition for property development activities (Notes 4(b) and 25 to the financial statements)**

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The amount of revenue of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of property development costs incurred for work performed to date bear to the estimated total property development costs for each project. We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the potential exposure to liquidated ascertained damages. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

##### **Our response:**

Our audit procedures included, among others:

- understanding the Group's process in preparing or updating project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year;
- assessing the computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of recognised revenue during the financial period.

## **Key Audit Matters (Continued)**

### **Group (Continued)**

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#### **Funding requirements and ability to meet short-term obligations (Notes 4(c) and 32(b)(ii) to the financial statements)**

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As at 30 June 2023, included in the Group's current liabilities are short-term payables and accruals of RM228,753,530 and short-term borrowings (including lease liabilities) of RM530,131,998. As disclosed in Note 20(d) to the financial statements, certain revolving credit of the Group are subject to monthly limit reduction over a two to three-year period. We focused on this area due to the significant amount of short-term liabilities.

The Group's policies and processes for the management of liquidity risk are disclosed in Note 32(b)(ii) to the financial statements.

#### **Our response:**

Our audit procedures included, among others:

- assessing the cash flow forecast over the next 12 months;
- comparing the Group's assumptions in the cash flow forecast to our understanding obtained during our audit in relation to key assumptions;
- testing the mathematical computation of the cash flow forecast calculation;
- evaluating stress tests for a range of reasonable possible scenarios; and
- agreeing sources of financing and uses of funds to supporting documents.

### **Company**

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

## **Responsibilities of the Directors for the Financial Statements**

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

## **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.

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion;

- (a) the accounting and other records for the matter as described in the *Basis of Qualified Opinion* section have not been properly kept by the Group in accordance with the provision of the Companies Act 2016 in Malaysia.
- (b) we have not obtained all the information and explanations that we required.

**Other Matters**

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

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

Lee Kong Weng  
No. 02967/07/2025 J  
Chartered Accountant

Kuala Lumpur

Date: 27 October 2023

**STATEMENT OF SHAREHOLDINGS** as at 18 October 2023

Issued and Fully Paid-up Capital	:	RM528,487,067 (Excluding 512,512 treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

**BREAKDOWN OF SHAREHOLDINGS**

Size of Holdings	No. of Holders	% of Shares	No. of Holdings	% of Shares
1 to 99	3,934	58.55	150,131	0.03
100 to 1,000	1,671	24.87	422,782	0.08
1,001 to 10,000	619	9.21	1,957,437	0.37
10,001 to 100,000	192	2.86	7,255,746	1.37
100,001 to 26,424,353 (*)	302	4.49	475,260,187	89.93
26,424,354 and above (**)	1	0.02	43,440,784	8.22
<b>TOTAL</b>	<b>6,719</b>	<b>100.00</b>	<b>528,487,067</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

**SUBSTANTIAL SHAREHOLDERS AS AT 18 October 2023**

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	128,982,770	24.41	43,180,507	8.17	172,163,277	32.58
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	23,656,810	4.48	131,402,938	24.86	155,059,748	29.34



## STATEMENT OF SHAREHOLDINGS as at 18 October 2023

(cont'd)

### DIRECTORS' INTERESTS AS AT 18 October 2023

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 the directors' interests in the ordinary share capital of the Company and its subsidiaries are as follows:

#### Shares in the Company

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	128,982,770	24.41	43,180,507	8.17	172,163,277	32.58
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	23,656,810	4.48	131,402,938	24.86	155,059,748	29.34
Khong Kam Hou	-	-	-	-	-	-
Oon Seow Ling	-	-	-	-	-	-
Ching Lee Fong	2,998,600	0.57	-	-	2,998,600	0.57

By virtue of their interests in the ordinary shares of the Company, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT are deemed to be interested in the ordinary shares of subsidiaries to the extent that the Company has an interest.

None of the other directors had any interest in the ordinary shares in the Company's related corporations.

### LIST OF TOP THIRTY HOLDERS AS AT 18 October 2023

Name of Holder	Holdings	%
1. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	43,440,784	8.22
2. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	25,190,915	4.76
3. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YU KUAN CHON (PB)	23,565,257	4.46
4. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	18,442,854	3.49
5. RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR YU KUAN CHON	18,000,000	3.40
6. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	14,749,790	2.79
7. AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	13,724,061	2.59
8. KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILIP SECURITIES PTE LTD (CLIENT ACCOUNT)	13,648,000	2.58
9. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON (01-00868-000)	13,078,000	2.47

## STATEMENT OF SHAREHOLDINGS as at 18 October 2023

(cont'd)

### LIST OF TOP THIRTY HOLDERS AS AT 18 October 2023 (cont'd)

Name of Holder	Holdings	%
10. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR IRAMA GIGIH SDN BHD	11,743,430	2.22
11. UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WENG FUI	9,559,786	1.81
12. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN HUAT	7,682,939	1.45
13. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	7,000,000	1.32
14. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT KENANGA INVESTORS BERHAD FOR CHAN WENG FUI	6,337,163	1.20
15. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN HUAT	5,874,094	1.11
16. AMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE LTD (66581 T CL)	5,632,500	1.07
17. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LEONG WOUH	5,530,438	1.05
18. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	4,936,064	0.93
19. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WENG FUI	4,886,939	0.92
20. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON (CEB)	4,710,638	0.89
21. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO SWEE MING	4,443,085	0.84
22. HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	4,421,355	0.84
23. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	4,411,093	0.83
24. APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON (MARGIN)	4,388,000	0.83
25. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU KUAN CHON	4,346,371	0.82
26. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WENG FUI	4,252,523	0.80
27. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KOK TZE	3,939,061	0.75
28. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHING NYE MI @ CHIENG NGIE CHAY	3,925,586	0.74
29. CGS-CIMB NOMINEES (ASING) SDN BHD CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (PROP A/C)	3,857,700	0.73
30. PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SOW KENG (A)	3,783,258	0.72
<b>TOTAL</b>	<b>299,501,684</b>	<b>56.617</b>

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**PROXY FORM**

I/We, \_\_\_\_\_  
 NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ being a member of

YNH Property Bhd hereby appoint the following person(s):

Name of proxy & NRIC No.	No. of shares	%
1. _____	_____	_____
2. _____	_____	_____

or failing him/her

1. _____	_____	_____
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held on 8 December 2023 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business		For	Against
1. The payment of Directors' Fees	Resolution 1		
2. The payment of Directors' Benefits	Resolution 2		
3. The re-election of Directors: Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT Khong Kam Hou Oon Seow Ling Ching Lee Fong	Resolution 3 Resolution 4 Resolution 5 Resolution 6		
4. The re-appointment of Auditors and their remuneration	Resolution 7		
Special Business			
5. Proposed Renewal of Share Buy Back Authority	Resolution 8		
6. Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature	Resolution 9		
7. Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016	Resolution 10		

Please indicate with (✓) how you wish your vote to be cast.

No. of shares held	
CDS Account No.	
Telephone No.	
Email Address	

Date:

Signature of Shareholder

**NOTES:**

- A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote instead of him/her. A proxy must be 18 years and above.
- A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting. All resolutions set out in the Notice of the Meeting are to be voted by poll.
- Depositors who appear in the Record of Depositors as at 29 November 2023 shall be regarded as Member of the Company entitled to attend the Twenty-First Annual General Meeting or appoint one or two proxies to attend, speak and vote on his/her behalf.

+If it is desired to appoint another person as a proxy, the words "the Chairman of the Meeting" should be deleted and the name of the proxy should be inserted in block capitals, and the alteration should be initialed.

In the case of a corporation, the proxy must be executed under its Common Seal, or under the hand of a duly authorised officer.



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80 Sen Stamp  
(within Malaysia)

The Share Registrar

**YNH Property Bhd**

Registration No. 200101026228 (561986-V)

11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

fold



**YNH PROPERTY BHD**

Registration No.: 200101026228 (561986-V)

*(Incorporated in Malaysia)*

No. 188, Jalan PPMP 3/3,  
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