MK LAND Holdings Berhad
(REG NO. 197801003984) (40970-H)

AGILE DYNAMIC

annual report 2021

Agile Dynamic

Inspired by visionary leadership, we have risen to the COVID-19 challenge by being agile and dynamic. To adapt to the new normal, we have implemented cost optimisation strategies and realigned resources.

The crisis has strengthened our unity, and this is symbolised by the interconnected grid on the cover. As we enter the recovery phase, our dynamism is sparked by our belief that by working together, we can accomplish anything.

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Annual General Meeting of M K Land Holdings Berhad

Date
Tuesday, 7 December 2021

Time
10.30 a.m.

Broadcast Platform
(Fully Virtual),
https://tiih.online or
https://tiih.com.my

EXECUTIVE CHAIRMAN'S WELCOME NOTE

SALAM SEJAHTERA TO OUR ESTEEMED SHAREHOLDERS, INVESTORS, COLLEAGUES AND FRIENDS,

السلام عليكم ورحمة الله وبركاته

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report of M K Land Holdings Berhad ("M K Land" or "Group") for the financial year ended 30 June 2021 ("FY2021"). I am truly thankful to Allah Almighty for allowing us to keep pursuing patience and positivity whilst staying true to our purpose in the face of adversity.

EXECUTIVE CHAIRMAN'S WELCOME NOTE

First and foremost, I would like to extend my sympathy to those in our community who have lost a loved one and/or their livelihoods due to the coronavirus pandemic.

It is also during this time of crisis that we have seen the greatest show of empathy and solidarity. Food banks that consisted of basic food items and other non-perishable goods were set up by the staff, for the staff at several of our subsidiaries as means of providing immediate relief. The Board of Directors also takes great responsibility in the welfare and wellbeing of the employees, where support and other forms of assistance were looked into for those who were severely burdened by the situation. At the same time, food packages were distributed to frontliners and essential workers as a gesture of appreciation for their incredible service to keep us all safe. In doing our part to curtail the spread of COVID-19, M K Land workforce participated in the Selangor Vaccination Program ("SelVax") where many took on this early vaccination opportunity.

We remain true to our purpose to grow and build communities. The Group was compelled to assess the liquidity, productivity and sustainability situation of the company as we navigate through last year's nationwide chaos and uncertainty. This allowed for execution of cost optimisation strategies and realignment of resources to manage and adapt to this year's 'new normal' we now live in. This was made possible with the M K Land workforce continuing to show their utmost dedication through the diligent work that they carried out remotely. As the government lifts each restriction, this will hopefully kick start a gradual economic recovery. It is in this time that we hope to emerge stronger and continue to forge ahead in all areas of our business activities.

Amidst an unprecedented COVID-19 pandemic, the Group delivered a credible set of results. The Group closed the financial year with profit after tax amounting to RM19.4 million, which was 100% higher compared to RM 9.7 million in the previous year. The revenue for FY2021 decreased by 8% compared to FY2020, however our financial position remains healthy.

The main contributor for this year's financial performance is from the property division. For our leisure and hospitality division, Bukit Merah and Ombak Villa took the biggest toll. Drastic efforts were taken to contain operating expenses and I am saddened that right sizing exercises had to take place after the second Movement Control Order ("MCO"). Another consequence of the MCO is that Lake View College was not able to conduct physical sessions hence lecturers and students alike switched to online mode. In terms of diversification, the Energy Commission announced that the Group was one of the successful bidders for the Development of Large-Scale Solar Photovoltaic Plants ("LSSPV"). A new wholly owned subsidiary company was set up to undertake the project.

The Group is exploring opportunities to align with the recently announced 12th Malaysia Plan, that is to transform Malaysia to be prosperous, inclusive and sustainable. M K Land will be agile and dynamic for our long-term growth.

Lastly, I applaud the sacrifices that have been made as our progress would not have been possible without the Board members, management and staff. I would also like to extend our thanks and appreciation to our stakeholders and we look forward to their continuing trust and support.

Rather than looking at FY2021 as a challenge as we are still reeling under the impact of the pandemic, in retrospect it was a year of opportunity for; coordination between business units, innovation of new strategies and collaboration on projects with future partnerships. Our colleagues and our staff have continued to amaze us with their dedication and tenacity, dealing with unpredictable shifts and unbelievable workloads.

A main takeaway during this global health crisis is how apparent national unity proves how interconnected we all are and wanting to do more for each other. This stays true to our sentiment of - TOGETHER WE MAKE IT HAPPEN.

Hjh Felina Binti Tan Sri Datuk (Dr.) Haji Mustapha Kamal
Executive Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **PN HJH FELINA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL**
  Executive Chairman
- **MR LAU SHU CHUAN**
  Executive Director
- **MS ANITA CHEW CHENG IM**
  Independent Non-Executive Director
- **PN HJH JULIANA HEATHER BINTI ISMAIL**
  Senior Independent Non-Executive Director
- **YBHG DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA**
  Independent Non-Executive Director
- **MR YEONG WENG CHEONG**
  Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

CHAIRMAN

Ms Anita Chew Cheng Im
Independent Non-Executive Director

MEMBERS

Pn Hjh Juliana Heather Binti Ismail
Senior Independent
Non-Executive Director

YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
Independent Non-Executive Director

NOMINATION COMMITTEE

CHAIRMAN

Pn Hjh Juliana Heather Binti Ismail
Senior Independent
Non-Executive Director

MEMBERS

Ms Anita Chew Cheng Im
Independent Non-Executive Director

YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
Independent Non-Executive Director

REMUNERATION COMMITTEE

CHAIRMAN

Pn Hjh Juliana Heather Binti Ismail
Senior Independent
Non-Executive Director

MEMBERS

YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
Independent Non-Executive Director

Ms Anita Chew Cheng Im
Independent Non-Executive Director

COMPANY SECRETARIES

Pn Aliza Binti Ahmad Termizi
(PC NO. 201908000714)
(LS 0009656)
Mr Yeap Kok Leong
(PC NO. 202008001750)
(MAICSA 0862549)

AUDITORS

BDO PLT
Chartered Accountants

REGISTERED OFFICE

No. 19, Jalan PJU 8/5H,
Perdana Business Centre,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03-7726 8866
Fax : 03-7727 9007

PRINCIPAL BANKERS

Ambank Berhad
Public Bank Berhad
MBSB Bank Berhad
Hong Leong Bank Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03-2783 9299
Fax : 03-2783 9222
Email :
is.enquiry@my.tricorglobal.com

LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : MKLAND
Stock Code : 8893

5-YEAR FINANCIAL HIGHLIGHTS

RM'000	1.7.2016 to 30.6.2017	1.7.2017 to 30.6.2018	1.7.2018 to 30.6.2019	1.7.2019 to 30.6.2020* (Restated)	1.7.2020 to 30.6.2021*
Revenue	192,360	176,271	172,120	201,898	185,796
Profit before tax	38,037	48,270	29,299	19,783	24,663
Profit after tax	18,133	27,317	6,341	9,749	19,415
Total assets	1,648,977	1,564,911	1,664,441	1,649,593	1,615,317
Net assets	1,174,951	1,191,984	1,198,370	1,193,957	1,213,372
Shareholders' fund	1,174,951	1,191,984	1,198,370	1,193,957	1,213,372
Total number of shares ('000)	1,204,590	1,204,590	1,204,590	1,204,590	1,204,590
Basic earnings per share (sen)	1.5	2.3	0.5	0.9	1.7
Net assets per share (RM)	0.98	0.99	0.99	0.99	1.01

** Adoption of IFRIC Agenda Decision on IAS 23 "Borrowing Costs" since 1 July 2019.*

CORPORATE STRUCTURE

100%
Subsidiaries:

1. BML MANAGEMENT SDN. BHD.
2. BUKIT MERAH RESORT SDN. BHD.
3. CENTRALPOLITAN DEVELOPMENT SDN. BHD.
4. DOMINANT STAR SDN. BHD.
5. DUTA REALITI SDN. BHD.
6. GOLDEN PRECINCT SDN. BHD.
7. M K LAND RESOURCES SDN. BHD.
8. M K LAND VENTURES SDN. BHD.
9. M.K. DEVELOPMENT SDN. BHD.
10. MEDAN PRESTASI SDN. BHD.
11. MELUR UNGGUL SDN. BHD.
12. MK TRAINING & CONSULTANCY SDN. BHD.
13. PARAMODEN SDN. BHD.
14. PARAMOUNT INNOVATION SDN. BHD.
15. PLATO CONSTRUCTION SDN. BHD.
16. PROFIL ETIKA (M) SDN. BHD.
17. PROMINENT VALLEY BERHAD
18. PUJAAN PASIFIK SDN. BHD.
19. RITMA MANTAP SDN. BHD.
20. SAUJANA TRIANGLE SDN. BHD.
21. SEGI OBJEKTIF (M) SDN. BHD.
22. SOLAR CITRA SDN. BHD.
23. SUMBANGAN BERKAT SDN. BHD.
24. TEMA TELADAN SDN. BHD.
25. VAST OPTION SDN. BHD.
26. VIBRANT LEISURE SDN. BHD.
27. ZAMAN TELADAN SDN. BHD.

Subsidiary

1. NALURI MAJUJAYA SDN. BHD. (85%)

BOARD OF DIRECTORS' PROFILE

PN HJH FELINA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL

Executive Chairman

Board Appointment:
29 August 2017

Age : 50 years old
Gender : Female
Nationality : Malaysian

Pn Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal is the Executive Chairman of M K Land Holdings Berhad since 29 August 2017.

Pn Hjh Felina holds a Bachelor of Business Degree. She also sits on the Board of several private limited companies within the EMKAY Group of companies, some of which are also involved in property development. However, these companies are not in direct competition with the business of the Company.

Pn Hjh Felina does not hold any directorship in other public companies and listed issuers.

Pn Hjh Felina is the daughter of YBhg Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar.

She has not been convicted of any offence within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

BOARD OF DIRECTORS' PROFILE

MR LAU SHU CHUAN

Executive Director

Board Appointment:
1 February 2017

Age : 61 years old
Gender : Male
Nationality : Malaysian

Mr Lau Shu Chuan was appointed to the Board of M K Land Holdings Berhad on 1 February 2017 as Executive Director.

Mr Lau is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA).

Prior to joining M K Land in year 2000, Mr Lau had worked with two (2) of the Big Four accounting firms and a local public group of companies. He has been involved in the areas of finance, audit, corporate consultancy, re-structuring and recovery services. Mr Lau has also been exposed to the financial, construction, property development and manufacturing industries.

Mr Lau was M K Land's Chief Operating Officer before assuming the post of Group Chief Executive Officer from 1 June 2011 to 31 January 2017.

Mr Lau does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company, any conflict of interests with the Company nor any interest in the securities of the Company and/or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

PN HJH JULIANA HEATHER BINTI ISMAIL

Senior Independent Non-Executive Director
Chairman of Nomination Committee
Chairman of Remuneration Committee
Audit & Risk Management Committee Member

Board Appointment:
21 December 2009

Age : 63 years old
Gender : Female
Nationality : Malaysian

Pn Hjh Juliana Heather binti Ismail was appointed to the Board of M K Land Holdings Berhad on 21 December 2009 as Independent Non-Executive Director. She was re-designated as Senior Independent Non-Executive Director on 13 December 2017.

Pn Hjh Juliana started her career as a Human Resource Generalist in 1984 with Shah Alam Properties Sdn Bhd, formerly a subsidiary of Kumpulan Perangsang Selangor Berhad.

She was assigned to the Holding Company, Kumpulan Darul Ehsan Berhad in year 2000 and served with the Company as the Assistant General Manager, Group Human Resource, until March 2014. She was appointed as a panel member of the Industrial Court, representing employers, by the Minister of Human Resources Malaysia, on 1 January 2007.

Pn Hjh Juliana does not have any other directorship in other public companies and listed issuers.

Pn Hjh Juliana does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interests with the Company.

She has not been convicted of any offence within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

BOARD OF DIRECTORS' PROFILE

MS ANITA CHEW CHENG IM

Independent Non-Executive Director
Chairman of Audit & Risk Management Committee
Nomination Committee member
Remuneration Committee member

Board Appointment:
19 February 2009

Age : 54 years old
Gender : Female
Nationality : Malaysian

Ms Anita Chew Cheng Im was appointed to the Board of M K Land Holdings Berhad on 19 February 2009 as Independent Non-Executive Director.

Ms Anita graduated from Monash University, Australia with a Bachelor of Economics degree, majoring in Accounting.

She started her career at KPMG, Melbourne in 1989. In 1992, she joined the corporate finance department of Bumiputra Merchant Bankers Berhad and subsequently worked at Alliance Investment Bank Berhad and HwangDBS Investment Bank Berhad. She was involved in most related areas of corporate finance during her 15 years tenure at the various investment banks, having advised clients on IPO, fund raising and corporate restructuring exercises. Her last position held at HwangDBS Investment Bank Berhad was Senior Vice President, Equity Capital Market.

Ms Anita also sits on the Boards of Notion Vtec Berhad, K-One Technology Berhad, SKP Resources Berhad and Fortness Minerals Ltd, a company listed on the Catalyst Board of the Singapore Exchange Trading Ltd (SGX Ltd).

Ms Anita does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interests with the Company.

She has not been convicted of any offence within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

MR YEONG WENG CHEONG

Non-Independent Non-Executive Director

Board Appointment:
2 February 2021

Age : 65 years old
Gender : Male
Nationality : Malaysian

Mr Yeong Weng Cheong was appointed to the Board of M K Land Holdings Berhad on 2 February 2021 as Non-Independent Non-Executive Director.

Mr Yeong started his career as a Quantity Surveyor in year 1980 where he was involved in various projects throughout East and West Malaysia including an administration block, high rise office building, high court building, civic centre, 100 acres housing development and a mixed housing and golf course development over a 15-year duration.

In 1997, he assumed the leadership post of Chief Operating Officer in MK Project Management Sdn Bhd. By 2005, he co-founded Rimba Mulia Management Sdn Bhd which manages project in relation to property development and construction management. His expertise covers master planning, strategic advisory, feasibility studies, procurement process and providing post development advisory for projects in Damansara Perdana, Damansara Damai, Taman Bunga Raya, Cyberjaya, Ipoh, Bukit Merah, Pulau Banding as well as in Langkawi.

Mr Yeong does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any of the Directors and/or substantial shareholders of the Company, any conflict of interests with the Company nor any interest in the securities of the Company and/or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

BOARD OF DIRECTORS' PROFILE

YBHG DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA

Independent Non-Executive Director
Audit & Risk Management Committee member
Nomination Committee member
Remuneration Committee member

Board Appointment:
26 September 2017

Age : 71 years old
Gender : Female
Nationality : Malaysian

YBHG Dato' Tan Choon Hwa @ Esther Tan Choon Hwa was appointed to the Board of M K Land Holdings Berhad on 26 September 2017 as Independent Non-Executive Director.

Dato' Esther Tan is a Fellow Member of the Institute of Chartered Accountants in England and Wales (FCA), a Member of the Malaysian Institute of Accountants (CA) and a Fellow Member of the Chartered Tax Institute of Malaysia.

Dato' Esther Tan began her career as an auditor with Grant Thornton in UK and later with Kingston Smith in UK before coming back to Malaysia.

In 1984, she started her practice which eventually merged to be what is known as GEP Associates. The Firm is a member of an international organisation called AGN International with its headquarters in the United Kingdom boasting 465 offices worldwide. In 2008 and 2009, Dato' Esther Tan became its first lady Chairperson who led the international organisation and is still an active member of the Asia Pacific Board.

She is an auditor of various companies with activities ranging from manufacturing, associations, retailing, constructions, developers, trusts, and multinationals etc; and is well exposed to the requirements of regulatory bodies, as well as Public Listed Companies compliance matters. She has conducted several due diligence and fund raising exercises as Reporting Accountant for clients. She was previously the auditor of several Public Listed Companies.

In 2006, Dato' Esther Tan received the award from the National Association of Women Entrepreneur Malaysia (NAWEM) as "the woman entrepreneur of the year" under the Finance section. She was conferred the Darjah Indera Mahkota Pahang (D.I.M.P.) on 11 March 2016 which carries the title of Dato' by Kebawah Duli Yang Maha Mulia Sultan of Pahang.

She is also a Tax Director of GEP Tax Services Sdn Bhd and was previously a Finance Director of a manufacturing company before setting up the practice. Currently, she also manages the AGN Asia Pacific region as one of the four Directors.

Dato' Esther Tan also sits on the Board of Poh Kong Holdings Berhad and is the Chairperson of the Audit Committee and a member of the Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. She is also an Independent Non-Executive Director of Minda Global Berhad.

Dato' Esther Tan does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company.

She has not been convicted of any offence within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

DEPUTY CHIEF OPERATING OFFICER

TN HJ KAMARULZAMAN BIN ABU BAKAR

Deputy Chief Operating Officer

Appointment Date:
1 March 2019

Age : 58 years old
Gender : Male
Nationality: Malaysian

Prior to joining M K Land, Tn Hj Kamarulzaman has worked with MISC Berhad from 1984 to 1989. He has been involved in managing the MISC LNG ship on the accommodation and catering for the personnel on the ship which carries LNG gas from Bintulu, Sarawak to a few ports in Japan.

He has been with M K Land Holdings Berhad for the past 31 years and held the position of Senior General Manager before assuming his present position.

He has been involved in the Total Property Development Process from identifying land for development, preparing of Feasibility Study, liaison with authorities and agencies for approvals and managing the operations of projects.

He has development experience from sales managing cash flow, milestones, obtaining Certificate of Completion and Compliance (CCC), handing over keys and also formation of Joint Management Body (JMB) and Management Corporation (MC).

Tn Hj Kamarulzaman does not hold any directorship in other public companies and listed issuers. He has no conviction for offences within the past 5 years. He does not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

Tn Hj Kamarulzaman does not have any family relationship with any of the Directors or substantial shareholders of the Company, nor any interest in the securities of the Company and/or its subsidiaries.

MANAGEMENT TEAM

KAMARULZAMAN BIN ABU BAKAR
Deputy Chief Operating Officer

ZULKIPLI BIN SIDIN
Head of Division for Property

NORIDA BINTI ABU KASSIM
Head of Projects for Ipoh

CHARLES A/L DUNCAN
Head of Project for Damansara Damai

EZIRA FEIRANI BINTI NOR REZAN
Head of Project for Taman Bunga Raya

SYED MAHADI AL JUFREE BIN SYED MUSTAFA
Head of Project for Damansara Perdana

ZULKIFLI BIN MOHD ISA
Head of Shared Services

CHAI AH HIN
Financial Controller

CHEAH ZHI LIANG
Senior Manager, Group Finance

AMMAR BIN GHAZALI
Head of Group Human Resource

ALIZA BINTI AHMAD TERMIZI
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS

Residensi Suasana@Damai, Damansara Damai

OVERVIEW

The COVID-19 pandemic has greatly affected the economic situation globally and in Malaysia. The continuing of Movement Control Order ("MCO") restrictions, state of emergency and closing of borders impeded Malaysia's economy and these very much affected the income generation and spending power of consumers.

The Malaysian property market remained under the cast of a long shadow, not only the overhang of the property market, but also the planned incoming and future supplies. According to National Property Information Centre ("NAPIC") on property status by end 2020, some 47,178 units came to the market in 2020 in the form of new launches and sales barely reached 30%. Sales for the high-end segment were relatively poor with just 24.8 % of the total 19,331 units that were launched being sold, while for the residential segment, a sales rate of 31.5% was achieved.

Developers have to compete with the huge overhang and unsold under construction products especially Service Apartment with 58,864 units at RM 45 billion. Oversupply and overhang properties continue to impact and depress prices in the secondary market. Rental yield was also low as renters were spoilt for choice. The higher end segment was impacted the most due to a lack in the natural growth of expats coming to Malaysia.

On the tourism industry, Malaysia's domestic tourism spending plunged 60.8% in 2020 to RM 40.4 billion from RM 103.2 billion in 2019 as domestic visitors arrivals decreased due to movement control restrictions in the country designed to curb the spread of the pandemic, according to the Department of Statistic Malaysia ("DOSM").

In the financial year ended 30 June 2021 ("FY 2021"), M K Land Holdings Berhad ("M K Land" or "Group") continued to focus on its affordable housing project and other ongoing developments.

MANAGEMENT DISCUSSION AND ANALYSIS

During the MCO, the time needed to facilitate a project launch and to complete a sale require a longer time frame. The relevant authorities were mostly restricted to working from home with limited staff attending to the public at their offices. Accessibility to end financiers was also affected giving a sense of longer and more stringent requirements to obtain loan approval.

On the resort segment, both resorts were adversely affected by the MCO as visitors and guests were restricted to travel and these resulted in a significant drop in revenue.

M K Land managed to deliver a commendable performance, amidst these challenges, while the Group revenue decreased by 8%, the profit before tax improved to RM 24.7 million, higher by 25% compared to the previous year (restated results).

REVIEW OF OPERATIONS

PROPERTY

The property development segment contributed approximately 94% or RM 175.2 million of the overall Group revenue performance. The Group's property development in the central region remains the largest revenue contributor, accounting for about 79 % of the segment.

The Group's property development segment comprises six key development projects in Selangor and Perak. The development projects are Damansara Perdana, Damansara Damai and Taman Bunga Raya in Selangor as well as Meru Perdana, Klebang Putra, and Raia Perdana in Perak.

During the financial year, the new launches were 63 units terrace houses (Ludisia) at Meru Perdana 2, 60 units Rumah Selangorku (Iris, Phase 1D) and 68 units double storey terrace houses (Sakura) at Taman Bunga Raya project. The group has also completed and handed over 260 units Tower A Residensi Suasana @ Damai condominium at Damansara Damai and 109 units terrace house (Iris, Phase 1A) at Taman Bunga Raya.

Central Region

Damansara Perdana

Damansara Perdana ("DP") township is M K Land's flagship development located in the Golden Triangle of Petaling Jaya with an overall land area of 792 acres comprising both residential and commercial development.

Damansara Perdana is where the group first developed its high-end projects such as Armanee Terrace Condominium and The Rafflesia Landed Homes.

Over the years, Damansara Perdana has been a major revenue contributor for the Group where all its residential strata development has been fully sold. There remained only limited units of commercial development available for sale.

The Group has taken a more cautious stand in launching high-end products during the pandemic. The management is currently liaising with the Damansara–Shah Alam Elevated Expressway ("DASH") team on the soft and hardscape along the Damansara Perdana main road with the view to create a more pleasant environment for the convenience of the residents.

The Group anticipates rolling out new products when the economy moves deeper into the recovery stages.

Damansara Damai

Damansara Damai is a mature township situated on a 400 acres land area. It is a sought-after location for affordable living due to its strategic location with ready infrastructure and facilities. It is accessible to various main highways such as Lebuhraya Damansara-Puchong ("LDP"), Kuala Lumpur Middle Ring Road 2 ("MRR2"), New Klang Valley Expressway ("NKVE"), Duta-Ulu Kelang Expressway ("DUKE") and the Kuala Lumpur-Kuala Selangor Expressway ("LATAR"). It is also located nearby the upcoming Damansara Damai MRT station.

The ongoing development in Damansara Damai namely, Residensi Suasana@Damai consists of 3 condominium towers comprising 780 units. It offers 3 bedroom units with built-up size ranging from 1,014 square feet to 1,451 square feet. Tower A of Residensi Suasana@Damai has been completed with vacant possession delivered in September 2020. Tower B has reached an advanced stage of construction as at the financial year end and Certificate of Completion and Compliance ("CCC") has been obtained on 5 July 2021.

A new traffic system within Damansara Damai has been placed on trial run by MBPJ to improve the traffic flow within Damansara Damai. An alternative egress from the township leading to the NKVE Sg Buloh toll has also been opened on 17 July 2020. The new traffic system and alternative egress will further improve traffic movement within the area.

Taman Bunga Raya

Taman Bunga Raya ("TBR") with an area of 518 acres is located in Bukit Beruntung, Selangor. TBR have completed and handed over more than 11,000 of affordable houses, ranging from low to medium cost units. The project was developed with facilities and amenities such as primary and secondary schools, shops, POS Malaysia and clinics amongst others. These have created a conducive

MANAGEMENT DISCUSSION AND ANALYSIS

Iris, Taman Bunga Raya, Rawang

Emerald 6, Klebang Putra, Ipoh

environment for families to live in TBR, of which the current population is about 40,000. It is approximately a 30-minute drive from Jalan Duta Interchange and Damansara Interchange via the PLUS Highway and NKVE.

The Group's first Rumah SelangorKu ("RSKu") project, Iris Phase 1 (419 units), is an affordable landed double storey terrace house. Priced at RM 250,000 each, 109 units of its Phase 1A were launched in January 2019 and have been sold. The terrace houses have been completed and CCC has been obtained on 18 March 2021.

The sub phases of Iris were launched in March 2019 (Iris Phase 1C-101 units) and August 2019 (Iris Phase 1B-97 units). Both sub phases were also fully sold. The remaining phases of Iris Phase 1D1 (52 units) and 1D2 (60 units) were launched during the peak of COVID-19 pandemic in March 2020 and November 2020 and all 112 units were fully sold.

The Group's open market development in TBR, namely, Sakura (Phase 2A) was launched in September 2020 and all 68 units have been sold. These double storey terrace house with selling price starting from RM380,000 received overwhelming response as landed property is in demand with the attractive price offered to the potential purchasers.

The Group is planning to launch the subsequent phase of the RSKu namely Acacia (Phase 4A) of 126 units and Sakura 58 units in the new financial year.

Northern Region

Meru Perdana

Meru Perdana with an area of 190 acres, had its first launch in 2009. Meru Perdana is a township development located along the main Jelapang – Chemor road in Ipoh, Perak. The development comprises residential and shop offices.

The latest product, Ludisia 1, an affordable single storey terrace house was launched in April 2021. Ludisia is designed with built up area ranging from 1,390 sq ft to 1,423 sq ft and selling price from RM307,400. Response for Ludisia has been encouraging with a 60% take up rate within 3 months of launch despite the uncertain market condition.

Klebang Putra

Klebang Putra is our mature residential township that sits on 240-acre parcel of land in Ipoh. The 1st Phase of 166 acres land was first launched in 2003 whilst the 2nd Phase of 74 acres land was launched in 2015.

During the financial year, Klebang Putra was focusing on completing its current product namely Emerald 6 comprising 139 units of double storey houses with an average selling price of RM 304,000. The take up rate as at year end was 76% and the project has been physically completed in September 2021.

Raia Perdana

Raia Perdana ("RP"), with an area of 219 acres is a joint development project with MB Inc Perak. RP is the Group's first Rumah Perakku development which was launched in January 2020 with selling price starting from RM70,000. The first phase comprising 137 units of double storey terrace house received an overwhelming response from the purchasers and is anticipated to complete in mid-2022.

RESORTS

The leisure business segment comprises Bukit Merah Laketown Resort ("BMLR") in Perak and two hotels in Langkawi, namely, Ombak Villa and Kuala Melaka Inn.

MANAGEMENT DISCUSSION AND ANALYSIS

Water Theme Park at Bukit Merah Laketown Resort, Perak

Infinity Pool at Ombak Villa, Langkawi

For the leisure segment, the Group suffered a major setback when the various planned marketing initiatives, especially in support of the Visit Malaysia 2020 campaign was cancelled due to the COVID-19 pandemic.

The Group had to temporarily close its resort and hotels during the height of the pandemic. Several cost management initiatives were implemented throughout its operations to stabilise the financial performance and to preserve cash flow.

Sales and marketing activities quickly took on a more digital approach using the various social media platforms compared with the conservative approach. These steps have been taken not just with the goal of getting revenue. More than that, it's about connecting with and reassuring the resort presence to the consumers and to maintain the Group's brand awareness. In addition to compliance on vaccination, the Resorts ensure that the three core safety protocols i.e. physical distancing, frequent cleaning and temperature checking are adhered at all time to avoid COVID-19 infections and to maintain the guests' confidence.

Ombak Villa Langkawi

The award-winning hotel, Ombak Villa ("OV") Langkawi, is located within a short distance from the Langkawi International Airport and Mahsuri International Exhibition Centre. It features 76 units of Suites, two units of the opulent Seroja Honeymoon Suites and the luxurious three-bedroom Villa Seri Kasturi, complemented by Langkawi Lagoon which comprises 20 units of deluxe rooms at the Beachfront Hotel and 21 units of studio suites at the Sea Village built on stilts on the Andaman Sea. The team consistently engages with the public via digital media to update on ongoing improvement at Ombak Villa such as creating new packages and facilities for guests to experience when they next visit the OV. The group also had a decent response from the implementation of Pay Now Stay Later package for the guests to book in advance for their stay at the OV later after easing of the MCO.

Kuala Melaka Inn

The Group's leisure segment's portfolio also includes a budget hotel in Langkawi. Our focus for Kuala Melaka Inn ("KMI") is to provide spacious, comfortable and convenient hotel rooms at a reasonable price for both leisure and business travellers. This hotel consists of 69 rooms ranging from single to family units, located within convenient access to major attractions in Langkawi. The team keeps on identifying new markets for KMI such as offering packages for pilot training programmes and transport drivers which travel frequently to Langkawi to transport goods to their customers to stay at KMI at an attractive package.

Bukit Merah Laketown Resort

Due to the COVID-19 from early March 2020 onwards, the hotel and theme park industry have been severely affected. Bukit Merah Laketown Resort ("BMLR") revenue has decreased significantly by 31% or RM3.0 million as compared to FYE 2020. This is mainly due to Government restriction on social gathering, travel ban and theme park activity.

Towards generating more revenue, BMLR relied on the food and beverages activities. Lake Park Komer restaurant was set up to cater to the consumers especially the front liners. BMLR also started to introduce Steamboat sets and fishing activity from the Kampung Air room package to boost up room revenue as well as to attract more guests.

EDUCATION

Lake View College ("LVC")

Lake View College ("LVC") has been in operation since 2005 and over 1,500 students have graduated. However, with the declining student intakes, the performance of LVC has been in the red for the last few years. In FY 2021 as a result of MCO, the lecturers worked from home and only

MANAGEMENT DISCUSSION AND ANALYSIS

online classes were carried out for students. This change in mode of teaching led to a reduction on the overall cost. Despite the reduced losses, the College struggles to sustain itself. As at June 2021, there are 108 students targeting to complete their studies by end June 2023.

RENEWABLE ENERGY

Large Scale Solar ("LSS") Power

The Group has participated in the tender to supply solar power LSS4 and was successful to obtain Letter of Notification on 12 March 2021 from the Energy Commission. The Group set up a new wholly owned subsidiary, Solar Citra Sdn Bhd ("SCSB") on 10 May 2021 to undertake the renewable energy project to supply 10.95 MWac of electricity to Tenaga Nasional Berhad ("TNB").

The Power Purchase Agreement ("PPA") for the supply of 10.95 MWac between TNB and SCSB was signed on 26 August 2021. Under the Agreement, SCSB will start to supply 10.95 MWac of electricity to TNB by 31 December 2022.

FINANCIAL PERFORMANCE REVIEW

During the difficult economic climate and challenging business environment in FY 2021, the Group's revenue decreased by 8%. The Group posted a pre-tax profit of RM 24.7 million, which is 25% higher than RM 19.8 million recorded in FY 2020. The higher profit before tax is mainly due to increase in other income compared to the previous year. The cost optimisation exercise has also resulted in cost saving for the administrative expenses. The Group's profit after tax for FY 2021, which stood at RM19.4 million, was higher by 100% compared with RM 9.7 million in the previous year.

Our statement of financial position remains healthy with the Group's total cash and bank balances standing at RM53.7 million. This is a marginal increase of 6% as compared to RM50.6 million in FY 2020. Our gearing ratio as at FY 2021 remains low at 2.5%.

ANTICIPATED RISKS OR KNOWN RISKS

We acknowledged that our property and leisure businesses are exposed to risk that could have material adverse impact on the Group's financial and operation performance. During the COVID-19 pandemic, our development projects faced the risk of delay in completion of construction work to enable timely delivery of property to purchasers. This was mainly due to work stoppages and uneven delivery of materials to the construction sites. There was also the risk of cost overruns due to price fluctuation for raw materials and increase in labour cost. Our resort and hotel had to be closed during certain period of the pandemic, for health and safety reasons. To mitigate the risk, the Group has been agile in taking appropriate action in compliance with the pandemic's safety protocols. Further details on the Group's formal risk management process is set out in the Statement on Risk Management and Internal Control in this Annual Report.

PROSPECTS & OUTLOOK

The Government has just eased the restriction of the MCO by allowing the opening of more economic sectors as most states in Malaysia are going into Phase 3 of the National Recovery Plan ("NRP"). Under Phase 3 of the NRP, property developers are now allowed to operate from the offices at 80% capacity, face to face meetings at 50% capacity and sales galleries are open to potential buyers to visit. Resort activities can welcome guests to their hotel, dine in is allowed and recreation activities at 50% capacity by following the Standard Operating Procedure ("SOP") set by the authority. With more activities permitted and our nation heading to 90% herd immunity through single dose vaccination, the prospect for the market to recover looks encouraging in the near future.

On the outlook of 12th Malaysia Plan, it is anchored around 3 key themes and 4 enablers to achieve economic growth and transform Malaysia into a prosperous, inclusive and sustainable country. This business alert focuses on selected business sectors to help organizations remodel their business operations, accelerate digital transformation and sustainability efforts, and embrace the new normal.

The Prime Minister quoted that Budget 2022 will focus on the implementation of short-term initiatives that align with the 12th Malaysia Plan in order to achieve the objectives of the Malaysian Family - Prosperous, Inclusive and Sustainable.

M K Land will continue to focus on developing affordable homes projects from the land bank in Taman Bunga Raya and Klebang Putra and to optimise usage of balance land banks in Damansara Perdana, Bukit Merah and Bandar Technopolis Perdana. The Group is also looking at the business opportunity for renewable energy.

In anticipation of the gradual recovery of the economy and the new norm in our daily life, the Group has to be agile and to adopt a more dynamic approach to reach consumers and its stakeholders.

Food packages distributed to Frontliners at Meru Perdana on 22 January 2021.

Food packages distributed to Frontliners at Taman Bunga Raya on 28 January 2021.

Food Donation to Orphanage in Selangor on 17 February 2021.

Break Fasting Event at Damansara Perdana on 21 April 2021.

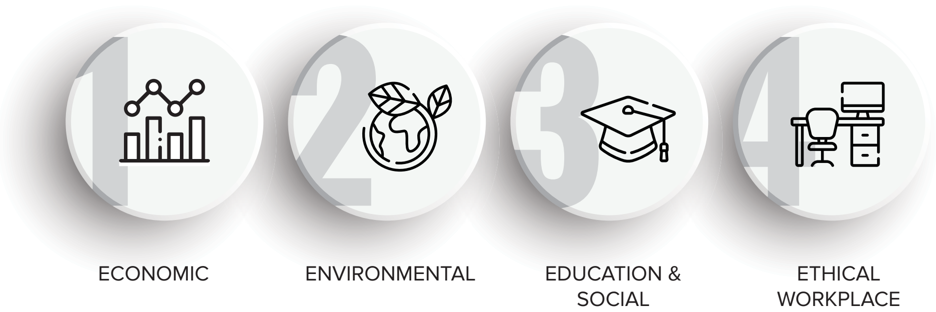
Break Fasting Event at Ombak Villa on 29 April 2021.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

M K Land Holdings Berhad (M K Land or The Group) presents our Sustainability Statement for the Financial Year ended 30th June 2021. This Sustainability Statement has been approved by the Board of Directors.

This Sustainability Statement encompasses all aspects of M K Land's ethical business practices, responsibly addressing the relevant four areas:



REPORTING SCOPE AND METHODOLOGY

This Sustainability Statement scope refers to M K Land Holdings Berhad and its subsidiaries, comprising all business units including property development, leisure, education, renewable energy (solar power) and investment holding.

This reporting cycle is done on an annual basis and is in accordance with the principal guidelines of Bursa Malaysia's Sustainability Reporting Guide. We acknowledge that sustainability is a journey and we are just embarking on it.

This Sustainability Statement covers activities during the reporting period 1 July 2020 to 30 June 2021. Throughout this financial period, we were in a pandemic phase, thus the group's sustainability journey was impacted substantially. Nonetheless as we look forward to the recovery process, we shall seek to manage risks and seize opportunities to generate potential future value for the Group and all stakeholders to be in line with our sustainability vision.

SUSTAINABILITY IN M K LAND

M K Land has begun to incorporate sustainability practices in areas of Economic, Environmental, Education and Social as well as Ethical Workplace. No doubt, the pandemic has pushed the viability of businesses to the limit, it is imperative for the Group to act quickly, to rethink its products and services delivery mechanism and to refine its business models. This is so that the connectivity of people, technology and all other forms of capital remains flexible and agile to adapt to any changes. This interaction in itself may assist to generate long term value.

M K Land is moving forward to achieve its corporate vision of being a reliable organisation that delivers quality products and services on a timely basis and within cost. The vision is further enhanced by the corporate mission which states that the strive towards this vision shall be done through teamwork for the betterment of the organisation, society and nation – and shall always be guided by correct principles and values.

The Group is committed to use these guidelines as a reference point toward improving our sustainability efforts in the future by applying them when drawing up strategies, facilitating actions and making decisions. Such initiatives that are integrated within the business model will create an outcome of shared value for all stakeholders and this allows for a greater chance for recovery and success during this pandemic period.

SUSTAINABILITY STATEMENT

GOVERNANCE STRUCTURE

The Board of Directors sets the 'tone from above' and this is translated into workable practices embedded in all strategies and goals.

Currently, the Senior Management Team along with all Heads of Projects are responsible for the oversight of sustainability practices, policies and procedures across all M K Land's business activities.

As this sustainability practice and culture is still being developed, it will be monitored by the working group who will present its findings to the Board of Directors, as and when, the need arises or on an annual timeframe.

Economic Sustainability

The Group endeavours to build a more resilient business. This shall be achieved by incorporating economic sustainability practices into all functions and processes, including strategic planning, sustainable planning, human resources planning and development planning. These would enable investors, stakeholders, business partners and the community at large to instil trust and confidence in M K Land.

Environmental Sustainability

The Group is working towards identifying and managing any environmental impact in its development planning and operations. The Group is also promoting environment stewardship throughout its business segments by embedding the culture of environmental sustainability throughout the value chain.

Education and Social Sustainability

The Group is committed towards responding to the needs of the local community. This is achieved by creating opportunities that centre around the enhancement of their human capital growth. The Corporate Social Responsibility platforms will seek to promote social interaction and cultural enrichment.

Ethical Workplace Sustainability

The Group is committed towards creating an ethical workplace by striving towards providing and maintaining a safe, healthy and positive working environment. The Group recognises that our people are core in achieving the company's vision and mission. M K Land also embrace diversity and provide fair and equal opportunity, which is essential for employee growth and career development as we groom our leaders of tomorrow.

STAKEHOLDER ENGAGEMENT

We believe connection and interaction with stakeholders are essential aspects of a meaningful stakeholder engagement. It has been challenging during this past year with the emergency proclamation and pandemic climate. The Group has cut down on physical meetings and resorted to social media and internet platforms in performing stakeholder engagement in this financial year. Regardless of economic performance, M K Land has always strived to operate in a safe and environment-friendly manner. Management believes that sustainable success will only be attainable by the collaborative efforts between the Group, its stakeholders and the community.

In alignment with our long-term plans, the Group will continue to explore opportunities to foster innovations and build capabilities for business growth in a sustainable manner. Stakeholders' engagement and involvement is vital on our quest for sustainability. Our shareholders, investors, customers, employees, contractors, consultants, suppliers and communities where we operate are all factors contributing to sustainable business growth.

SUSTAINABILITY STATEMENT

The stakeholder engagement table below illustrates the areas and methods of engagement for each stakeholder group – both internal and external – and gives an evaluation rating of their priority to the Group (very important, important and less important).

Stakeholders	Priority	Methods of Engagement	Areas of Engagement
Shareholders and Investors	Very important	• Annual General Meetings • Annual Report • Quarterly Announcements • 5-Year Financial Highlights • Bursa Announcements • Corporate Website (Investor Relations Page) • Media Releases • Meetings with Financial Institutions	• Financial and Business/ Operational Performance • Corporate Governance • Risk Management • Business Direction
Customers	Very important	• Advertisements, Billboards and Marketing Campaigns • Project Launches • Social Media Networks • Sales Brochures • Enquiry E-Forms on Websites • Defect Feedback Form • Sales Previews • Sales Launches	• Product Design and Features • Pricing • Quality with QLASSIC standards • Customer Satisfaction • Brand Reputation • Awards, Accreditations and Certifications on Property and Leisure Development • Updates on Latest Products and Promotions • Academic Performance (Lake View College)
Government, Regulators and Authorities	Very important	• Dialogues, Meetings and Discussions • Emails and Letters • Attending Briefings, Workshops and Trainings • Periodic Visits and Site Inspections	• Compliance with Laws and Regulations on Approvals and Permits • Compliance with the Latest Bursa Listing Requirements and Various Governing Acts of Law
Contractors and Suppliers	Very important	• Contract Negotiations • New Vendor Registration and Pre-Qualification • Tender Process • Contractor and Supplier Performance Evaluation	• Pricing and Payment Terms for Materials and Service • Product Quality and Service Levels • Time-Efficient Delivery • Legal Compliance
Communities	Very important	• Community Engagements and Events • Corporate Social Responsibility Activities • Strategic Partnerships (Partnering Programmes) • Feedback and Market Surveys	• Charity, Donation and Financial Aid • Community Care and Support via Volunteerism or Kind • Environment and Nature • Education Opportunities • Employment Opportunities

SUSTAINABILITY STATEMENT

Stakeholders	Priority	Methods of Engagement	Areas of Engagement
Employees	Very important	• Performance Appraisals • Training and Development • Safety Trainings • Townhall Meetings • Employee E-Portal • Internal Communication via Email	• Remuneration and Benefits • Career Development and Training Opportunities • Workplace Health and Safety • Employee Welfare • Work Life Balance
Media	Important	• Press Conferences and Interviews (Mainstream Media and Web-Based Platforms) • Annual General Meetings • Networking Events	• Reputation and Publicity • Creating Awareness • Communication of Corporate News • Crisis Communication
Industry Associations	Less Important	• Information Exchange • Seminars and Events • Networking Sessions • Award Recognition	• Environmental, Building, Financial and Social Issues in the Industry • Latest Products, Services and Listings on Vendors • Green Building Certification Information • In Depth Understanding of New Acts and Regulations Relevant to Operations

MATERIAL SUSTAINABILITY MATTERS

Identifying the Group's 4E material sustainability matters is key to achieving the corporate vision and mission. Prioritising each material matter based on its level of importance to the operations as well as to the stakeholders enables the identification of key focus areas to move forward steadily.

1 ECONOMIC SUSTAINABILITY	2 ENVIRONMENTAL SUSTAINABILITY	3 EDUCATION & SOCIAL SUSTAINABILITY	4 ETHICAL WORKPLACE SUSTAINABILITY
• Ethics and Conduct • Corporate Governance and Compliance • Integrity and Anti-Corruption • Economic Performance and Product Quality • Risk Management	• Management of Water, Energy, Waste and Resources • Preservation of the Environment (Clean, Green and Lush Rule) • Supply Chain Management	• Corporate Social Responsibility (CSR)	• Engaged and Informed Human Capital • Training and Development • Workplace Health and Safety

ECONOMIC SUSTAINABILITY

M K Lands believes in providing developments that are safe, accessible and convenient so that it benefits those who live, work and play in comfort, contributing to a positive socio-economic environment. Due to the increased economic activity, this builds a more resilient economy.

Ethics and Conduct

M K Land strives to conduct its businesses in compliance with local laws and regulations. “Doing the right thing even when no one is watching” is a popular mantra within the Group. A code of conduct and ethics, which is included in our Group employee handbook, sets out the standards of conduct and personal behaviour our directors and employees are expected to observe to ensure that the Group’s commitment is upheld. The Code of Conduct covers the following components: human rights, health and safety, environment, company assets, exclusive service, integrity and professionalism, personal appearance, confidential information and compliance obligations. We have also established an Anti-Bribery and Corruption Policy which ensures that business is conducted professionally without bribes or corrupt practices and Whistle Blower Policy where employees are free to disclose any malpractices and wrongdoings within the Group.

Corporate Governance and Compliance

M K Land assures all stakeholders and investors that we are in compliance with Malaysia’s regulations by adhering to all laws and regulations. Our business operations are governed by, among others, the following regulations:

- Employment Act
- Strata Titles (Amendment Act)
- Strata Management Act
- Companies Act
- Housing Developers (Control and Licensing) (Amendment Act)
- Occupational Safety and Health Act
- Education Act and National Educational Policy
- Malaysian Qualifications Agency Act
- Malaysian Anti-Corruption Comission Act (MACC)
- Personal Data Protection Act

M K Land is also empathetic to the need for more affordable housing especially for the B-40 group in our community. B-40 is categorised as those whose median monthly income per household is less than RM4,850. To address this demand, M K Land participated in the Selangor state government’s Rumah Selangorku scheme as well as Perak state government’s Rumah Perakku scheme whereby this income group will have power to purchase their own home. Our residential development units both in Bukit Beruntung, Selangor and Gopeng, Perak were built in accordance with this scheme.

SUSTAINABILITY STATEMENT

Integrity and Anti-Corruption

Our professional conduct helps us maintain our customers' and stakeholders' trust, which is essential to our success. Integrity guides our decisions in everything we do. M K Land employees and representatives are faced with situations where they need to make decisions every day, so it is critical that they clearly understand what is and is not acceptable. M K Land does not engage in any form of bribery or corruption, we treat everyone with fairness, dignity and respect, and we adhere strictly to the legal requirements of Malaysia. We do not seek any business advantage that would compromise our integrity or threaten our assets, brand, people or intellectual property.

We also take it as our responsibility to protect the individual privacy and personal data of our customers and employees. All our subsidiaries and divisions are compliant with the Personal Data Protections Act 2010.

The Malaysian Anti-Corruption Commission (MACC) Act 2009 was amended in 2018 to introduce a new corporate liability provision, i.e. Section 17A stipulates a corporate liability principle where a commercial organisation can be considered guilty if any of its employees and/ or associates commit corruption for the benefit of the organisation. M K Land has taken the appropriate steps to ensure that business is conducted with integrity and without corruption. This new policy ensures that the Group:

- Defines the high standards of professional integrity we expect from anyone acting on behalf of or representing the Group;
- Clearly details what we expect from our representatives in relation to the law which applies to all employees and affiliated companies, contractors, subcontractors, joint venture partners and agents;
- Ensures we treat everyone with fairness, dignity and respect; and
- Is supported by the Whistle Blower policy for raising concerns about issues related.

Accuracy and transparency of reporting is also imperative for the Group and our stakeholders. M K Land reports its financial performance on a consolidated basis and engages our stakeholders regularly through quarterly result announcements.

Economic Performance and Product Quality

M K Land places importance on the performance of our people and quality of our products and services. Our Standard Operating Procedures (SOPs) set out the procedures for the tender processes and awarding of contracts. To maintain quality, M K Land practices the Quality Assessment System (QLASSIC) monitored by the Construction Industry Development Board. This ensures quality of construction work of projects based on an accepted industry standard. It also measures and evaluates the workmanship quality of a building construction work based on the Construction Industry Standard (CIS 7:2014). M K Land's Quality Independent Audit Team (QIAT) monitors the quality of construction by scheduled inspections to the worksites to assist and guide the construction team in achieving QLASSIC standards with a minimum requirement of a 70% score.

M K Land's economic performance is covered in the Management Discussion and Analysis.

Risk Management

M K Land's Risk Management Policy outlines the policy, scope and processes that describe how risks are managed, as well as the clear roles and responsibilities of the designated officer or department involved in the risk management processes and each risk owner.

Assess and Evaluate Risks ➤ Communicate Risks ➤ Manage Risks ➤ Monitor and Follow Up Risks

Risk Management for M K Land is further detailed in the Statement on Risk Management and Internal Control segment.

ENVIRONMENTAL SUSTAINABILITY

M K Lands is aware and recognises the implications that our developments including residential and commercial buildings, supporting amenities and infrastructures have on the environment. We endeavour to operate within allowed thresholds and continue to abide by the environmental regulations to promote transparency and accountability in our supply chain.

Management of Water, Energy, Waste and Resources

M K Land continues to be observant of the environmental impact that arises from our development and services. Therefore, we are committed to reduce our footprint by monitoring our water, energy, waste and resources where possible. Our monitoring system is still at the infancy stage.

The responsible consumption of resources is always encouraged amongst employees as this leads to cost efficiency, especially during this pandemic period. A noteworthy instance for our main office is the significant reduction of electricity usage where during the previous financial year the total usage was approximately RM 309,000.00 whereas during this financial period, the amount totalled to approximately RM 190,000.00. This is due to the Group Administration managing space occupancy combined with the Work from Home situation. For the resort, we practice preventive maintenance which adheres to the regulations set by authorities where all equipment, tools and assets shall follow a strict and scheduled maintenance system.

As digital communication becomes the new normal as opposed to face-to-face interaction as means to reduce the spread of infection in tackling COVID-19, this has promoted a more paperless environment in M K Land throughout the subsidiaries as more discussions and presentations are now done via digital means such as Whatsapp, Skype and e-mails. In addition, as most officers, especially the senior management team are now substituting travelling with video conferencing to reduce greenhouse gas emissions and to avoid crossing state borders unnecessarily.

The practice of responsible consumption in our developments is an aspect that we have introduced to our purchasers too. For example, in most of the terrace houses in Taman Bunga Raya, Klebang Putra and Meru Perdana, the sanitary fittings like water closet (WC) have a dual-flush toilet that uses two buttons to flush different volumes of water. A lesser volume of water is designed to flush liquid waste. This contributes to part of the environmental sustainability component.

Preservation of the Environment (Clean, Green and Lush Rule)

To achieve sustainability within any organisation, M K Land invests a significant amount of time and effort towards sustainability practices as it is our responsibility to do the right thing for our stakeholders and the environment. Therefore, aside from our endeavour to build homes that meet the physical, psychological and social needs of its residents, we also emphasis on the living environment and accessible facilities right from the design phase to build healthy and safe homes. Almost all our developments are built with a walking path, playground and a community space where residents can get together in the evenings with their children. Bathrooms and kitchens are designed to always have good ventilation and where possible, daylight. This is all done with keeping in mind that it does not have a detrimental impact on the environment.

SUSTAINABILITY STATEMENT

An area that is yet untapped to address the Environmental, Social and Governance issues in Malaysia is the penetration of renewable energy. It is known that the largest greenhouse gases are emitted from the construction sector aside from electricity and transportation usage. Our response at M K Land is that a portion of our undeveloped land banks have been used for solar power generation, not just to provide sustainable electricity to the community at large but to also help utilise the land bank sustainably. Some other plots of land have also been used for small-time agriculture and for growing vegetables and fruits for our resorts.

Maintenance and landscape efforts are now being handled in-house at our resorts instead of outsourcing and more flowering plants are being planted with the intention of attracting birds and insects for pollination. Separate bins for trash and recyclables can also be seen throughout the resort.

Supply Chain Management

It is essential that sustainability issues are addressed throughout the organisation's whole supply chain, a process referred to as sustainable supply chain management. In maintaining sustainability in our Supply Chain Management, all contractors are chosen by the Contracts/ Procurement Department via a minimum three-bidder method and the two elements that go through a review process are their technical experience and commercial reputation. They must also be registered with the Construction Industry Development Board (CIDB). After a contract is awarded, close monitoring is done to ensure that the process meets the outcome intended. This is required as developments should not be at the expense of sacrificing resources for future generations.

We select contractors, suppliers and other supply chain partners who share our values and work innovatively. Different requirements and guidelines are set for new suppliers at the pre-qualification stage depending on the goods or services offered, be it in the property or leisure division of the Group.

We also continue to choose contractors or suppliers who understand the environmental impacts and risks. We are working to reduce these impacts and promote environmentally-friendly practices in the areas of:

- Waste and disposal
- Improved resource efficiency
- Biodiversity protection
- Environmental impacts such as noise and pollution
- Controls to minimise the release of harmful emissions into the environment

3

EDUCATION & SOCIAL SUSTAINABILITY

M K Land stays committed to enhance the environment and natural habitats, improving our employees' well-being and the social communities we serve. We believe that it is our responsibility to integrate social and environmental responsibility across all levels of operation and take action as a leader within the industry.

Corporate Social Responsibility

Within M K Land, the act of helping and giving has been instilled in the corporate culture. It was started by M K Land's founder and this deed is further enhanced by each and every employee in M K Land contributing a small portion of their monthly pay for the purpose of donation through the M K Land Sports Club. This pool is to be distributed amongst the needy in the company as a result of natural disaster, financial difficulty or to help alleviate the family's expenses in the event of death.

This deed is also practiced externally to the wider community. This is because we believe that the wellbeing and progress of such communities within and surrounding our developments are key to M K Land's sustained prosperity and success. Due to this, we continue to make strategic investments into local infrastructure and participate in community engagements and development initiatives across our operating areas.

Food banks were set up for staff as means of providing immediate relief. Food packages were distributed to police who were frontliners in areas of Ipoh, Rawang and Sungai Buloh as a show of our appreciation to their dedication in keeping us safe during this pandemic period.

During the fasting month, break fasting meals were provided to Rumah Amal Cahaya Kasih Bestari, Rumah Kebajikan Anak-Anak Yatim Damai Kuang and to Rumah PDK Langkawi. Through several of our subsidiaries, the Group also joined hands to carry out the "Program Bubur Lambuk" in Selangor and Langkawi. Given the COVID-19 restrictions imposed by the government, the Group ensured that the necessary safety protocols were adhered to for each program.

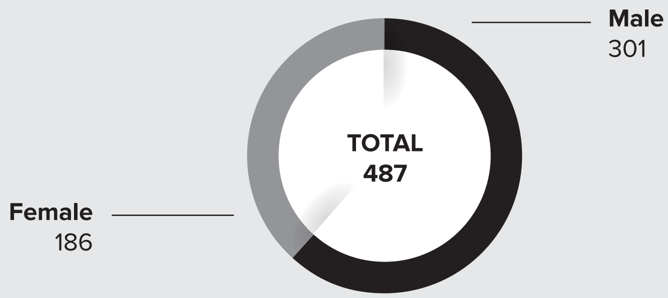
ETHICAL WORKPLACE
SUSTAINABILITY

M K Land believes in nurturing our human capital as it can unlock opportunities for new top line creation. Hence, we are proactive in doing our part to promote capacity building and due to this year's COVID-19 spread, we also attempt to prevent further spread of the virus as well as supporting the needs of our employees.

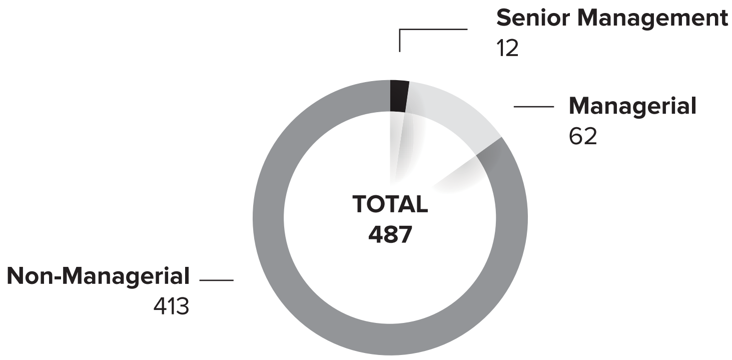
Engaged and Informed Human Capital

We believe that our human capital is vital in providing the best products, service and overall experience with M K Land. This can be achieved by focusing on our employees' wellbeing and professional growth. Therefore, much emphasis was given in developing a competent resource. Apart from developing, the morale and motivation aspects are another element that was given a special focus. M K Land believes that an engaged and motivated workforce is the special ingredient to meet the growing business challenges of today, tomorrow and beyond. During this period of pandemic, the well-being of the employees and mental health was the top priority as the Group is committed to retain loyal and strong talents who can drive further growth, open up new horizons and create more value for the Group.

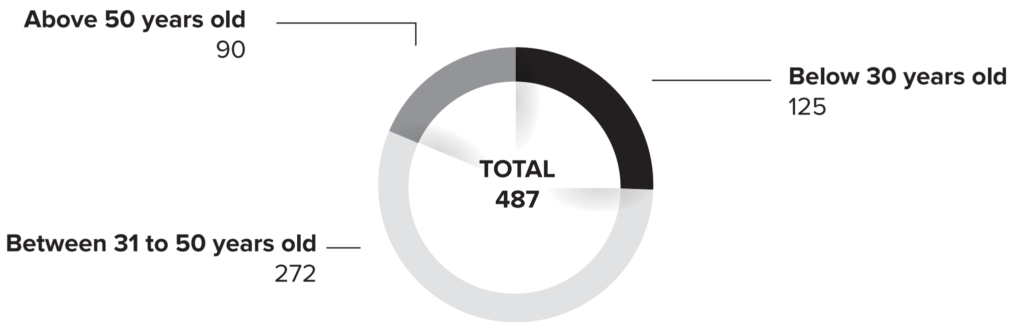
Workforce by Gender (as at 30 June 2021



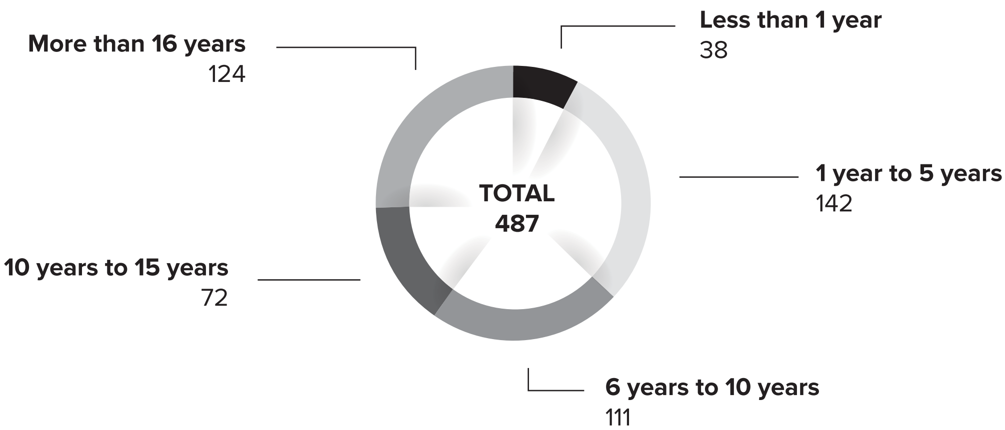
Workforce by Position (as at 30 June 2021)



Workforce by Age (as at 30 June 2021)

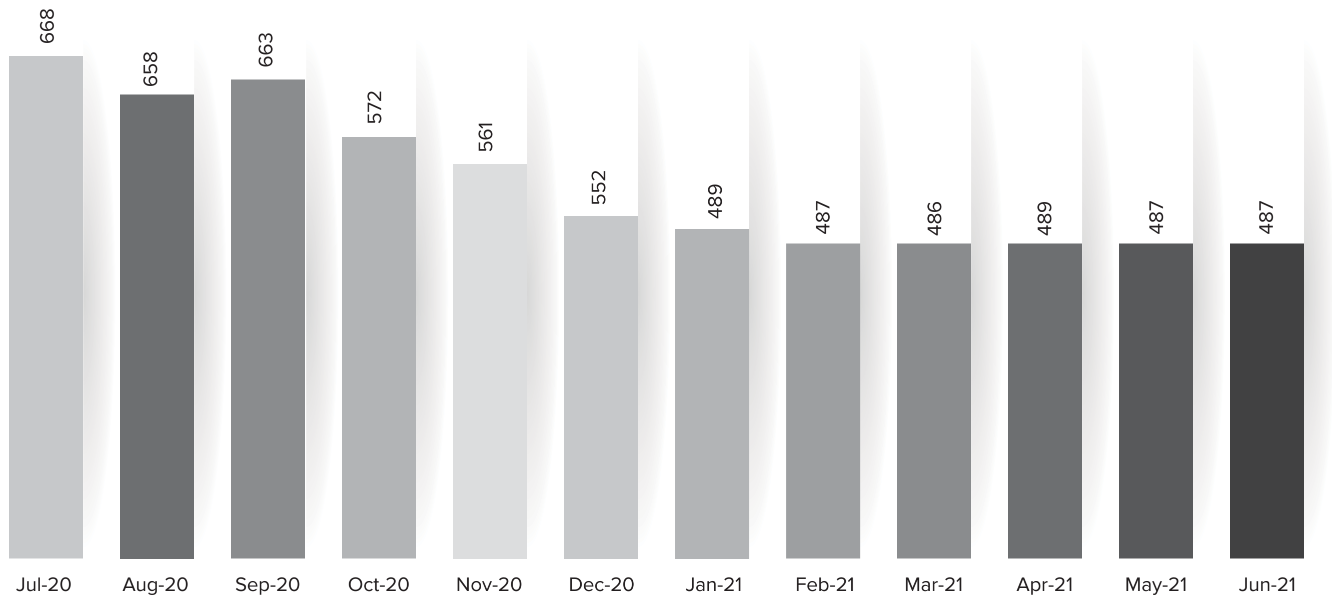


Years of Service (as at 30 June 2021)



SUSTAINABILITY STATEMENT

Total Workforce (Number of Staff)



Training and Development

Employee development is a continuous effort by M K Land to ensure employees are competent and are able to reach their full potential. Employees are encouraged to attend various trainings and workshops to keep them updated with the market, technology and work skills. However, the amount of training organised for this period was limited and restricted due to the Movement Control Order and the Social Distancing requirement due to the COVID-19 pandemic.

Training Courses & Briefing Sessions (Property Segment)

43 TOTAL HOURS

Training Courses & Briefing Sessions (Resort & Leisure Segment – Bukit Merah and Ombak Villa)

240 TOTAL HOURS

30 DAYS

Training Courses & Briefing Sessions (Renewable Energy Segment)

6 TOTAL HOURS

Training Courses & Briefing Sessions (Education Segment)

35 TOTAL HOURS

7 DAYS

Workplace Health and Safety

M K Land emphasises on a workplace that is both conducive and safe as our employees are our vital assets and integral to all our business functions. Due to the nature of our business, the risk of incidents such as accidents, injuries and illnesses can be considerable. Hence, M K Land prioritises workplace health and safety for our customers, tenants, employees and contractors. During this reporting period, the Group is pleased to report that we have maintained a zero-accident rate at all construction and resort sites throughout the Group.

The Group was proactive in mitigating COVID-19 risk where numerous health and safety measures were implemented such as offering vaccination for the employees and their dependents under SelVax, alternating work schedule to reduce physical contact, thorough screening prior to entering the office and doing an office wide sanitisation. During the financial year, one positive COVID-19 case was recorded involving our employees, who may have been exposed outside the workplace.

MOVING AHEAD

At M K Land, we share a common mission and we are committed to continuously improving our management system and our deliverables and services. We will continue to review our overall corporate efficiency, to further reduce cost with the aim of increasing profitability in these challenging times. Fortifying the Group's core business foundations, enhancing its internal processes and resources, in addition to exploring new business opportunities in alignment with market demands shall be the focus of the coming year.

We will also forge ahead to incorporate sustainable practices into corporate management and operations to stay true to our promise to deliver on time, with quality and within cost.

COMMENTS AND FEEDBACK

We welcome all comments and feedback. Please email our Deputy Chief Operating Officer's desk at zaman@mkland.com.my for us to further improve our sustainability practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement by the Board of Directors ("the Board") of M K Land Holdings Berhad ("M K Land" or "the Company") provides shareholders and investors with an overview of M K Land's application of the three key Principles of good corporate governance as set out in the Malaysian Code on Corporate Governance as revised on 28 April 2021 ("MCCG" or "the Code"). M K Land's application of each Practice under the three Principles during the financial year ended 30 June 2021 ("FY2021") is disclosed in the M K Land Corporate Governance Report ("Corporate Governance Report") for FY2021. The Corporate Governance Report is available on the Company's corporate website at www.mkland.com.my.

This Statement is to be read together with the Corporate Governance Report.

The Board of M K Land is committed in adhering to the principles of the MCCG. The Board constantly strives to ensure that good corporate practices are carried out throughout the Company and its subsidiaries ("the Group") as fundamental to fulfilling its responsibilities, which include protecting and enhancing shareholders' value as well as the financial performance of the Company.

M K Land takes a proactive approach in observing high standards of corporate conduct with good corporate governance policies and practices in ensuring the sustainability of the organisation and safeguarding the interests of the shareholders and maximising long-term stakeholder value.

The Board oversee the overall strategic and operational business performance. The Audit and Risk Management Committee ("ARMC") was established to assist the Board in discharging its functions in relation to internal control, risk management, compliance with applicable laws and regulations, as well as reviewing internal policies and procedures relating to financial matters. Together, they are entrusted to further fortify the levels of accountability and integrity in M K Land Group.

The Board considers that the Group has complied substantially with the principles and guidance as stipulated in the MCCG throughout the FY2021. The Board will endeavour to improve and enhance the corporate governance practices from time to time.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Charter

The Board is guided by a Board Charter, which among others set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference ("TOR") and composition of Board Committees, and other administrative policies and procedures in relation to the operation of the Board as a whole.

The Board Charter was reviewed on 21 October 2021 to ensure it remains consistent with the Board's objective and responsibilities, and all the relevant standards of corporate governance under the MCCG The Board Charter can be found from the Company's website at www.mkland.com.my.

Roles and Responsibilities

The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management and internal control system, management information systems, shareholders communication and statutory matters; whilst Management is accountable for the execution of the expressed policies and attainment of the Group's corporate objectives. The demarcation complements and reinforces the supervisory role of the Board. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

The roles of the Executive Chairman ("Chairman") and Executive Director ("ED") are held by different individuals with clearly and distinct roles and responsibilities to ensure a balance of power and authority between the Chairman and ED. The Chairman heads the Board and is responsible for ensuring the effectiveness of the Board. The ED oversees corporate matters and risk management of the Group and the day-to-day business operations and the implementation of the Board's decisions.

The details of the roles and responsibilities of the Chairman and ED are clearly stated in the Board Charter of the Company.

The Board has established policies determining which issues are delegated to the Board Committees or Management, subject to variation from time to time as determined by the Board.

Overseeing the Conduct of Businesses of the M K Land Holdings Berhad Group

The Board delegated the Group's executive responsibilities of the day-to-day business operations to the ED so that the Board can focus on strategy, governance and compliance matters. Management personnel are delegated with specific roles and functions to respective projects and/or tasks. Plans and operating procedures are in place for each function to ensure continuity and smooth business operations of M K Land Group. Performance of the Group in each business unit is reviewed and variance analysis is conducted and reported at the quarterly Board Meetings. Management prepares the budget annually and also draw up business plans for each financial year. The Group's budget and business plans for the next financial year had been tabled to the Board for deliberation and approval in June 2021.

Board Committees

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Board Committees as follows:

(a) ARMC;
(b) Nomination Committee ("NC"); and
(c) Remuneration Committee ("RC").

Each Board Committee operates within clearly defined TOR and the details of which could be found in the Company's website. The Board noted the decisions, recommendations and issues deliberated by the Board Committees through the report from the Chairman of the respective Board Committees and the minutes of these Board Committees tabled to the Board. The composition and key functions of the Board Committees are summarised as follows:

(a) ARMC

The ARMC, comprising wholly Independent Non-Executive Directors ("INEDs"), is responsible to assist in providing oversight on the Group's financial reporting, corporate disclosures, regulatory compliance, risk management and monitoring of internal control processes within the Group. The ARMC reviews the quarterly results, unaudited and audited financial statements, internal and external audit reports, related party transaction as well as risk management, Anti Bribery and Corruption Policy and Whistle Blower Policy.

(b) NC

The NC consists exclusively of INEDs. The key functions of the NC include nomination of new Directors and Key Management for Grade BA3 ("Key Management") annual review on the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment on the effectiveness of the Board, the Board Committees as a whole and the Key Management, and the contribution of each individual Director as well as to identify candidates to fill Board and Key Management vacancies, and nominating them for approval by the Board.

(c) RC

The RC, which comprises entirely of INED, is primarily responsible for recommending to the Board the remuneration of Chairman, ED and Key Management, drawing external advice, if necessary.

Support Services

The Board is supported by the Company Secretaries, who are qualified under the Companies Act 2016. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and efficiently in accordance with the Board Charter and TORs respectively and best practices and ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

The Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

The Board also has access to the advices of the External Auditors, independent professional Internal Auditors of the Company and any other independent professional advisers, at the Company's expense.

Independent Directors

The INEDs are independent of management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent judgment. These will ensure unbiased and independent view in the decision-making process.

To reinforce independence, the INEDs do not receive performance based remuneration.

For FY2021, the NC reviewed and assessed the performance and independence of all the INEDs, including Ms Anita Chew Cheng Im ("Ms Anita Chew") and Pn Hjh Juliana Heather binti Ismail ("Pn Hjh Juliana"), who have served the Board for a cumulative

CORPORATE GOVERNANCE OVERVIEW STATEMENT

term of more than nine (9) years, based on the criteria as set out in Paragraph 1.01 of the MMLR. The Board had considered and was satisfied with the assessments carried out by the NC.

The revised MCCG recommends that the tenure of an Independent Director of the Company not to exceed a term limit of nine (9) years. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board shall seek shareholders' approval to enable Ms Anita Chew and Pn Hjh Juliana to continue to serve as Independent Directors at the 42nd Annual General Meeting ("AGM") based on the justifications as set out below:

(a) They have fulfilled the criteria under the definition of Independent Director as stated in the MMLR and will thus be able to function as a check and balance, and bring an element of objectivity to the Board.

(b) They have vast experience in the Corporate Finance and Human Resource, respectively which will enhance the Board's diverse set of experience, expertise and independent judgement.

(c) They have been with the Company for a cumulative term of more than nine years and has good knowledge of the Company's business operations and the property development market.

(d) They have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.

(e) They have exercised due care during their tenure as INED of the Company and carried out their professional duties in the best interest of the Company and shareholders.

Board Meetings

In order to discharge its responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters which requires Board's review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

Prior to the Board Meeting, the Directors will be provided with the relevant agenda and Board papers at least five (5) business days' notice to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers provide, among others, the minutes of preceding meetings of the Board and Board Committees, summary of dealing in securities in the Company by the directors or affected persons and Directors' circular resolutions, reports on the Group's financial statements, operations, and any relevant corporate developments and proposals.

In addition, there is a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Group. The Board will ensure that the strategic plans of the Group supports long term value creation, including strategies on economic, underpinning sustainability as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and any new major ventures.

During the FY2021, a total of nine (9) Board meetings and ten (10) Board Committees' meetings were held as follows:

	Attendance in meeting				
	BODM	**ARMC**	**NC**	**RC**	**AGM**
Hjh. Felina Bin Tan Sri Datuk (Dr.) Hj. Mustapha Kamal	9/9				1
Lau Shu Chuan	9/9				1
Hjh. Juliana Heather Binti Ismail	9/9	5/5	2/2	2/2	1
Anita Chew Cheng Im	9/9	5/5	2/2	2/2	1
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	9/9	5/5	2/2	2/2	1
Yeong Weng Cheong (appointed 02 February 2021)	3/3				

Management was invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration.

Directors' Training
Directors' Training is important to equip the Directors with the knowledge to discharge their duties more effectively.

The Directors shall attend relevant training programmes conducted by external experts and in addition to this, internal management shall, from time to time, provide updates regarding any latest amendments pertaining to the MMLR and statutory provisions or new regulations and accounting standards imposed by the relevant authorities.

Annually, an In-house Directors' Training will be organised after the training need of the Directors have been reviewed by the Board where the Board would consider whether the training should cover topic on regulatory updates, finance, accounting, taxation, risk management or corporate governance.

The training(s) attended by the Directors during the financial year under review were as follows:

Director	Course
Hjh. Felina Bin Tan Sri Datuk (Dr.) Hj. Mustapha Kamal	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021
Lau Shu Chuan	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021
Hjh. Juliana Heather Binti Ismail	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021
Anita Chew Cheng Im	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021
Yeong Weng Cheong	Mandatory Accreditation Program for Directors of Public Listed Companies
	Strengthening Your Corporate Values - ESG Adoption and Highlights of MCCG 2021

Sustainability
In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholder's value alone, and the needs and interests of other stakeholders must be taken into consideration.

More information is provided in the Sustainability Statement on pages 17 to 29 of this Annual Report.

Code of Conduct
The Company had on 24 September 2021 reviewed the Code of Conduct for Directors and Senior Management relating to ethical practices and to be in line with the anti-bribery and corruption framework that has been established for the Group. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the discharge of their duties and responsibilities throughout the organisation.

The Board will periodically review the Code of Conduct and the same is available on the Company's website at www.mkland.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Whistle-blowing policy
The Group acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistle Blower Policy which serves as a channel in relation to whistle-blowing at the work place to enable employees and third parties to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis without fear of any form of victimization, harassment, retribution or retaliation.

Employees also can freely access to the Senior Independent Director and/or the Head of Human Resources of the Company and may raise concerns of non-compliance to them.

The Whistle Blower Policy, underlining its protection and reporting channels, is available on the Company's website at www.mkland.com.my.

II. BOARD COMPOSITION

Composition of the Board of Directors
The Board's composition is well balanced with one Executive Chairman, one ED, three INEDs and one Non-Executive Non-Independent Director. The Company is led and controlled by an experienced Board made up of professionals and entrepreneurs who have a diverse range of business, financial and technical skills and experience. The profiles of the Directors are set out in pages 6 to 9 of this Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR which requires at least one-third of its members to be Independent Directors.

The Board noted that Practices 5.2 and 5.3 of the MCCG has recommended for at least half of the Board members to be Independent Directors and the tenure of an independent director does not exceed a term limit of nine (9) years. Based on the review of the Board's composition and assessment of individual Directors, the Board is satisfied that the current INEDs are able to exercise independent and objective judgement and act in the best interest of the Company.

Activities of the NC
The NC reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors and the Key Management of the Group. The evaluation involves individual Directors, Committee members and Key Management of the Group completing separate evaluation questionnaires regarding the processes of the Board and Board Committees. The criteria for the evaluation are guided by the Corporate Governance Guide – 3rd Edition issued by Bursa Securities. The evaluation process also includes a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board meeting held thereafter. All assessments and evaluations carried out by the NC in the discharge of its duties are properly documented.

Pursuant to Paragraphs 15.08A and 15.20 of the MMLR, the activities of the NC in respect of the FY2021 were summarised as stated below:

- reviewed the appointment of new Director;
- reviewed and assessed the mix of skills, independence, expertise, composition, size, diversity and experience to meet the needs of the Board;
- reviewed and assessed the performance of each individual Director; the independence of the Independent Directors; the effectiveness of the Board the Board Committees and the Group's Key Management;
- recommending Directors who are retiring and being eligible for re-election;
- reviewed the performance of the ARMC and its members; and
- reviewed the revised TOR of NC, Directors Diversity Policy, Directors Independence Policy, Directors Assessment Policy and Board and Key Management Working Diversity Policy.

Boardroom Diversity
The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision making in the fast-changing business environment. The Company does not practise any gender biasness. Any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity.

III. REMUNERATION

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration the function, workload and responsibilities.

The RC reviews and recommends to the Board on the remuneration of Chairman, ED and the Key Management of the Group pursuant to their contract of service. The remuneration of Chairman, ED and the Key Management of the Group comprises basic salary and other customary benefits made available by the Group. The Board has approved the remuneration of Chairman, ED and the Key Management of the Group after taking into account the comparable market rates and their individual performance.

The Non-Executive Directors' remuneration comprising Directors' fees and benefits such as meeting allowances which are linked to their expected roles and level of responsibilities will be approved by shareholders of the Company at each AGM.

As for the other Senior Management personnel, at the stage of recruitment, their salaries and benefits were agreed upon before engagements were formalised. The salaries and benefits take into consideration the complexities of the works, qualification and experience and also other factors. As these Senior Management personnel work closely with the Deputy Chief Operating Officer ("DCOO"), their salaries and bonuses were reviewed and recommended by the DCOO after the annual performance appraisal exercise of the Group.

The RC had two (2) meetings during the financial year under review. All members of the RC attended the said meetings.

At the forthcoming 42nd AGM, the Board shall seek shareholders' approval for Directors' fees and benefits for the period from 8 December 2021 until the next AGM to be held in 2022. The payment of the Directors' fees and benefits will only be made after the proposed resolutions are passed at the forthcoming 42nd AGM.

The detailed disclosure on named basis of the remuneration of the individual Directors is set out in Practice 7.1 of the Corporate Governance Report.

The list of the Senior Management personnel is disclosed on page 10 of this Annual Report. Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group. The Board decided not to disclose on a named basis the top five Senior Management's remuneration in bands of RM50,000 in order to allay valid concerns of intrusion on staff confidentiality as well as maintaining the Company's ability to retain talented Senior Management in view of the competitive employment environment, in particular, the Group's property business.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC
The ARMC of the Company comprises three members, all of whom are INED. The members are as follows:

Anita Chew Cheng Im	Chairman, INED
Hjh. Juliana Heather Binti Ismail	Member, Senior INED
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	Member, INED

The Chairman of the ARMC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the ARMC are set out in its TOR and a copy is available on the Company's website at www.mkland.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The members of the ARMC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the ARMC. In addition, the ARMC members are literate in financials and are able to understand, analyse and challenge matters under purview of the ARMC including the financial reporting process.

The Board is assisted by the ARMC to among others, oversee the Group's and Company's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act 2016 ("CA 2016") and the applicable Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards in Malaysia ("IFRS").

In presenting the annual audited consolidated financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the ARMC for Board's approval are prepared in accordance with the provisions of the CA 2016, the applicable MFRSs and IFRSs so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company. In addition, the ARMC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group's accounting and financial reporting process, the ARMC is also responsible to review the scope, performance, independence and objectivity of the external auditors. Other responsibilities include overseeing and monitoring the Group's internal audit functions, reviews related party transactions (if any), risk management activities and other activities including governance matters. A full ARMC Report detailing its composition and a summary of activities during the financial year under review is set out in pages 40 to 43 of this Annual Report.

The performance of the ARMC is reviewed annually by the NC. The evaluation covered areas such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of ARMC meetings.

Based on the evaluation, the NC concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during FY2021.

Assessment of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the ARMC. Under the existing practice, the ARMC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and findings on the Company's annual financial statements. In addition, the ARMC will also have private meetings with the External Auditors without the presence of the Management to enable exchange of views on issues requiring attention.

The ARMC had on 8 October 2018 adopted an External Auditors Policy ("EA Policy") which outlines the policies and procedures for the ARMC to govern the assessment and to monitor the External Auditors. The EA Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the ED or ARMC for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. In addition, the EA policy also includes a requirement for a former audit partner to observe a cooling-off period for at least two (2) years before they can be considered for appointment as a member of the ARMC.

The Board has delegated to the ARMC to perform annual assessment on the quality of audit which covers the performance and suitability of the External Auditors and their independence, objectivity and professionalism. The areas of assessment include among others, the External Auditors' competency, audit procedures, experience of audit team, audit scope, audit communication with Management, audit governance and independence, as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the year.

To support ARMC's assessment of their independence, the External Auditors are required to declare their independence annually to the Audit Committee as specified in the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided their independence declaration in their annual audit plan as presented to the ARMC.

The ARMC also ensures that the External Auditors are independent of the activities they audit and reviews the provision of non-audit services provided by the External Auditors. The recurring non-audit services were in respect of tax compliance and the annual review of the Statement on Risk Management and Internal Control.

During the financial year under review, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for FY2021 were as follows:

	Company		Group	
	FY2021 RM'000	**FY2020 RM'000**	**FY2021 RM'000**	**FY2020 RM'000**
Statutory audit fees paid/payable to:				
• BDO PLT	90	90	350	350
• Affiliation of BDO Malaysia	-	-	-	-
Non-audit fee paid/payable to:				
• BDO PLT	10	10	10	10
• Affiliation of BDO Malaysia	-	-	-	-
Total	**100**	**100**	**360**	**360**

In considering the nature and scope of non-audit fees, the ARMC was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

Upon completion of the assessment, the ARMC will make recommendation for the re-appointment of the External Auditors to the Board. The Board upon acceptance of the recommendation, will then seek approval from the shareholders on the re-appointment of the External Auditors at the AGM.

Internal Control and Risk Management

The Board acknowledges their responsibility to maintain a sound system of internal control, covering not only financial controls but also operational and compliance as well as risk management. The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

During FY2021, the Directors continued to review the effectiveness of our system of internal control and risk management. These reviews included an assessment of the Group's internal controls such as financial, operation and compliance controls; risk management framework and their effectiveness; management assurance and the maintenance of control reports from the Internal Auditors on matters identified during the course of their audit reviews.

The details of the Enterprise Risk Management ("ERM") and the Corruption Risk Management framework are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

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

Communication with Stakeholders

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position. The provision of timely information is important to the shareholders and investors for informed decision making. However, whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Currently, the Company's various channels of communications are through the quarterly announcements of financial results to Bursa Securities, relevant corporate announcements and circulars, general meetings of shareholders and the Company's website at www.mkland.com.my where shareholders can have easy access to the Company's corporate information such as the Board Charter, TOR of the Board Committees, Company Policies, press releases, financial information, Company's announcements and others.

The above channels of communication will help to enhance stakeholders' understanding of the Group's businesses and operations, and to make informed investment decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Conduct of General Meetings
The Company's AGM remains the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for an effective communication with and to receive constructive feedback from the shareholders. At each AGM, the Board presents the progress and performance of the Group's businesses and shareholders are encouraged to participate in the proceedings and the question and answer session and thereafter to vote on all resolutions. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman of the Company and Chairman of the Board Committees, ED as well as the DCOO are present to respond to shareholders' questions, if required, at the AGM. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least 28 days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Poll Voting
All the resolutions passed by the shareholders at the 41st AGM conducted on a virtual basis through live streaming from the broadcast venue held on 8 December 2020, were voted by way of a poll in accordance with the Paragraph 8.29A(1) of the MMLR. The poll was conducted through the online remote voting using Remote Participation and Voting Facilities ("RPV") provided by the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd.

In order to curb the COVID-19 pandemic, and prioritizing on safety, the Board has decided to conduct the 42nd AGM of the Company entirely on a fully virtual basis through the online meeting platform of TIIH Online website provided by Tricor Investor & Issuing House Services Sdn Bhd, which will provide a more efficient and accurate outcome of the results.

Corporate Disclosure Policy
To ensure timely and high quality disclosure, Company Disclosure Policy and Procedures are in place where policies, authority chart, procedures and processes are clearly defined.

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group. Such information is communicated to shareholders and investors through various disclosures and announcements to the Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

In compliance with the MMLR of Bursa Securities, all announcements made by the Company to Bursa Securities such as the Group's quarterly financial results, annual reports and other mandatory announcements are made available on the Company's website at www.mkland.com.my.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 21 October 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. **Compliance with the Code**
   The Board considers that the Group has complied substantially with the principles and practices as recommended in the MCCG throughout the FY2021. The Board will endeavour to improve and enhance the adoption of the corporate governance practices from time to time.

2. **Corporate Social Responsibility**

   Apart from building a sustainable business, the Group has always embraced the role as a responsible corporate citizen by making positive impacts in the community it is operating within. These Corporate Social Responsibility (CSR) initiatives were even more vital as the coronavirus situation became more rampant throughout this financial period under review. As a response, assistance in the form of food banks and food packages were actioned out, with the necessary pandemic safety protocols.

The food banks were set up at several subsidiaries where it consisted of basic food items and other non-perishable goods as means of providing immediate relief for the staff and the surrounding community. As fasting month also occurred during the early months of the year, break fasting meals were provided to Rumah Amal Cahaya Kasih Bestari, Rumah Kebajikan Anak-Anak Yatim Damai Kuang and to Rumah PDK Langkawi. Through several of our subsidiaries, the Group also joined hands to carry out the “Program Bubur Lambuk’ in Selangor and Langkawi. By caring for communities in need, allows for regular engagements can build lasting relationships that are mutually beneficial for all.

Food packages were distributed to members of frontliners and essential workers as a gesture of admiration of their dedication as well as appreciation for their incredible service to keep us all safe.

3. **Workplace Diversity**
The Board and Management are committed to embracing diversity at the workplace and providing equal employment opportunities to all employees, regardless of their age, gender and ethnicity.

The workplace diversity as at 30 June 2021 was summarized as follows:

Race/ethnic	**Malay**	**Chinese**	**Indian**	**Others**
Male	275	6	14	6
Female	173	6	6	1
Total	**448**	**12**	**20**	**7**

Age Group	**No. of employee**
Below 30 years old	125
Between 31 to 50 years old	272
Above 50 years old	90
Total	487

4. **Utilisation of Proceeds Raised from Corporate Proposal**
There was no corporate proposal to raise funds during the FY2021.

5. **Material Contracts**
There were no material contracts entered into by the Company and its subsidiaries involving the Directors’ and major shareholders’ interests, either subsisting at the end of the FY2021 or entered into from the end of the previous financial year.

6. **Recurrent Related Party Transaction (“RRPT”)**
There was no RRPT entered into by the Group during the FY2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("the Board") of M K Land Holdings Berhad ("M K Land" or "the Company") is pleased to present the Audit and Risk Management Committee Report for the financial year ended 30 June 2021.

MEMBERSHIP

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-Executive Directors, namely:

MS ANITA CHEW CHENG IM ("MS ANITA CHEW")
(Chairman, Independent Non-Executive Director)

YBHG. DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA
(Member, Independent Non-Executive Director)

PN HJH JULIANA HEATHER BINTI ISMAIL
(Member, Senior Independent Non-Executive Director)

MEETINGS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 30 June 2021, five (5) ARMC meetings were held and the details of the attendance of each member of the Committee are tabulated below:

Name	No. of Meetings Attendance
Ms Anita Chew Cheng Im ("Chairman")	5/5
YBhg. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	5/5
Pn Hjh Juliana Heather Binti Ismail	5/5

The above ARMC meetings were held without the presence of the Company's Executive Chairman, Executive Director, Non-Independent Non-Executive Director and Management of the Company, except when the ARMC requested for their attendance. The Executive Director was only invited to attend the ARMC meetings on specific agenda items to provide his input and advice as well as to provide clarification on the quarterly result, audit issues and Group's operations. Where necessary, the relevant Management staff were invited to brief the ARMC on specific issues or on any matters of interest.

Subsequent to the ARMC meetings, the ARMC Chairman briefed the Board on matters discussed and deliberated at the ARMC meetings. The ARMC Chairman also conveyed to the Board matters of significant concerns as and when raised by the external auditors or the internal auditors.

The Terms of Reference of the ARMC is made available on the corporate website at www.mkland.com.my.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC's work during FY2021 comprised the following:

(1) Financial Reporting

In complying with Bursa Malaysia Securities Berhad's ("Bursa Securities") disclosure requirements on financial reporting, the ARMC reviewed the audited financial statements for the financial year ended 30 June 2021 ("FY2021") at the ARMC Meeting held on 20 October 2021 and reviewed the four (4) quarterly reports for the financial year under review at its meetings held on 25 November 2020, 3 March 2021, 25 May 2021 and 24 September 2021.

In reviewing the quarterly reports, the ARMC has ensured that the quarterly financial statements were prepared in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Accounting Standard ("IAS") 34 Interim Financial Reporting and paragraph 9.22, including Appendix 9B of the Main Market Listing Requirements of Bursa Securities ("MMLR").

The annual audited financial statements for FY2021 had been reviewed and discussed with the external auditors on 20 October 2021 before putting forward to the Board for approval on 21 October 2021. The audited financial statements were prepared in compliance with its accounting policies, applicable accounting standards and the MMLR.

The ARMC also emphasised the adoption of best practices set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Statement on Risk Management and Internal Control, besides complying the requirements of the MMLR and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

(2) External Auditors

During the financial year under review, the ARMC assessed the independence and suitability of the external auditors, namely BDO PLT ("BDO" or "the External Auditors") as follows:

- Assessed the competency and audit quality including BDO's audit performance, communications with ARMC, its objectivity and professionalism
- Reviewed the non-audit services provided by BDO; and
- Reviewed the assurance given by BDO confirming their independence throughout the financial year under review.

The ARMC having been satisfied with BDO's performance, competency, objectivity and audit independence, has recommended to the Board for the re-appointment of BDO as the External Auditors of the Company for the financial year ending 30 June 2022. The audit team was headed by Mr Law Kian Huat, Audit Partner of BDO.

For the financial year under review, BDO confirmed that they were not aware of any relationships or matter that, in their professional judgement, might reasonably be thought to bear on their independence. In respect of the audit of the financial statements of M K Land Group for the FY2021, BDO had declared their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Ethics) of the Malaysian Institute of Accountants' and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including international independence standards).

BDO would communicate any significant accounting, audit, internal control or other related matters that arise from the audit of the financial statements to the Board through the ARMC, in accordance with the principles enunciated in the International Standard on Auditing ("ISA") 260 (Revised) – "Communication with Those Charged with Governance" and ISA 265 – "Communicating Deficiencies in Internal Control to Those Charged with Governance and Management".

On 25 May 2021, the ARMC reviewed and approved the audit planning memorandum for the FY2021. The audit planning placed emphasis, among others, on material contingent tax liabilities and litigations, property development revenue and profit recognition and costs to completion, and impairment of trade receivables. The ARMC was informed that there were no related party transactions or conflict of interest situations during the financial year under review.

The ARMC had two (2) private meetings with BDO without the presence of the management on 21 August 2020 and 25 May 2021. The Chairman of the ARMC had conveyed to the management, the issues raised by BDO in relation to improvements to the administration and finance function, tax planning, internal controls, human resource requirements in the finance department and financial reporting. The management has given their assurance that the above matters will be addressed and adhered to.

3) Internal Audit

During the financial year under review, the Internal Auditors conducted a series of audit assignments and the internal audit reports were presented at the ARMC meetings. The internal audit assignments are designed to review and assess that the procedures, systems and controls put in place are adequate and effective to meet the requirements of the:

a) applicable laws, regulations, policies and standard operating procedures;
b) reliability and integrity of information;
c) safeguarding of assets; and
d) operational effectiveness.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Amongst the audit assignments carried out by the Internal Auditor during the financial year under review were:

Topic	Description	Recommendation
Review on the adequacy and completeness of insurance coverage;	The report reviewed the internal control system of the following processes: • Risk management pertinent to insurance coverage; • Insurance strategy and arrangement for value for money insurance coverage; and • Insurance policies review and renewal process	The Internal Auditors (IA) highlighted that critical process risks have been identified and relevant control activities have also been implemented accordingly. However, the IA recommended some improvements in regards to the process of claims.
Highlights on the Thematic Review Findings and Key Takeaways on the Effectiveness of Internal Audit function; and	The snapshot of the status of the Internal Audit function are briefly categories as: 1. Adoption of a recognised Internal Audit framework 2. Independence and objectivity 3. Planning the audit 4. Effectiveness of Internal Audit function 5. Resource management 6. Communication audit results 7. Monitoring progress	The IA recommended some measures to enhance the Internal Audit function.
Review on the payment process of Segi Objektif (M) Sdn. Bhd.	The Internal Audit reported their finding for utilities, general upkeep and maintenance at Technical, Bukit Merah Laketown Resort and Finance, Damansara Perdana and salaries and wages at Human Resources, Damansara Perdana.	The Internal Audit highlighted that critical process risks have been identified and relevant control activities have also been implemented accordingly. While the payment processing for payroll is effective, some improvements were recommended in relation to payment processing and general upkeep and maintenance of Segi Objektif (M) Sdn. Bhd.

The ARMC reviewed the above internal audit reports which include the internal audit findings and recommendations for improvements, and to ensure that appropriate corrective actions had been taken by the Management on a timely manner.

During the financial year under review, the ARMC also reviewed the internal audit plan, its scope of work and the budget allocated for the internal audit function.

4) Internal Audit Function

The Group's Internal Audit Function is being carried out by an independent external firm, namely NGL Tricor Governance Sdn. Bhd. (July 2020 to November 2020) and thereafter Tricor Axcelasia Sdn. Bhd (December 2020 to present) ("the Internal Auditors") which is headed by its Director, Mr Chang Ming Chew, who is a Certified Internal Auditor; and a Member of the Institute of Internal Auditors Malaysia. The Internal Auditors would audit their respective audit areas as contained in the Internal Audit Plan, and report directly to the ARMC. The approved annual Internal Audit Plan is designed to cover critical areas of operations within the Group.

The principal role of the Internal Auditors is to provide assurance to the ARMC on the effectiveness and integrity of the internal control system and risk management framework with the Group's established policies and procedures.

The ARMC has reviewed the performance, competency and resources of the Internal Auditors, Tricor Axcelasia Sdn. Bhd. and is of the view that they have the required expertise and professionalism to discharge their duties.

The cost incurred for the internal audit function of the Group for the FY2021 was approximately RM216,975.94 (2020: RM233,336.54).

5) Risk Management

The Risk Management Working Committee ("RMWC") facilitates discussions on risk awareness with the management teams. The management of the respective business segments, together with the Head of Departments will identify, assess and monitor their key business risks to safeguard the Group's assets.

During the financial year under review, an independent external firm, NGL Tricor Governance Sdn. Bhd. (July 2019 to August 2020) and thereafter Cirrus Consulting Sdn. Bhd. (September 2020 to present), was engaged to assist the RMWC in reviewing, identifying new or potential risks, and updating the risk profile of the Company. An Enterprise-wide Risk Management framework has been established by the independent external firm, so that an effective and systematic risk identification and risk management process could be implemented.

During the financial year under review, the business risk profile reports for the following entities were evaluated by the Risk Management Department and presented to the ARMC for approval:

1) Report on Risk and Control Environment Assessment from NGL Tricor Governance Sdn Bhd

   - The assessment covered general uprising concerns such as changes in business landscape, political situation and regulatory environment, challenges in socio-economic situation, market competition and changes in customer preferences; as well as matters relating to compliance, financial and operations.

2) Report on the Group Risk Profile – Enterprise-wide Risk Management for Property Business ("ERM Report")

   - The ERM Report provided an update on the Company's Key Risk Profile, along with Risk Management Methodology and Risk Parameters of the property segment. Among others, it also covers the Group's Business Strategic Direction Risk, Project Management Risk and Key Risks sorted by Gross Rating and Nett Rating.

6) Related Party Transactions

In accordance with Paragraph 10.08 of the MMLR, the ARMC reviewed and noted that there were no related party transactions or any conflict of interest situations that may arise within the Group including any transaction, procedure or course that raises questions of management integrity to the Board.

7) Statement on Risk Management and Internal Control

The ARMC has reviewed the Statement on Risk Management and Internal Controls and made recommendations to the Board for inclusion in the 2021 Annual Report.

In addition, the Chairman and members of ARMC have also engaged continuously with the other Board members and the management of the Group in order to be kept informed of the Group's operations.

This statement is made in accordance with the resolution of the Board of Directors dated 21 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of M K Land Holdings Berhad is committed to maintaining a sound, effective and comprehensive risk management framework and an effective internal control system throughout the Group. This is to ensure that the shareholders' investment and the Group's assets are adequately safeguarded.

This Statement on Risk Management and Internal Control ("Statement") is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practice 10.1 of the Malaysian Code on Corporate Governance ("MCCG") which was revised on 28 April 2021.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its responsibility to establish an acceptable risk management framework and a sound internal control system for the Group. This responsibility is being further enhanced by continuous efforts in establishing an appropriate control environment and framework which is systematically reviewed with regards to its adequacy, integrity and improvement. Nonetheless, the internal control measures are designed to manage instead of eliminating the risks of failure to achieve the business objectives. Thus, such risk management and system of internal control can only provide reasonable and not absolute assurance against any material loss or failure.

The Board maintains its responsibility for the Group's risk management and internal control system. However, the Management has been empowered to ensure proper management of operations and business risks which include identification, evaluation and periodical review of the Group's risk profile. The Management is also being entrusted to ensure that a sound internal control system is being adhered to by all the subsidiary companies of the Group.

In order to provide assurance that all material risks are within the acceptable Group's risk appetite, the Management with the assistance of the Risk Management Department conducts periodical review on the risks identified in the risk profile, and recommends mitigation measures to manage those risks in order to mitigate the impact on the Group's business and operations.

In addition, in order to ensure a sound internal control is implemented by the Group, the Management with the assistance of the independent internal audit firm also conducts periodical review on all weaknesses identified and provides recommendations to avoid recurrence of shortcomings. Proper and timely follow-ups are carried out to ensure corrective actions are taken to resolve all issues highlighted during the audit review.

The Board has received assurance from the Deputy Chief Operating Officer and Financial Controller that the Group's risk management and internal control system are operating adequately and effectively.

PLANNING, MONITORING AND REPORTING

All Heads of Department are required to prepare their business plans and budgets on an annual basis and after discussing with the Senior Management team, the business plans and budgets are presented to the Board for deliberation and approval.

Once approved, the annual budget will be implemented accordingly towards achieving the Group's targets.

The Group's performance is systematically reviewed at each quarter of the financial year. To ensure proper review, the Board is provided with sufficient information pertaining to the actual performance of each segment against the approved budget.

In addition, the Risk Management Report and the Internal Audit Report are also presented to the Board for deliberation on a quarterly basis.

POLICIES

The Group's internal policies are properly documented to ensure compliance with the internal controls, prevailing laws, rules and regulations. The Board has reviewed and approved the 'Anti-Bribery and Corruption Policy' which provides adequate procedures in relation to the appropriate actions to be taken. The Group has adopted the Anti-Bribery and Corruption Policy in view of the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which became effective on 1 June 2020.

In ensuring the relevancy of the policies, such policies shall be reviewed annually or as and when necessary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The internal controls function of the Group is reviewed and assessed by NGL Tricor Governance Sdn. Bhd. (July 2020 to November 2020) and Tricor Axcelasia Sdn. Bhd. (December 2020 to present), an independent internal audit firm (“Internal Auditors”), led by a Member of The Institute of Internal Auditors Malaysia (“IIAM”). The Internal Auditors conduct periodic audits with emphasis on risk-based areas, where weaknesses highlighted were rectified, and reports directly to the Audit and Risk Management Committee (“ARMC”) on a quarterly basis.

Some of the audit assignments carried out during the year under review is elaborated in the Audit and Risk Management Committee Report.

The Internal Auditors prepares an Annual Internal Audit Plan (“Audit Plan”) which consist of selected areas to be reviewed during the financial year. The areas were selected with reference to the risk profile, annual budget and any key concern of the management. The Audit Plan is deliberated and approved by the ARMC after taking into consideration the feedback from the management.

Once approved by the ARMC, the Internal Auditor reviews will be conducted by the Internal Auditors. From the internal audit reviews, the Internal Auditors highlight the findings on the effectiveness and adequacy of the internal control processes.

Findings from the internal audit reviews are discussed with the management, and the management’s responses and the Internal Auditors’ recommendations are incorporated in the Internal Audit Reports and presented to the ARMC on a quarterly basis. The audit activities conducted by the Internal Auditors during the financial year under review are discussed in the Audit Committee Report.

The ARMC takes note of the results of the internal audit reviews together with its recommendations and improvements to the system of internal control which are also shared with the management. These are monitored and updated on a quarterly basis.

RISK MANAGEMENT

The Board supports the guidelines as spelt out in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and confirms that there is an on-going process of identifying, evaluating and managing all significant risks faced by the Group.

The Board regards risk management as an integral part of the Group’s business and operation and oversees over the risk management via the ARMC. The ARMC is supported by the Risk Management Working Committee (“RMWC”) which was setup to coordinate the implementation of an enterprise-wide risk management program within the Group. The Risk Management Framework principally is aligned with ISO 31000:2009.

The RMWC, with assistance of NGL Tricor Governance Sdn. Bhd. (July 2019 to August 2020) and thereafter Cirrus Consulting Sdn. Bhd. (September 2020 to present), both are independent external firm, works closely with the Group’s operational managers to continuously evaluate, review and monitor all identified risks through a formalized risk management framework.

The Board believes that the function of a sound system of internal control and risk management policies, is built on a clear understanding and appreciation of the Group’s risk management framework with the following key elements:

- Effective and efficient risk management processes contribute to good corporate governance and are integral to the achievement of business objectives;
- Risk management is embedded into the day-to-day management processes and is extensively applied in decision making and strategic planning;
- Risk management processes take advantage of opportunities, manage uncertainties and minimize threats; and
- Regular reporting and monitoring promote a sense of accountability and responsibility in managing risks and crisis.

The top 6 key risks identified during the financial year and the risk descriptions are tabulated below:

Nature	**Description of Risks**
Escalating cost of construction / building materials	• Rising construction material cost – main materials include cement, iron, steel, concrete, etc. Some of these globally traded materials are commodities and its availability does fluctuate, resulting in fluctuation of its prices.
Changes in customer preferences affecting property demands	• Changing customer tastes / preferences over time

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Nature	Description of Risks
Corruption risk	• Corruption refers to any abuse of entrusted power for personal gain. In its wider sense, corruption includes bribery, extortion, fraud, cartels, abuse of power, embezzlement, and money laundering. It constitutes criminal offences in most jurisdictions with illegal profits to individuals / entities as their objectives. • Bribery refers to any activity which an employee's offer, give, solicit or accepts of an undue advantage of any value (which could be financial or non-financial), directly or indirectly and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person for acting or refraining from acting in relation to objectivity and performance of that person's duties.
Inability to sell developing units	• Inability to sell developing units at the desired value.
Delay in delivery of property	• Completed units are not handed over to buyers in accordance with the timing as stipulated in the Sales and Purchase agreement.
Epidemic / Pandemic Risk	• Epidemic: An outbreak of disease that cause increasing number of affected peoples in communities at a short period; and • Pandemic: Epidemic continue spreading over several countries or continents, affecting more people.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Board has implemented an organizational structure, which defines the lines of authority, accountability and responsibility across the Group.

The Group's risk management and internal control system are further enhanced by the following:

- Clear defined objectives and terms of reference of Board Committees as established by the Board;
- Internal control procedures as set out in the M K Land Holdings Berhad's Standard Operating Procedures ("SOP") for key operating units are adopted by the Group. The Group's corporate values, which emphasizes on team work and ethical behavior, have been communicated to all staff within the Group;
- A budgetary control system is in place where annual budgets are prepared by the respective operating units which are approved by the Board. Reviews of actual performance against budgets are regularly carried out, and the review encompasses both financial and non-financial key performance indicators;
- Regular financial and management information showing actual results against budgets are presented to the Board on a quarterly basis; and
- The Group on an ongoing basis, compiles, reviews and updates the SOP, which involves key processes relating to its operations.

EMPLOYEES' COMPETENCY

Training and development programmes are conducted to ensure that employees are equipped with the necessary knowledge, skills and competency required for them to perform effectively.

REVIEW BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control as required under paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

The External Auditors have reported to the Board that nothing has come to their attention which has caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

STATE OF INTERNAL CONTROL DURING THE PERIOD UNDER REVIEW

The Board is of the view that the system of internal control and risk management in place for the financial year, is sound and sufficient to safeguard the Group's assets and shareholders' investments. The Board continues to take pertinent measures where required, to enhance the Group's system of internal control and risk management.

This statement is made in accordance with the resolution of the Board of Directors dated 21 October 2021.

FINANCIAL STATEMENTS

Residensi Suasana@Damai, Damansara Damai

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	19,415	3,395
Attributable to:		
Owners of the parent	20,351	3,395
Non-controlling interest	(936)	-
	19,415	3,395

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

As at 30 June 2021, the Company held as treasury shares a total of 2,672,000 of its 1,207,262,000 issued ordinary shares. Such treasury shares, in accordance with the Companies Act 2016, are held at a carrying amount of RM1,904,000 and further relevant details are disclosed in Note 26(b) to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 29 November 2002. As at the end of the reporting period and at the date of this report, the ESOS has yet to be implemented. Accordingly, no options have been granted at the end of the reporting period.

The salient features of the ESOS are disclosed in Note 26(a) to the financial statements.

DIRECTORS

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

M K Land Holdings Berhad

Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal
Lau Shu Chuan
Anita Chew Cheng Im
Hjh Juliana Heather binti Ismail
YBhg. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
Yeong Weng Cheong (Appointed on 2 February 2021)

Subsidiaries of M K Land Holdings Berhad

Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal
Lau Shu Chuan
YBhg. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
Kamarulzaman bin Abu Bakar
Zulkipli bin Sidin
Mustafa Kamal bin Hawari
Zulkifli bin Mohd Isa
Abulais bin Walli Mohamed
Chai Ah Hin (Appointed on 10 May 2021)

DIRECTORS' INTERESTS

None of the Directors holding office at the end of the financial year held any beneficial interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 10 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company maintain Directors' and Officers' liability insurance for the purpose of Section 289 of the Companies Act 2016, which provides appropriate insurance cover for their Directors and Officers throughout the financial year.

The insurance premium paid by the Group during the financial year amounted to RM43,195.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

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

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

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

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

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

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the abilities of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The significant event subsequent to the financial year is disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 June 2021 are disclosed in Note 8 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal
Director

Lau Shu Chuan
Director

Petaling Jaya
21 October 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 57 to 130 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions 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 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal	**Lau Shu Chuan**
Director	Director

Petaling Jaya
21 October 2021

STATUTORY DECLARATION

I, Cheah Zhi Liang (CA45750), being the Officer primarily responsible for the financial management of M K Land Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya,
Selangor Darul Ehsan
on 21 October 2021

Cheah Zhi Liang

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of M K Land Holdings Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters for the Group

1. Revenue recognition for property development activities

Revenue from property development activities during the financial year as disclosed in Note 4 to the financial statements is RM173.6 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgemental in the context of contracts. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF M K LAND HOLDINGS BERHAD

Key Audit Matters for the Group (cont'd.)

1. Revenue recognition for property development activities (cont'd.)

Audit response

Our audit procedures performed included the following:

a. Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

b. Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;

c. Inspected documentation to support cost estimates made including contract variations and cost contingencies; and

d. Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

2. Legal proceedings

As disclosed in Note 32(b) to the financial statements, Saujana Triangle Sdn. Bhd. ("STSB"), a subsidiary of the Company, was served by Inland Revenue Board ("IRB") with Notices of Assessment for the years of assessments of 2009 to 2011 and 2013 for additional income taxes of RM55.7 million and tax penalties of RM25.1 million.

We determined this to be a key audit matter because it requires management to exercise significant judgement as the amounts involved are material and the determination of the amounts, if any, to be provided for such disputed liabilities are subjective.

Audit response

Our audit procedures performed included the following:

a. Discussed with management and read the legal opinions obtained from the appointed solicitors to gain an understanding of the matter;

b. Inquiry of the tax specialist in assessing the appropriateness of the tax position as stated in the legal opinions; and

c. Obtained confirmation of the status of the legal cases from the appointed solicitors.

3. Impairment of trade receivables

Gross trade receivables of the Group as at 30 June 2021 were RM86.6million and the associated impairment losses of trade receivables were RM44.0 million as disclosed in Note 20 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information, incorporating the impact of the COVID-19 pandemic.

Audit response

Our audit procedures performed included the following:

a. Assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue balances;

b. Recomputed the probability of default using historical data and forward-looking information adjustment, incorporating the impact of the COVID-19 pandemic, applied by the Group;

c. Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and

d. Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Key Audit Matters for the Company

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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 internal control of the Group and of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

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

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company 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.

(e) 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.

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

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

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

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

Other Matters

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

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Law Kian Huat
02855/06/2022 J
Chartered Accountant

Kuala Lumpur
21 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000 (Restated)
Revenue	4	185,796	201,898
Cost of sales	5	(127,365)	(114,109)
Gross profit		58,431	87,789
Other income	6	41,121	8,809
Net (loss)/gain on impairment of financial assets and contract assets		(441)	6,018
Administrative expenses		(40,163)	(48,457)
Selling and marketing expenses		(1,072)	(3,215)
Other expenses		(29,472)	(25,700)
Operating profit		28,404	25,244
Finance costs	7	(3,741)	(5,461)
Profit before tax	8	24,663	19,783
Taxation	11	(5,248)	(10,034)
Profit for the financial year		19,415	9,749
Other comprehensive income, net of tax		-	-
Total comprehensive income		19,415	9,749
Profit attributable to:			
Owners of the parent		20,351	9,947
Non-controlling interest		(936)	(198)
		19,415	9,749
Earnings per share attributable to owners of the parent			
Basic (sen)	12	1.7	0.8
Diluted (sen)	12	1.7	0.8

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000 (Restated)	2019 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	14	167,402	172,668	177,969
Investment properties	15	244,325	216,445	213,305
Inventories	17	749,878	807,090	781,923
Other investments	18	-	-	-
Deferred tax assets	19	19,475	9,491	10,049
		1,181,080	1,205,694	1,183,246
Current assets				
Inventories	17	208,477	264,401	266,679
Trade receivables	20	42,630	59,871	64,318
Other receivables	21	5,605	5,033	5,818
Contract assets	22	62,326	53,320	58,647
Tax recoverable		5,153	3,817	3,525
Other financial assets	23	4,588	6,823	33,830
Cash and bank balances	24	53,683	50,634	46,680
		382,462	443,899	479,497
Asset classified as held for sale	25	51,775	-	-
		434,237	443,899	479,497
Total assets		1,615,317	1,649,593	1,662,743
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	26	1,216,296	1,216,296	1,216,296
Treasury shares	26(b)	(1,904)	(1,904)	(1,904)
Merger deficit	26(c)	(39,441)	(39,441)	(39,441)
Retained profits		39,543	19,192	21,291
		1,214,494	1,194,143	1,196,242
Non-controlling interest		(1,122)	(186)	12
Total equity		1,213,372	1,193,957	1,196,254
Non-current liabilities				
Borrowings	27	5,371	6,083	15,973
Lease liabilities	28	205	502	418
Deferred tax liabilities	19	35,550	26,443	26,274
Long term payable	29	38,814	87,216	86,877
		79,940	120,244	129,542

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000 (Restated)	2019 RM'000 (Restated)
Current liabilities				
Trade payables	30	83,167	105,658	88,424
Other payables	31	166,648	143,616	135,447
Contract liabilities	22	36,287	31,773	67,404
Borrowings	27	25,479	44,217	32,002
Lease liabilities	28	88	181	346
Current tax liabilities		10,336	9,947	13,324
		322,005	335,392	336,947
Total liabilities		401,945	455,636	466,489
Total equity and liabilities		1,615,317	1,649,593	1,662,743

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Non-distributable		Distributable			
	Share capital RM'000 (Note 26)	Treasury shares RM'000 (Note 26(b))	Merger deficit RM'000 (Note 26(c))	Retained profits RM'000	Equity attributable to owners of the parent RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 July 2020 (as previously reported)	1,216,296	(1,904)	(39,441)	21,905	1,196,856	(186)	1,196,670
Effects on adoption of the IFRIC Agenda Decision (Note 42)	-	-	-	(2,713)	(2,713)	-	(2,713)
At 1 July 2020 (restated)	1,216,296	(1,904)	(39,441)	19,192	1,194,143	(186)	1,193,957
Profit for the financial year	-	-	-	20,351	20,351	(936)	19,415
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	20,351	20,351	(936)	19,415
At 30 June 2021	1,216,296	(1,904)	(39,441)	39,543	1,214,494	(1,122)	1,213,372
At 1 July 2019 (as previously reported)	1,216,296	(1,904)	(39,441)	23,389	1,198,340	12	1,198,352
Effects on adoption of the IFRIC Agenda Decision (Note 42)	-	-	-	(2,098)	(2,098)	-	(2,098)
At 1 July 2019 (restated)	1,216,296	(1,904)	(39,441)	21,291	1,196,242	12	1,196,254
Profit for the financial year	-	-	-	9,947	9,947	(198)	9,749
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	9,947	9,947	(198)	9,749
Transaction with owners							
Dividend paid (Note 13)	-	-	-	(12,046)	(12,046)	-	(12,046)
At 30 June 2020	1,216,296	(1,904)	(39,441)	19,192	1,194,143	(186)	1,193,957

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000 (Restated)
Cash flows from operating activities			
Profit before tax		24,663	19,783
Adjustments for:			
Depreciation of property, plant and equipment	14	6,206	6,422
Fair value gain on investment properties	15	(17,943)	(3,260)
Fair value gain on long term payables	6	(15,382)	-
Gain on disposal of investment properties	6	(30)	(30)
Gain on termination of leases	6	(28)	-
Impairment losses on:			
- trade receivables	20(c)	213	682
- other receivables	21(b)	3,991	1,397
- contract assets	22(c)	1,022	6
Interest expense	7	3,741	5,461
Interest income	6	(333)	(1,174)
Reversal of impairment losses on:			
- trade receivables	20(c)	(1,877)	(4,756)
- other receivables	21(b)	(2,845)	(2,745)
- contract assets	22(c)	(63)	(602)
Reversal of inventories written down	17(f)	-	28
Write-down of inventories	17(e)	12	2,246
Write-off of property, plant and equipment	8	-	168
Operating profit before working capital changes		1,347	23,626
Changes in working capital:			
Contract assets		(9,965)	5,923
Contract liabilities		4,514	(35,631)
Inventories		51,292	(24,986)
Receivables		17,187	10,654
Payables		(34,370)	23,403
Cash generated from operations		30,005	2,989
Interest paid		(1,821)	(3,251)
Interest received		333	1,174
Taxes paid		(7,077)	(14,523)
Taxes refund		5	1,547
Net cash from/(used in) operating activities		21,445	(12,064)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000 (Restated)
Cash flows from investing activities			
Proceeds from disposal of investment properties		150	150
Purchase of property, plant and equipment	14(a)	(1,195)	(1,206)
Decrease/(Increase) in placement of pledged fixed deposits and deposits more than three (3) months		2,985	(355)
Withdrawal of money market funds		2,235	27,007
Net cash from investing activities		4,175	25,596
Cash flows from financing activities			
Dividend paid	13	-	(12,046)
Drawdowns of borrowings	27(c)	7,489	23,183
Repayments of:			
- borrowings	27(c)	(25,866)	(21,260)
- lease liabilities	28(b)	(136)	(212)
Net cash used in financing activities		(18,513)	(10,335)
Net increase in cash and cash equivalents		7,107	3,197
Cash and cash equivalents at beginning of financial year		34,655	31,458
Cash and cash equivalents at end of financial year	24	41,762	34,655

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
Revenue	4	27,615	31,000
Other income	6	421	419
Net loss on impairment of financial assets		(7,305)	(7,259)
Administrative expenses		(3,428)	(8,177)
Other expenses		(10,126)	(9,754)
Operating profit		7,177	6,229
Finance costs	7	(278)	(319)
Profit before tax	8	6,899	5,910
Taxation	11	(3,504)	839
Profit for the financial year		3,395	6,749
Other comprehensive income, net of tax		-	-
Total comprehensive income		3,395	6,749

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Non-current assets			
Property, plant and equipment	14	3,876	4,057
Investments in subsidiaries	16	1,923,305	1,923,305
Deferred tax assets	19	2,685	4,854
		1,929,866	1,932,216
Current assets			
Other receivables	21	71,368	65,421
Other financial assets	23	4,518	6,755
Cash and bank balances	24	630	523
		76,516	72,699
Total assets		2,006,382	2,004,915
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	26	1,216,296	1,216,296
Treasury shares	26(b)	(1,904)	(1,904)
Merger reserve	26(c)	636,856	636,856
Retained profits		109,628	106,233
Total equity		1,960,876	1,957,481
Non-current liabilities			
Lease liabilities	28	3,425	3,669
Current liabilities			
Other payables	31	41,059	42,787
Lease liabilities	28	232	316
Current tax liabilities		790	662
		42,081	43,765
Total liabilities		45,506	47,434
Total equity and liabilities		2,006,382	2,004,915

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Non-distributable		Distributable	
	Share capital RM'000 (Note 26)	Treasury shares RM'000 (Note 26(b))	Merger reserve RM'000 (Note 26(c))	Retained profits RM'000	Total equity RM'000
At 1 July 2020	1,216,296	(1,904)	636,856	106,233	1,957,481
Profit for the financial year	-	-	-	3,395	3,395
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	3,395	3,395
At 30 June 2021	1,216,296	(1,904)	636,856	109,628	1,960,876
At 1 July 2019	1,216,296	(1,904)	636,856	111,530	1,962,778
Profit for the financial year	-	-	-	6,749	6,749
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	6,749	6,749
Transaction with owners					
Dividend paid (Note 13)	-	-	-	(12,046)	(12,046)
At 30 June 2020	1,216,296	(1,904)	636,856	106,233	1,957,481

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit before tax		6,899	5,910
Adjustments for:			
Depreciation of property, plant and equipment	14	494	523
Impairment losses on amounts due from subsidiaries	21(c)	9,209	7,259
Interest expense	7	278	319
Interest income	6	(65)	(392)
Gain on termination of leases	6	(136)	-
Gain on lease modifications	6	(166)	-
Reversal of impairment losses on amounts due from subsidiaries	21(c)	(1,904)	-
Operating profit before working capital changes		14,609	13,619
Changes in working capital:			
Other receivables		(99)	33
Subsidiaries		(3,447)	(20,615)
Other payables		1,724	1,677
Cash from/(used) in operations		12,787	(5,286)
Interest received		65	392
Tax paid		(1,208)	(1,911)
Tax refund		-	1,527
Net cash from/(used in) operating activities		11,644	(5,278)
Cash flows from investing activities			
Purchase of property, plant and equipment	14(a)	(93)	(47)
Withdrawal of money market funds		2,237	27,039
Advances to subsidiaries		(13,153)	(9,056)
Net cash (used in)/from investing activities		(11,009)	17,936
Cash flows from financing activities			
Dividend paid	13	-	(12,046)
Repayments of lease liabilities	28(b)	(528)	(614)
Net cash used in financing activities		(528)	(12,660)
Net increase/(decrease) in cash and cash equivalents		107	(2)
Cash and cash equivalents at beginning of financial year		523	525
Cash and cash equivalents at end of financial year	24	630	523

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company are located at No. 19, Jalan PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements for the financial year ended 30 June 2021 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 21 October 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRS during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 39.1 to the financial statements.

The Group has applied IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) and implemented this change in accounting policy retrospectively as disclosed in Note 42.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 3 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

2. Summary of significant accounting policies (cont'd.)

2.2 Basis of consolidation

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

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;

(ii) potential voting rights held by the Company, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income ("OCI") and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment.

2. Summary of significant accounting policies (cont'd.)

2.2 Basis of consolidation (cont'd.)

Business combinations

Business combinations other than those involving entities under common control, are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

(a) Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

(b) Other contingent consideration that:

 (i) is within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 *Financial Instruments* for the relevant period.

 (ii) is not within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRS. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain or bargain purchase in profit or loss on the acquisition date.

2. Summary of significant accounting policies (cont'd.)

2.2 Basis of consolidation (cont'd.)

Business combinations (cont'd.)

Business combinations involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the result of the entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been consolidated since the date the entities had come under common control.

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

2.3 Subsidiaries

A subsidiary is an entity over which the Group and the Company have all the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group and the Company are obligated to incur when the asset is acquired, if applicable.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciate it over its useful life. Likewise, when a major replacement occurs, its cost is recognised in the carrying amount as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

2. Summary of significant accounting policies (cont'd.)

2.4 Property, plant and equipment (cont'd.)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	1%
Buildings and resort properties	2% - 33%
Plant and machinery	10% - 25%
Motor vehicles	20% - 25%
Renovation	10% - 20%
Furniture, fittings and equipment	10% - 40%

Upon adoption of MFRS 16 *Leases* , the carrying amount of the long term leasehold land previously classified as finance leases had been recognised by the Group immediately before transition as the carrying amount of the right-of-use asset at the date of initial application as disclosed in Note 14 to the financial statements.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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 on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.7 to the financial statements.

2.5 Leases

The Group as lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is low value, conveying the right to control the use of an identified asset for a period of time.

The Group and the Company determine the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

2. Summary of significant accounting policies (cont'd.)

2.5 Leases (cont'd.)

The Group as lessee (cont'd.)

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group and the Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group and the Company revise the lease term if there is a change in the non-cancellable period of a lease.

The Group and the Company have elected not to recognise right-of use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group and the Company; and

(d) an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	over the lease period up to 99 years
Buildings	over the lease period from 5 to 12 years
Motor vehicle and equipment	over the lease period from 5 to 6 years

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised insubstance fixed lease payments.

2.6 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions as at the end of the reporting period. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

2. Summary of significant accounting policies (cont'd.)

2.6 Investment properties (cont'd.)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.4 to the financial statements up to the date of change in use.

2.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories, deferred tax assets and investment properties measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, to reduce the carrying amount of other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

2.8 Financial instruments

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

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

2. Summary of significant accounting policies (cont'd.)

2.8 Financial instruments (cont'd.)

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability 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 or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments, which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. Any gains or losses arising from the changes in fair value are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.8 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

(ii) Financial assets measured at fair value (cont'd.)

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group has an option to elect an irrevocable option to designate its equity instruments at initial recognition as financial assets measured at FVTOCI if the equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss for equity instruments measured at FVTPL. As for equity instruments measured at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss.

Dividend on equity instruments are recognised in profit or loss when the right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement.

A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Group's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

2. Summary of significant accounting policies (cont'd.)

2.8 Financial instruments (cont'd.)

(b) Financial liabilities (cont'd.)

(ii) Financial liabilities measured at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

The Group and the Company designate corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts* . The Group and the Company recognise these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group and the Company assess whether their recognised insurance liabilities are adequate, using current estimates of future cash flows under their insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

2.9 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution.

On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.10 Impairment of financial assets

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables and contract assets.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the assets.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions (i.e. Gross Domestic Product growth rate, inflation rate and unemployment rate) of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information (i.e. Gross Domestic Product growth rate and unemployment rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable and contract assets would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Group defines significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due over 60 days. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables and amounts due from subsidiaries is adjusted by forward looking information (i.e. Gross Domestic Product growth rate, inflation rate and unemployment rate) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and amounts due from subsidiaries.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

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2. Summary of significant accounting policies (cont'd.)

2.11 Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development, contract assets are the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods and services to customer for which the Group and the Company have received the consideration or have billed the customer. In the case of property development, contract liability is the excess of billings to date over cumulative revenue earned. Contract liabilities include sales of property to cash customer and other deferred income where the Group and the Company have billed or collected the payment before the goods are delivered or services are provided to the customers.

2.12 Inventories

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise cost of land, direct materials, direct labour, and other direct costs and related overheads incurred in the process of development that meet the definition of inventories are recognised as an asset and stated at lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(c) Completed properties and consumables

Completed properties and consumables are stated at the lower of cost and net realisable value.

The cost of unsold completed properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Cost of consumables is determined using either the specific identification or weighted average method, where applicable. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

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.

2. Summary of significant accounting policies (cont'd.)

2.13 Non-current asset held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

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 their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

2.14 Provisions

Provisions are recognised when the Group and the Company have 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.

Provisions are reviewed at the end of the reporting period 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale, after which such expense is charged to profit or loss. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as part of other losses or other income in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.16 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

The Group and the Company participate in the national pension scheme as defined by the laws. The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme.

2. Summary of significant accounting policies (cont'd.)

2.16 Employee benefits (cont'd.)

(c) Employee share option scheme

Employees of the Group and the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at the end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

When employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

2.17 Revenue recognition

(a) Sale of property under development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group identifies performance obligations that are distinct and material, which are judgemental in the context of contracts. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

2. Summary of significant accounting policies (cont'd.)

2.17 Revenue recognition (cont'd.)

(b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the completed properties has been transferred to the purchasers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve (12) months.

(c) Resort operations

Room revenue generally relates to contracts with customers in which performance obligations are to provide accommodations to hotel guests. As compensation for such services, the Group is typically entitled to a fixed nightly fee for an agreed upon period. The Group generally satisfies its performance obligations over time, and recognise the revenue from room sales on a daily basis, as the rooms are occupied and the services are rendered.

(d) Sale of goods and services

Revenue from sale of goods and services rendered is recognised at a point in time when the goods have been transferred or the services have been rendered to the customers and coincide with the delivery of goods and services and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods and services rendered.

There is no significant financing component in the revenue arising from sale of goods and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

(e) Education services

Tuition fees are recognised over a period of time when the services are rendered.

Revenue recognition not in relation to performance obligations is described below:

(a) Management fees from subsidiaries

Management fees from the provision of management services to subsidiaries are recognised when the subsidiaries simultaneously receive and consume the benefits.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease terms in the profit or loss due to its operating nature.

(c) Dividend income

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

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

2. Summary of significant accounting policies (cont'd.)

2.18 Income taxes

Income taxes include all domestic taxes on taxable profits. Income taxes also include real property gains taxes payable on the disposal of properties.

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor the taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor the taxable profit; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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 end of the reporting period.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

2. Summary of significant accounting policies (cont'd.)

2.18 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.19 Operating segments

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and inter-segment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

   (i) The combined reported profit of all operating segments that did not report a loss; and

   (ii) The combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

2. Summary of significant accounting policies (cont'd.)

2.20 Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.24 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company. The Group and the Company do not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group and the Company under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

2. Summary of significant accounting policies (cont'd.)

2.25 Fair value measurements

Fair value, (except for share-based payment and lease transactions) is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

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

The Group and the Company measure the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group and the Company have considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

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

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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30 JUNE 2021

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgement made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Contingent liabilities

The Group determines whether an obligation in relation to a contingent liability exists at the end of the reporting period by taking into account all available evidence, including the opinion of experts. The evidence considered includes any additional evidence provided by events after the end of the reporting period. On the basis of such evidence, the Group evaluates if the obligation needs to be recognised in the financial statements. Details of the contingent liabilities involving the Group are disclosed in Note 32 to the financial statements.

3.2 Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Revenue from property development activities

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and costs in applying the input method to recognise revenue over time.

(b) Impairment of trade receivables

It requires management to exercise significant judgement in determining the probability of default by trade receivables and contract assets and appropriate forward looking information, incorporating the impact of the COVID-19 pandemic.

(c) Income tax

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

4. Revenue

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Revenue from contracts with customers:				
Property development activities:				
- sale of property under development	157,012	137,198	-	-
- sale of completed properties	16,622	43,854	-	-
Resort operations	3,473	8,160	-	-
Sales of goods and services	5,516	10,271	-	-
Educational services	1,267	1,410	-	-
	183,890	200,893	-	-
Other revenue:				
Rental income	1,906	1,005	-	-
Dividend income from a subsidiary	-	-	9,913	12,000
Management fees from subsidiaries	-	-	17,702	19,000
	1,906	1,005	27,615	31,000
	185,796	201,898	27,615	31,000
Timing of revenue recognition:				
Products and services transferred over time	161,752	146,768	-	-
Products and services transferred at a point in time	22,138	54,125	-	-
Revenue from contracts with customers	183,890	200,893	-	-

No disaggregation of revenue from contracts with customers by geographical basis has been presented as the Group’s and the Company's activities are carried out predominantly in Malaysia.

There is no material right of return and warranty provided to the customers on the sale of goods and services rendered.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve (12) months.

5. Cost of sales

	Group	
	2021 RM'000	**2020 RM'000 (Restated)**
Cost of property under development	112,107	69,230
Cost of completed properties sold	9,066	33,033
Resort operations	1,446	4,129
Costs of goods and services rendered	3,771	6,938
Cost of educational services	975	779
	127,365	114,109

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6. Other income

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Administrative fees received from sub-sales of properties	178	337	-	-
Bad debt recovered	-	4	-	-
Fair value gain on investment properties (Note 15)	17,943	3,610	-	-
Fair value gain on long term payable	15,382	-	-	-
Forfeiture income	210	408	-	-
Gain on disposal of investment properties	30	30	-	-
Gain on termination of leases	28	-	136	-
Gain on lease modifications	-	-	166	-
Interest income from deposits with licensed banks	333	1,174	65	392
Miscellaneous income	2,603	594	54	27
Rental income	2,577	2,528	-	-
Reversal of inventories written down (Note 17(f))	-	28	-	-
Reduction of payables	1,837	96	-	-
Total	41,121	8,809	421	419

7. Finance costs

	Group		Company	
	2021 RM'000	**2020 RM'000 (Restated)**	**2021 RM'000**	**2020 RM'000**
Interest expense on:				
- borrowings	1,821	3,074	-	-
- unwinding of interest	1,895	2,339	-	-
- lease liabilities (Note 28(b))	25	48	278	319
	3,741	5,461	278	319

8. Profit before tax

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived after charging:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Auditors' remuneration				
- statutory audit				
- current	350	350	90	90
- non-statutory audit - current	10	10	10	10
Depreciation of property, plant and equipment (Note 14)	6,206	6,422	494	523
Employee benefits expense (Note 9)	32,611	30,361	11,580	13,113
Fair value loss on investment properties	-	350	-	-
Rental expense:				
- short-term leases	189	201	-	-
- low-value leases	146	199	80	81
Write-off of property, plant and equipment (Note 14)	-	168	-	-
Write-down of inventories (Note 17(e))	12	2,246	-	-
Reversal of impairment losses on:				
- trade receivables (Note 20(c))	(1,877)	(4,756)	-	-
- other receivables (Note 21(b))	(2,845)	(2,745)	-	-
- contract assets (Note 22(c))	(63)	(602)	-	-
- amounts due from subsidiaries (Note 21(c))	-	-	(1,904)	-
Impairment losses on:				
- trade receivables (Note 20(c))	213	682	-	-
- other receivables (Note 21(b))	3,991	1,397	-	-
- amounts due from subsidiaries (Note 21(c))	-	-	9,209	7,259
- contract assets (Note 22(c))	1,022	6	-	-
Net loss/(gain) on impairment of financial assets and contract assets	441	(6,018)	7,305	7,259

9. Employee benefits expense

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Salaries, wages, bonuses and allowances	19,084	25,670	4,969	11,554
Contribution to defined contribution plan	2,800	2,660	898	1,218
Social security costs	137	219	38	57
Other staff benefits	10,590	1,812	5,675	284
	32,611	30,361	11,580	13,113

Included in employee benefits expense of the Group and of the Company is the Directors' remuneration amounting to RM6,390,000 (2020: RM3,644,000) as further disclosed in Note 10 to the financial statements.

10. Directors' remuneration

	Group/Company	
	2021 RM'000	2020 RM'000
Executive:		
Salaries	1,911	1,990
Contribution to defined contribution plan	329	426
Allowances	352	694
Accrued gratuity	3,282	-
Benefits-in-kind	170	170
	6,044	3,280
Non-Executive:		
Fees	254	270
Allowances	92	94
	346	364
Total	6,390	3,644

The number of Directors of the Company whose total remuneration (excluding accrued gratuity) during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2021	2020
Executive Directors:		
< RM1,000,000	-	-
RM1,000,001 - RM1,500,000	1	1
RM1,500,001 - RM2,000,000	1	1
Non-Executive Directors:		
< RM50,000	1	-
RM50,001 - RM100,000	1	-
RM100,001 - RM150,000	2	3

11. Taxation

The major components of taxation for the year ended 30 June 2021 and 30 June 2020 are:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current tax expense based on profit for the financial year:				
Current tax	5,920	10,099	1,517	1,427
Under/(Over)-provision in prior years	205	(792)	(182)	(79)
	6,125	9,307	1,335	1,348
Deferred tax (Note 19):				
Relating to (reversal)/ increase of temporary differences	(877)	745	2,169	(2,198)
(Over)/Under-provision in prior years	-	(18)	-	11
	(877)	727	2,169	(2,187)
	5,248	10,034	3,504	(839)

The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.

Reconciliation between taxation and accounting profit

A reconciliation of taxation applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rates of the Group and of the Company are as follows:

	2021 RM'000	**2020 RM'000 (Restated)**
Group		
Profit before tax	24,663	19,783
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	5,919	4,748
Income not subject to tax	(1,893)	(828)
Expenses not deductible for tax purposes	1,528	4,699
Deferred tax assets not recognised	2,754	2,512
Utilisation of previously unrecognised deferred tax assets	(3,265)	(287)
Under/(Over)-provision of income tax expense in prior years	205	(792)
Over-provision of deferred tax in prior years	-	(18)
Taxation for the year	5,248	10,034

11. Taxation (cont'd.)

Reconciliation between taxation and accounting profit (cont'd.)

A reconciliation of taxation applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rates of the Group and of the Company are as follows: (cont'd.)

	2021 RM'000	2020 RM'000 (Restated)
Company		
Profit before tax	6,899	5,910
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	1,656	1,418
Income not subject to tax	(2,379)	(2,880)
Expenses not deductible for tax purposes	4,409	691
Over-provision of income tax expense in prior years	(182)	(79)
Under-provision of deferred tax in prior years	-	11
Taxation for the year	3,504	(839)

Tax savings of the Group is as follows:

	Group	
	2021 RM'000	2020 RM'000
Arising from utilisation of previously unrecognised tax losses	3,265	287

12. Earnings per share

(a) Basic

Basic earnings per ordinary share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group	
	2021	2020 (Restated)
Profit attributable to owners of the parent (RM'000)	20,351	9,947
Weighted average number of ordinary shares in issue ('000)	1,204,590	1,204,590
Basic earnings per share (sen)	1.7	0.8

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as the Company has no dilutive potential ordinary share in issue as at the end of the reporting period.

13. Dividend

	Group and Company 2020	
	Dividend per share Sen	Amount of dividend RM'000
In respect of the financial year ended 30 June 2020:		
First interim single-tier dividend of 1.0 sen, paid on 17 June 2020	1.0	12,046

The Directors do not recommend any payment of final dividend for the current financial year.

14. Property, plant and equipment

Group	Freehold land RM'000	Buildings and resort properties RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Subtotal RM'000	Right-of-use: Leasehold land RM'000	Right-of-use: Buildings RM'000	Right-of-use: Motor vehicles and equipment RM'000	Total RM'000
At 30 June 2021											
Cost											
At 1 July 2020	5,229	203,184	20,346	4,861	40,154	9,834	283,608	32,471	585	395	317,059
Additions	-	160	119	20	367	529	1,195	-	-	-	1,195
Write off	-	-	-	-	(554)	-	(554)	-	-	-	(554)
Disposal	-	-	-	(54)	*(5)	-	(59)	-	-	-	(59)
Termination of leases	-	-	-	-	-	-	-	-	(479)	(19)	(498)
At 30 June 2021	5,229	203,344	20,465	4,827	39,962	10,363	284,190	32,471	106	376	317,143
Accumulated depreciation and impairment losses											
At 1 July 2020	-	71,741	20,239	4,837	35,328	8,141	140,286	3,709	236	160	144,391
Depreciation charge for the year	-	3,853	20	11	1,546	256	5,686	392	50	78	6,206
Write off	-	-	-	-	(554)	-	(554)	-	-	-	(554)
Disposal	-	-	-	(54)	*(1)	-	(55)	-	-	-	(55)
Termination of leases	-	-	-	-	-	-	-	-	(232)	(15)	(247)
At 30 June 2021	-	75,594	20,259	4,794	36,319	8,397	145,363	4,101	54	223	149,741
Net carrying amount	5,229	127,750	206	33	3,643	1,966	138,827	28,370	52	153	167,402
At 30 June 2020											
Cost											
At 1 July 2019	5,229	203,184	21,253	4,837	40,938	9,826	285,267	32,471	502	395	318,635
Additions	-	-	79	24	1,095	8	1,206	-	83	-	1,289
Write off	-	-	(986)	-	(1,879)	-	(2,865)	-	-	-	(2,865)
At 30 June 2020	5,229	203,184	20,346	4,861	40,154	9,834	283,608	32,471	585	395	317,059
Accumulated depreciation and impairment losses											
At 1 July 2019	-	67,867	20,901	4,832	35,635	7,899	137,134	3,317	134	81	140,666
Depreciation charge for the year	-	3,874	222	5	1,506	242	5,849	392	102	79	6,422
Write off	-	-	(884)	-	(1,813)	-	(2,697)	-	-	-	(2,697)
At 30 June 2020	-	71,741	20,239	4,837	35,328	8,141	140,286	3,709	236	160	144,391
Net carrying amount	5,229	131,443	107	24	4,826	1,693	143,322	28,762	349	235	172,668

* The disposal of equipment was by way of compensation through employee benefits expense.

14. Property, plant and equipment (cont'd.)

Company	Renovation RM'000	Furniture, and fittings RM'000	Equipment RM'000	Motor vehicles RM'000	Subtotal RM'000	Right-of-use Buildings RM'000	Total RM'000
At 30 June 2021							
At 1 July 2020	707	1,689	1,743	563	4,702	4,581	9,283
Additions	-	2	91	-	93	1,255	1,348
Disposal	-	-	*(5)	-	(5)	-	-
Termination of leases	-	-	-	-	-	(2,026)	(2,026)
Lease modification	-	-	-	-	-	(13)	(13)
At 30 June 2021	707	1,691	1,829	563	4,790	3,797	8,587
Accumulated depreciation							
At 1 July 2020	707	1,647	1,451	563	4,368	858	5,226
Depreciation charge for the year	-	11	125	-	136	358	494
Disposal	-	-	*(1)	-	(1)	-	(1)
Termination of leases	-	-	-	-	-	(512)	(512)
Lease modification	-	-	-	-	-	(496)	(496)
At 30 June 2021	707	1,658	1,575	563	4,503	208	4,711
Net carrying amount	-	33	254	-	287	3,589	3,876
At 30 June 2020							
Cost							
At 1 July 2019	707	1,686	1,699	563	4,655	4,581	9,236
Additions	-	3	44	-	47	-	47
At 30 June 2020	707	1,689	1,743	563	4,702	4,581	9,283
Accumulated depreciation							
At 1 July 2019	707	1,635	1,350	563	4,255	448	4,703
Depreciation charge for the year	-	12	101	-	113	410	523
At 30 June 2020	707	1,647	1,451	563	4,368	858	5,226
Net carrying amount	-	42	292	-	334	3,723	4,057

* The disposal of equipment was made by way of compensation through employee benefits expense.

14. Property, plant and equipment (cont'd.)

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Purchase of property, plant and equipment	1,195	1,289	1,348	47
Financed by:				
- lease liabilities (Note 28(b))	-	(83)	(1,255)	-
Cash payments on purchase of property, plant and equipment	1,195	1,206	93	47

(b) Carrying amount of the Group's property, plant and equipment pledged for borrowings as referred to in Note 27 to the financial statements are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Leasehold land and buildings	8,137	8,347

15. Investment properties

	Group	
	2021 RM'000	**2020 RM'000**
At fair value		
At beginning of the year	216,445	213,305
Transferred from inventories (Note 17)	10,057	-
Fair value adjustments:		
- gains	17,943	3,610
- losses	-	(350)
Disposal	(120)	(120)
At end of the year	244,325	216,445

	Group	
	2021 RM'000	**2020 RM'000**
The following investment properties are held under lease terms:		
Leasehold land and buildings	244,325	216,445

15. Investment properties (cont'd.)

(a) The amounts of direct expenses recognised in profit or loss during the financial year are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Generating rental income	328	80
Non-generating rental income	912	2,323

(b) The fair value of investment properties of the Group are categorised as follows:

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
At 30 June 2021				
Leasehold land and buildings	-	-	244,325	244,325
At 30 June 2020				
Leasehold land and buildings	-	-	216,445	216,445

(i) The fair values of the investment properties of the Group, which comprise leasehold land, buildings and shoplots have been arrived on the basis of valuation carried out by independent firms of professional valuers. The independent professional valuers have adopted the comparison method, making reference to relevant comparable transactions in the market as well as the present worth of the improvement and land values. In arriving at the valuation, the independent professional valuers have made adjustments for factors, which would affect the market value of the investment properties including but not limited to views, size, floor levels and time factors.

(ii) The fair value measurements for the investment properties are based on the highest and best use which does not differ from their actual use.

(iii) Fair value reconciliation of investment properties of the Group measured at Level 3:

	Leasehold land RM'000	**Buildings and shoplots RM'000**	**Total RM'000**
At 30 June 2021			
At the beginning of the year	211,010	5,435	216,445
Transferred from inventories (Note 17)	10,057	-	10,057
Fair value adjustments	17,943	-	17,943
Disposal	-	(120)	(120)
At the end of the year	239,010	5,315	244,325

15. Investment properties (cont'd.)

(b) The fair value of investment properties of the Group are categorised as follows: (cont'd.)

(iii) Fair value reconciliation of investment properties of the Group measured at Level 3: (cont'd.)

	Leasehold land RM'000	Buildings and shoplots RM'000	Total RM'000
At 30 June 2020			
At the beginning of the year	207,400	5,905	213,305
Fair value adjustments	3,610	(350)	3,260
Disposal	-	(120)	(120)
At the end of the year	211,010	5,435	216,445

(c) Description of valuation techniques used and key inputs to valuation on investment properties of the Group measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	2021 RM	2020 RM
Leasehold land, buildings and shoplots	Comparison method	Adjusted property value	2 - 581 per sqft	2 - 581 per sqft

16. Investments in subsidiaries

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	1,924,055	1,924,055
Less: Impairment losses	(750)	(750)
	1,923,305	1,923,305

(a) Details of the subsidiaries, all of which are incorporated in Malaysia and their place of business are in Malaysia, are as follows:

Name of company	Effective interest in equity (%) 2021	Effective interest in equity (%) 2020	Principal activities
BML Management Sdn. Bhd.	100	100	Dormant
Bukit Merah Resort Sdn. Bhd.	100	100	Operator of resort and theme park
Centralpolitan Development Sdn. Bhd.	100	100	Property development
Dominant Star Sdn. Bhd.	100	100	Property development and investment holding
Duta Realiti Sdn. Bhd.	100	100	Dormant
Golden Precinct Sdn. Bhd.	100	100	Dormant

16. Investments in subsidiaries (cont'd.)

(a) Details of the subsidiaries, all of which are incorporated in Malaysia and their place of business are in Malaysia, are as follows: (cont'd.)

Name of company	Effective interest in equity (%) 2021	2020	Principal activities
Medan Prestasi Sdn. Bhd.	100	100	Property development, property investment and investment holding
Melur Unggul Sdn. Bhd.	100	100	Dormant
M.K. Development Sdn. Bhd.	100	100	Property development and property investment
M K Land Resources Sdn. Bhd.	100	100	Investment and property holding
M K Land Ventures Sdn. Bhd.	100	100	Investment and property holding
MK Training & Consultancy Sdn. Bhd.	100	100	Dormant
Naluri Majujaya Sdn. Bhd.	85	85	Property development
Paramoden Sdn. Bhd.	100	100	Property development
Paramount Innovation Sdn. Bhd.	100	100	Dormant
Plato Construction Sdn. Bhd.	100	100	Dormant
Profil Etika (M) Sdn. Bhd.	100	100	Dormant
Prominent Valley Berhad	100	100	Dormant
Pujaan Pasifik Sdn. Bhd.	100	100	Operator of hotel
Ritma Mantap Sdn. Bhd.	100	100	Investment holding
Saujana Triangle Sdn. Bhd.	100	100	Property development, property investment and investment holding
Segi Objektif (M) Sdn. Bhd.	100	100	Property development, owner of resort, hotel, theme park and investment holding
Solar Citra Sdn. Bhd.*	100	-	Solar power producer
Sumbangan Berkat Sdn. Bhd.	100	100	Dormant
Tema Teladan Sdn. Bhd.	100	100	Property development, owner of hotel and investment holding

16. Investments in subsidiaries (cont'd.)

(a) Details of the subsidiaries, all of which are incorporated in Malaysia and their place of business are in Malaysia, are as follows: (cont'd.)

Name of company	Effective interest in equity (%) 2021	2020	Principal activities
Vast Option Sdn. Bhd.	100	100	Provision of educational services
Vibrant Leisure Sdn. Bhd.	100	100	Property development
Zaman Teladan Sdn. Bhd.	100	100	Property development

The above subsidiaries are audited by BDO PLT.

* This subsidiary was consolidated based on its management accounts for the period ended 30 June 2021. The financial statements of this subsidiary is not required to be audited as it is newly incorporated during the year.

(b) Incorporation of Solar Citra Sdn. Bhd.

On 10 May 2021, M K Land Resources Sdn. Bhd. ("MKLRSB"), a wholly-owned subsidiary of the Company incorporated Solar Citra Sdn. Bhd., a company incorporated in Malaysia. MKLRSB subscribed for 100 ordinary shares for a total cash consideration of RM100, representing 100% of the issued share capital of Solar Citra Sdn. Bhd.

17. Inventories

	Note	Group 2021 RM'000	2020 RM'000 (Restated)
Non-current			
At cost:			
Land held for property development	(a)	749,878	807,090
Current			
At cost:			
Completed properties		56,217	69,358
Food, beverage, supplies and merchandise		317	353
		56,534	69,711
Property development costs	(b)	94,871	137,545
		151,405	207,256
At net realisable value:			
Completed properties		57,072	57,145
		208,477	264,401
Non-current		749,878	807,090
Current		208,477	264,401
		958,355	1,071,491

17. Inventories (cont'd.)

(a) Land held for property development

	Group	
	2021	**2020**
	RM'000	**RM'000**
At beginning of the year:		
Freehold land	34,146	31,525
Leasehold land	272,325	271,315
Development costs	500,619	479,083
	807,090	781,923
Cost incurred during the year:		
Development costs	8,270	14,922
	8,270	14,922
Transfers (to)/from:		
Investment properties (Note 15)	(10,057)	-
Property development cost (Note 17(b))	(3,650)	18,514
Asset held for sale (Note 25)	(51,775)	-
	(65,482)	18,514
Disposals	-	(8,269)
At end of the year:		
Freehold land	34,146	34,146
Leasehold land	225,132	272,325
Development costs	490,600	500,619
	749,878	807,090

17. Inventories (cont'd.)

(b) Property development costs

	Group 2021 RM'000	2020 RM'000 (Restated)
At beginning of the year, previously stated:		
Freehold land	19,338	19,338
Leasehold land	55,610	54,955
Development costs	2,175,375	2,089,805
	2,250,323	2,164,098
Effect of adoption of IFRIC Agenda Decision:		
Development costs	-	(5,300)
At beginning of the year, as restated:		
Freehold land	19,338	19,338
Leasehold land	55,610	54,955
Development costs	2,175,375	2,084,505
	2,250,323	2,158,798
Costs incurred during the year:		
Development costs	72,169	110,039
Costs recognised in profit or loss:		
At beginning of the year, previously stated	(2,112,778)	(2,058,093)
Effect of adoption of IFRIC Agenda Decision	-	3,720
At beginning of the year, as restated	(2,112,778)	(2,054,373)
Recognised during the year	(117,776)	(58,405)
At end of the year	(2,230,554)	(2,112,778)
Transfer (to)/from:		
Completed properties	(717)	-
Land held for property development (Note 17(a))	3,650	(18,514)
	2,933	(18,514)
At end of the year	94,871	137,545

17. Inventories (cont'd.)

(c) The following properties and their related development expenditure are pledged as security for borrowings granted to the Group as disclosed in Note 27 to the financial statements:

	Group	
	2021 RM'000	2020 RM'000
Land held for property development	30,852	30,709
Property development costs	82,937	124,375
Completed properties	30,241	35,908
	144,030	190,992

(d) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM124,944,000 (2020: RM109,201,000).

(e) During the current financial year, the amount of inventories written down of the Group was RM12,000 (2020: RM2,246,000).

(f) In the previous financial year, the Group reversed RM28,000 in respect of inventories written down in the prior financial years that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

18. Other investments

	Group	
	2021 RM'000	2020 RM'000
Investment in bonds, fair value through other comprehensive income		
At 1 July/30 June	-	-

19. Deferred tax

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	16,952	16,225	(4,854)	(2,667)
Recognised in profit or loss (Note 11)	(877)	727	2,169	(2,187)
At 30 June	16,075	16,952	(2,685)	(4,854)
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	(19,475)	(9,491)	(2,685)	(4,854)
Deferred tax liabilities, net	35,550	26,443	-	-
	16,075	16,952	(2,685)	(4,854)

19. Deferred tax (cont'd.)

(b) The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities of the Group:

	Excess of capital allowances over book depreciation RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 July 2020	4,253	21,401	789	26,443
Recognised in profit or loss	(4)	9,111	-	9,107
At 30 June 2021	4,249	30,512	789	35,550
At 1 July 2019	4,035	21,450	789	26,274
Recognised in profit or loss	218	(49)	-	169
At 30 June 2020	4,253	21,401	789	26,443

Deferred tax assets of the Group:

	Provisions RM'000	Total RM'000
At 1 July 2020	(9,491)	(9,491)
Recognised in profit or loss	(9,984)	(9,984)
At 30 June 2021	(19,475)	(19,475)
At 1 July 2019	(10,049)	(10,049)
Recognised in profit or loss	558	558
At 30 June 2020	(9,491)	(9,491)

Deferred tax assets of the Company:

	Provisions RM'000	Total RM'000
At 1 July 2020	(4,854)	(4,854)
Recognised in profit or loss	2,169	2,169
At 30 June 2021	(2,685)	(2,685)
At 1 July 2019	(2,667)	(2,667)
Recognised in profit or loss	(2,187)	(2,187)
At 30 June 2020	(4,854)	(4,854)

19. Deferred tax (cont'd.)

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Unutilised tax losses		
- Expires by 30 June 2026	44,323	58,144
- Expires by 30 June 2027	7,871	7,694
- Expires by 30 June 2028	8,497	-
Unabsorbed capital allowances	46,480	43,563
Other temporary differences	11,717	11,615
	118,888	121,016

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local authority.

20. Trade receivables

	Group	
	2021 RM'000	**2020 RM'000**
Third parties	70,444	70,621
Stakeholders' sum	16,137	35,562
	86,581	106,183
Less: Impairment losses	(43,951)	(46,312)
Trade receivables, net	42,630	59,871

(a) The Group's normal trade credit terms range from 14 to 90 days (2020: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or a group of debtors.

(b) The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions (i.e. Gross Domestic Product growth rate, inflation rate and unemployment rate) of the Group to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information (i.e. Gross Domestic Product growth rate, inflation rate and unemployment rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivables and contract assets would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

20. Trade receivables (cont'd.)

(c) The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Lifetime ECL allowance RM'000	Group Credit impaired RM'000	Total allowance RM'000
At 1 July 2020	6,725	39,587	46,312
Charge for the year	213	-	213
Reversal of impairment losses	(1,805)	(72)	(1,877)
Written off	-	(697)	(697)
At 30 June 2021	5,133	38,818	43,951
At 1 July 2019	9,676	40,710	50,386
Charge for the year	682	-	682
Reversal of impairment losses	(3,633)	(1,123)	(4,756)
At 30 June 2020	6,725	39,587	46,312

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

(d) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group	
	2021 RM'000	**2020 RM'000**
Maximum exposure	42,630	59,871
Collateral obtained	(26,138)	(23,334)
Net exposure to credit risk	16,492	36,537

The above collaterals are letters of undertaking from financial institutions for properties sold and letter of guarantee from local authority for educational services.

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20. Trade receivables (cont'd.)

(e) Ageing analysis of the trade receivables is as follows:

		2021	
Group	**Gross RM'000**	**Impaired RM'000**	**Total RM'000**
Current	20,966	(600)	20,366
1 to 30 days past due	838	(31)	807
31 to 60 days past due	9,489	(100)	9,389
More than 60 days past due	55,288	(43,220)	12,068
	65,615	(43,351)	22,264
	86,581	(43,951)	42,630

		2021	
Group	**Gross RM'000**	**Impaired RM'000**	**Total RM'000**
Current	56,233	(513)	55,720
1 to 30 days past due	1,458	(24)	1,434
31 to 60 days past due	42	(7)	35
More than 60 days past due	48,450	(45,768)	2,682
	49,950	(45,799)	4,151
	106,183	(46,312)	59,871

(f) Trade receivables are denominated in RM.

(g) Information on financial risks of trade receivables is disclosed in Note 34 to the financial statements.

21. Other receivables

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Advances to contractors	13,503	13,503	-	-
Deposits	4,333	4,277	170	170
Due from subsidiaries	-	-	89,022	75,869
Prepayments	339	372	-	-
Sundry receivables	15,690	13,995	128	29
	33,865	32,147	89,320	76,068
Less: Impairment losses	(28,260)	(27,114)	(17,952)	(10,647)
Other receivables, net	5,605	5,033	71,368	65,421

21. Other receivables (cont'd.)

(a) Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables and amounts due from subsidiaries is adjusted by forward looking information (i.e. Gross Domestic Product growth rate, inflation rate and unemployment rate) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables and amounts due from subsidiaries.

(b) The reconciliation of movements in allowance for impairment accounts in other receivables is as follows:

	Company			
	12-month ECL allowance RM'000	Lifetime ECL allowance* RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 July 2020	7,362	-	19,752	27,114
Charge for the year	3,991	-	-	3,991
Reversal of impairment losses	(1,539)	-	(1,306)	(2,845)
At 30 June 2021	9,814	-	18,446	28,260
At 1 July 2019	6,136	-	22,326	28,462
Charge for the year	1,397	-	-	1,397
Reversal of impairment losses	(171)	-	(2,574)	(2,745)
At 30 June 2020	7,362	-	19,752	27,114

** The effect of expected credit loss is insignificant*

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

21. Other receivables (cont'd.)

(c) Movements in the impairment allowance for amounts due from subsidiaries are as follows:

	Company			
	12-month	Lifetime		
	ECL allowance RM'000	ECL allowance* RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 July 2020	10,647	-	-	10,647
Charge for the year	9,209	-	-	9,209
Reversal of impairment loss	(1,904)	-	-	(1,904)
At 30 June 2021	17,952	-	-	17,952
At 1 July 2019	3,388	-	-	3,388
Charge for the year	7,259	-	-	7,259
At 30 June 2020	10,647	-	-	10,647

** The effect of expected credit loss is insignificant*

(d) Amounts due from subsidiaries are unsecured, interest free and receivable within the next twelve (12) months in cash and cash equivalents.

(e) Other receivables are denominated in RM.

(f) Information on financial risks of other receivables is disclosed in Note 34 to the financial statements.

22. Contract assets/liabilities

	Group	
	2021 RM'000	2020 RM'000
Contract assets		
Property development activities	65,016	55,051
Less: Impairment losses	(2,690)	(1,731)
	62,326	53,320
Contract liabilities		
Property development activities	35,560	31,093
Education services	164	267
Resort operation	563	413
	36,287	31,773

22. Contract assets/liabilities (cont'd.)

(a) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Within one (1) year	31,852	17,823
Between one (1) and four (4) years	4,435	13,950
	36,287	31,773

(b) The amount of RM10,583,000 (2020: RM37,352,000) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 30 June 2021.

(c) The reconciliation of movements in allowance for impairment losses in contract assets is as follows:

	Group Lifetime ECL allowance	
	2021 RM'000	**2020 RM'000**
At 1 July	1,731	2,327
Charge for the year	1,022	6
Reversal of impairment losses	(63)	(602)
At 30 June	2,690	1,731

23. Other financial assets

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fair value through profit or loss financial assets				
Money market funds and trust funds	4,588	6,823	4,518	6,755

Placement in funds are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy.

24. Cash and bank balances

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash on hand and at banks	47,367	44,329	630	523
Deposits with licensed banks	6,316	6,305	-	-
Cash and bank balances	53,683	50,634	630	523
Less: Deposits with licensed banks for more than three (3) months	(514)	(881)	-	-
Deposits with licensed banks pledged for bank guarantee facilities	(2,643)	(5,261)	-	-
Bank overdrafts (Note 27)	(8,764)	(9,837)	-	-
Cash and cash equivalents	41,762	34,655	630	523

(a) Included in cash and bank balances of the Group are:

	Group	
	2021 RM'000	2020 RM'000
Amounts maintained pursuant to: Section 7A of the Housing Development (Control and Licensing) Act, 1966 ("HDA") (As amended by the Housing Development (Control and Licensing) (Amendment) Act, 2015)	27,614	27,997
Deposits with licensed banks pledged for bank guarantee facilities	2,643	5,261

(b) The weighted average effective interest rates of deposits as at reporting date were as follows:

	Group	
	2021 %	2020 %
Licensed banks	1.7	2.0

(c) The weighted average effective maturity of deposits as at reporting date were as follows:

	Group	
	2021 Days	2020 Days
Licensed banks	47	47

(d) All cash and bank balances are denominated in RM.

(e) No expected credit losses were recognised arising from cash at banks and deposits with licensed banks because the probability of default by these financial institutions were negligible.

25. Asset classified as held for sale

	Group	
	2021 RM'000	2020 RM'000
At carrying amount:		
Leasehold land	51,775	-

(a) Asset classified as held for sale is in relation to disposal of land held for property development as disclosed in Note 17(a) to the financial statements.

(b) On 26 February 2021, Medan Prestasi Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into Sales and Purchase Agreement to dispose two (2) parcels of leasehold land for a total cash consideration of RM108,781,000. The disposal is expected to be completed within twelve (12) months from the date of Sale and Purchase Agreement.

Accordingly, the leasehold land is classified as asset held for sale at the end of reporting period.

26. Share capital

	Group/Company			
	Number of ordinary shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
Ordinary shares				
Issued and fully paid				
At 1 July/30 June	1,207,262	1,207,262	1,216,296	1,216,296

The owners of the ordinary shares are entitled to receive dividend 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.

(a) Employee Share Option Scheme ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 29 November 2002. As at the reporting date and at the date of this report, the ESOS has yet to be implemented. Accordingly, no options have been granted at the reporting date.

The salient features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five years from the date of offer which is yet to be determined.

(ii) Eligible persons are full time employees of the Group and of the Company (including executive Directors subject to the approval by the Company in a general meeting) and must have attained the age of eighteen years before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.

(iii) Total number of shares to be offered shall not at the time of offering the options exceed 10% of the total issued and paid-up capital of the Company at any point in time or such maximum percentages as may be permitted by the relevant authorities from time to time during the tenure of the ESOS.

(iv) The option price for each share shall be the average of the mean market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the date of offer, or the par value of the shares of the Company of RM1.00, whichever is the higher.

26. Share capital (cont'd.)

(a) Employee Share Option Scheme ("ESOS") (cont'd.)

The salient features of the ESOS are as follows: (cont'd.)

(v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.

(vi) There will be an equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the scheme should be allocated, in aggregate, to the senior management. In addition, not more than 10% of the shares available under the scheme should be allocated to any eligible employee who, either singly or collectively through his or her associates, holds 20% or more in the issued and paid up capital of the Company.

(vii) The number of shares under option or the option price or both so far as the options remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of capitalisation or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.

(viii) The shares under option shall remain unissued until the option is exercised and shall on allotment rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the option.

(b) Treasury shares

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 July/30 June	(1,904)	(1,904)

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance. As at 30 June 2020, the Company held as treasury shares a total of 2,672,000 of its 1,207,262,000 issued ordinary shares at carrying amount of RM1,904,000.

(c) Merger (deficit)/reserve

(i) Merger deficit

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 July/30 June	(39,441)	(39,441)

On 26 June 2002, the Company completed the acquisition of certain subsidiaries. The acquisition was satisfied by way of cash payment of RM131,980,000 and the issuance of 819,186,207 new ordinary shares of the Company at an issue price of RM1.45 per share.

The difference between the fair value of the shares of the Company issued as consideration and the nominal value of the shares acquired has been classified as merger deficit. The merger deficit was subsequently partially set off against retained earnings.

26. Share capital (cont'd.)

(c) Merger (deficit)/reserve (cont'd.)

(ii) Merger reserve

	Company	
	2021	**2020**
	RM'000	**RM'000**
At 1 July/30 June	636,856	636,856

In prior years, the premiums on the shares issued by the Company as consideration for the acquisitions of certain subsidiary companies were recorded as merger reserve.

27. Borrowings

	Group	
	2021	**2020**
	RM'000	**RM'000**
Short term borrowings		
Secured:		
Term and bridging loans	16,715	34,380
Bank overdraft (Note 24)	8,764	9,837
	25,479	44,217
Long term borrowings		
Secured:		
Term and bridging loans	5,371	6,083
	5,371	6,083
Total borrowings		
Term and bridging loans	22,086	40,463
Bank overdraft (Note 24)	8,764	9,837
	30,850	50,300

(a) The weighted average interest rates of borrowings during the financial year are as follows:

	Group	
	2021	**2020**
	%	**%**
Bank overdraft	6.5	6.7
Term and bridging loans	6.5	7.4

(b) The secured borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 14 and 17 to the financial statements, respectively.

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27. Borrowings (cont'd.)

(c) Reconciliation of liabilities arising from financing activities:

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 July	40,463	38,886
Cash flows:		
Drawdowns of borrowings	7,489	23,183
Repayment of borrowings	(25,866)	(21,260)
Non-cash changes:		
Effect on adoption of MFRS 16	-	(346)
At 30 June	22,086	40,463

For reconciliation of liabilities arising from financing activities purpose, the bank overdrafts have been excluded from the borrowings as the cash and cash equivalents had already included bank overdrafts.

(d) All borrowings are denominated in RM.

(e) Information on financial risks of borrowings is disclosed in Note 34 to the financial statements.

28. Lease liabilities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current liabilities				
Lease liabilities	205	502	3,425	3,669
Current liabilities				
Lease liabilities	88	181	232	316
Total lease liabilities	293	683	3,657	3,985

(a) The weighted average interest rates of lease liabilities of the Group and of the Company during the financial year were ranging from 5.1% to 7.8% (2020: 5.1% to 7.8%) and 6.8% (2020: 7.8%) respectively.

28. Lease liabilities (cont'd.)

(b) Reconciliation of liabilities from financing activities to the statements of cash flows are as follows:

	Group RM'000	Company RM'000
At 1 July 2020	683	3,985
Cash flows:		
- Payments of lease liabilities	(136)	(528)
Non-cash flows changes:		
- Additions (Note 14(a))	-	1,255
- Termination	(279)	(1,650)
- Lease modification	-	317
- Interest expenses (Note 7)	25	278
At 30 June 2021	293	3,657
At 1 July 2019	764	4,280
Cash flows:		
- Payments of lease liabilities	(212)	(614)
Non-cash flows changes:		
- Additions (Note 14(a))	83	-
- Interest expenses (Note 7)	48	319
At 30 June 2020	683	3,985

(c) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.

29. Long term payable

Long term payable relates to amount payable to the State Government of Perak, which is unsecured, non-interest bearing and payable according to the progress of development undertaken by the Group.

The repayment schedule for land cost payable is as follows:

Group	Within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Unsecured				
2021				
Long term payable	-	16,460	22,354	38,814
2020				
Long term payable	-	1,991	85,225	87,216

(a) The long term payable is discounted at the range of rate of 6.8% to 7.0% (2020: 7.0%).

(b) Long term payable is denominated in RM.

(c) Information on financial risks of long term payables is disclosed in Note 34 to the financial statements.

30. Trade payables

	Group	
	2021 RM'000	**2020 RM'000**
Third parties	32,605	59,805
Retention sums	50,562	45,853
	83,167	105,658

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days).

(b) Trade payables are denominated in RM.

(c) Information on financial risks of trade payables is disclosed in Note 34 to the financial statements.

31. Other payables

		Group		Company	
		2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Due to Directors	(a)	5,519	792	5,519	792
Sundry payables		29,811	32,072	94	460
Accruals		68,768	84,339	7,796	10,437
Deposits received		6,417	4,195	-	-
Due to subsidiaries	(b)	-	-	27,650	31,098
Amounts due to State Government		56,133	22,218	-	-
		166,648	143,616	41,059	42,787

(a) Due to Directors

The amounts due to Directors are in respect of Directors' remuneration.

The amounts due to Directors and a company in which Directors have interests are unsecured, interest free and payable upon demand in cash and cash equivalents.

Further details on related party transactions are disclosed in Note 33 to the financial statements.

(b) Due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and payable within the next twelve (12) months in cash and cash equivalents.

(c) Other payables are denominated in RM.

(d) Information on financial risks of other payables is disclosed in Note 34 to the financial statements.

32. Contingent liabilities - unsecured

(a) Medan Prestasi Sdn. Bhd. (“MPSB”) vs. Inland Revenue Board (“IRB”)

Appeal to Special Commissioners of Income Tax ("SCIT")

Between financial years 2002 and 2004, MPSB disposed of certain investment properties and filed the necessary forms as required by the Real Property Gains Tax (“RPGT”) Act, 1976. The IRB contended that the gain from the sale should be subject to income tax instead of the RPGT and had ordered MPSB, a subsidiary of the Company, to pay the outstanding tax liability and additional penalties amounted RM8.7 million and RM3.9 million respectively. The Directors disagreed with the IRB’s position and are currently appealing against the assessment.

Subsequently, IRB rejected MPSB’s appeal and demanded MPSB to pay the outstanding tax and additional penalties amounting to RM12.6 million. MPSB then appealed to the Special Commissioner of Income Tax (“SCIT”) and subsequently to the High Court. The High Court, on 14 September 2012, ordered for a hearing to be fixed and determined before a new panel of SCIT.

On 14 September 2012, the Kuala Lumpur High Court held that there was a valid appeal and directed for the matter to be remitted to the SCIT to be heard.

On 20 and 21 October 2014, the witnesses gave their evidences in respect of the appeal. The SCIT then fixed for the continuance of the hearing on the 12 January 2015.

On 12 January 2015, the hearing continued with the witness from IRB giving her evidence in respect of the appeal. On 16 February 2015, MPSB had filed a written submission with the SCIT and subsequently filed a submission in reply to IRB’s written submission on 6 July 2015.

There was a coram failure as the SCIT who heard the case are no longer in service. Hence, a new SCIT panel was constituted and the case was heard on 24 November 2017. The case hearing was further adjourned to 23 April 2018.

After the hearing on 23 April 2018, the SCIT then required a witness to be called by MPSB on a next hearing date to explain on the sub-division of the properties in dispute. The case was fixed for case management on 28 August 2018 for the Court to fix a next hearing date.

On 28 August 2018, the next hearing date has been fixed on 22 February 2019 for the calling of the MPSB’s witness and oral submissions. After the hearing, the SCIT directed the parties to attend decision fixed on 10 May 2019. On 10 May 2019, SCIT dismissed MPSB’s appeal against the assessments.

MPSB then filed an appeal via case stated on 28 May 2019 against the SCIT’s decision for the case to be heard before the High Court.

On 4 March 2021, MPSB received the case stated (i.e. the ground of judgement) issued by the SCIT. MPSB has sought for some amendments on the case stated. During the case management held on 15 September 2021, the Court instructed the parties to files respective affidavits in reply in respect of MPSB's application to amend the Case Stated and to attend a new case management on 18 October 2021. The next case management was fixed on 2 November 2021.

On a prudent and without prejudice basis, a provision of tax liability and penalty amounting to RM8.7 million and RM5.9 million respectively had been made by the management in the previous financial year.

32. Contingent liabilities - unsecured (cont'd.)

(a) Medan Prestasi Sdn. Bhd. ("MPSB") vs. Inland Revenue Board ("IRB") (cont'd.)

Stay of proceedings

On 6 July 2020, MPSB was served with a Writ of Summon in respect of the notices of additional assessment raised for the Years of Assessment 2002, 2003 and 2004 totalling RM10.1 million, after deducting the payment made to IRB amounted to RM4.5 million. MPSB has filed an application for stay of further proceedings pending the disposal of its appeal by way of case stated against the decision of the SCIT before the High Court. The High Court had fixed the hearing for MPSB's application for stay on 3 November 2020.

During the hearing of the Defendant's Application for Stay of Proceedings on 3 November 2020, owing to the extension of the Conditional Movement Control Order ("CMCO") from 27 October 2020 to 9 November 2020, the hearing was adjourned and a new hearing date for the Application for Stay of Proceedings was fixed on 9 December 2020. Additionally, the Court fixed the next case management in respect of the Plaintiff's Application for Summary Judgment on 9 December 2020, after the disposal of the Defendant's Application for Stay of Proceedings. On 9 December 2020, the Court set the next case management date on 25 February 2021. On 25 February 2021, the case management was adjourned to 5 May 2021 due to Movement Control Order.

On 5 May 2021, the Court fixed the next case management on 4 June 2021. The parties are instructed to attend a new case management on 18 October 2021. After the case management on 4 June 2021 and 8 July 2021, the Court fixed the hearing of the Defendant's Application for Stay and Extension of Time to file Defence on 28 October 2021.

(b) Saujana Triangle Sdn. Bhd. ("STSB") vs. Inland Revenue Board ("IRB")

On 4 May 2017, STSB was served with Notices of Assessment for the years of assessment of 2009 to 2011 and 2013 respectively for an additional income tax of RM55.7 million and 45% penalty of RM25.1 million totalling RM80.8 million.

The above mentioned income tax and penalty imposed by the IRB are in relation to:

(i) IRB has taken the view that the gains from the disposal of land held under investment properties in the year of assessment 2009 are to be treated as revenue in nature, instead of capital in nature;

(ii) IRB has disregarded the 5 years' time barred period to raise the assessments in respect of the land disposal; and

(iii) IRB has disallowed certain development costs on the basis that these are only provisions and the amounts have yet to be paid. Thus, IRB does not treat them to be incurred for the purpose Section 33 (1) of the Income Tax Act, 1967.

Based on advice from both its tax consultants and solicitors, STSB is of the view that:

(i) The land sales of the investment properties are capital transaction which are liable to RPGT in the year of assessment 2009 (which was a RPGT exempt year);

(ii) The Notices of Assessment raised by the IRB are statute barred and erroneous in Law; and

(iii) The accrual of development costs have been allowed according to accounting standards and IRB's public ruling on property development.

STSB disagreed with the assessment raised by the IRB and had on 1 June 2017 filed a Notice of Appeal to the Special Commissioners of Income Tax ("SCIT") pursuant to Section 99(1) of the Income Tax Act, 1967 (Form Q) with the Director General of Inland Revenue to appeal against the Notices of Assessment. SCIT has yet to fix a hearing date.

32. Contingent liabilities - unsecured (cont'd.)

(b) Saujana Triangle Sdn. Bhd. ("STSB") vs. Inland Revenue Board ("IRB") (cont'd.)

Meanwhile, STSB had also made an Application to the High Court of Kuala Lumpur for a Judicial Review and Stay which was dismissed on 9 August 2017. On the advice of its solicitors, STSB had on 10 August 2017 filed an appeal to the Court of Appeal against the High Court's decision and filed a Notice of Motion to Stay on the effect and enforcement of the said Notices of Assessment pending the appeal before the Court of Appeal.

On 29 August 2017, the Court of Appeal granted an interim stay on the IRB's Notices of Assessment where a case management was scheduled on 14 September 2017 and a hearing may be fixed.

On 6 September 2017, the IRB filed a Notice of Motion for Leave to Appeal to the Federal Court against the Court of Appeal's decision to grant the interim relief. The Federal Court directed STSB to file its written submission on 20 November 2017 and to attend a hearing on 4 December 2017.

On 13 March 2018, the Court of Appeal did not allow STSB's appeal against the High Court's decision not to grant leave. The Court took the view that the matter should be heard before the SCIT.

On 10 April 2018 and 18 April 2018, STSB was served with Writ of Summons and Statement of Claim for the years of assessment of 2009 to 2011 and 2013 respectively for an additional tax penalty of RM12.3 million after utilisation of tax credit of RM1.4 million.

On 19 September 2018, STSB and IRB entered into a consent judgment that STSB will be granted a stay of the civil recovery proceedings at Shah Alam High Court until the full and final determination of its appeal at the SCIT. The matter is now fixed for case management on 2 December 2021.

Upon consulting its solicitors, the Board is of the view that there are grounds to disagree with the Notices of Assessment raised including the imposition of penalties as explained above.

On a prudent and without prejudice basis, a provision of tax liability and penalty amounting RM4.6 million and RM4.5 million respectively have been made by the Directors in the financial statements of the previous financial year. STSB is of the view that the basis of the assessment that the gain on disposal of these investment properties should be subject to RPGT and the development costs accrued being allowed according to financial reporting standards and IRB's public ruling on property development.

(c) Corporate Guarantees

The maximum exposure to credit risk without taking into consideration any collateral held or other credit enhancement is represented by the carrying amount of financial assets in the financial statements, net of impairment losses and granting of corporate guarantees to subsidiaries as follows:

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
Unsecured corporate guarantees given to licensed banks for facilities granted to:		
- subsidiaries - limit of guarantee	107,050	154,600
Amount utilised	30,850	50,300

The Group and the Company designate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group and the Company recognise these insurance contracts as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a realiable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the financial institutions to call upon the guarantees are remote.

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33. Significant related party transactions

(a) In addition to related party disclosures mentioned elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Company	
	2021	**2020**
	RM'000	**RM'000**
(Income)/Expense:		
Rental of premises payable to subsidiaries	516	542
Management fees from subsidiaries	(17,702)	(19,000)
Dividend income from a subsidiary	(9,913)	(12,000)

The Directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

(b) Compensation of key management personnel

The remuneration of Directors and key management personnel during the year are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries and other emoluments	6,499	4,262	6,499	4,262
Defined contribution plan	378	502	378	502

Included in the total key management personnel compensation are:

	Group/Company	
	2021	**2020**
	RM'000	**RM'000**
Directors' remuneration		
- executive	6,044	3,280
- non-executive	346	364
	6,390	3,644

The remuneration of Directors and key management personnel above include the accrued gratuity of RM3,282,000 (2020:Nil).

34. Financial risk management objectives and policies

The financial risk management objective of the Group and of the Company is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and do not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Group and the Company are exposed mainly to credit risk, liquidity and cash flows risks and interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade receivables and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the reporting date, there were no significant concentrations of credit risk other than amounts owing by subsidiaries that may arise from exposures to a single debtor or to groups of debtors. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial assets.

(b) Liquidity and cash flows risk

Liquidity and cash flows risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure to liquidity and cash flows risk arises primarily from mismatches of the maturities of financial assets and liabilities. 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 credit facilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing their liquidity and cash flows risk management strategy, the Group and the Company measure and forecast their cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group and the Company.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on undiscounted contractual payment obligations:

Group	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
2021				
Financial liabilities:				
Trade payables	83,167	-	-	83,167
Other payables	166,648	-	-	166,648
Borrowings	25,816	3,680	2,665	32,161
Lease liabilities	113	198	-	311
Long term payable	-	21,408	39,118	60,526
Total undiscounted financial liabilities	275,744	25,286	41,783	342,813

34. Financial risk management objectives and policies (cont'd.)

(b) Liquidity and cash flows risk (cont'd.)

Maturity analysis (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on undiscounted contractual payment obligations: (cont'd.)

Group	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
2020				
Financial liabilities:				
Trade payables	105,658	-	-	105,658
Other payables	143,616	-	-	143,616
Borrowings	44,673	4,092	3,762	52,527
Lease liabilities	225	530	6	761
Long term payable	-	4,500	91,940	96,440
Total undiscounted financial liabilities	294,172	9,122	95,708	399,002
Company				
2021				
Financial liabilities:				
Other payables	41,059	-	-	41,059
Lease liabilities	470	1,882	2,822	5,174
Total undiscounted financial liabilities	41,529	1,882	2,822	46,233
2020				
Financial liabilities:				
Other payables	42,787	-	-	42,787
Lease liabilities	612	2,330	2,712	5,654
Total undiscounted financial liabilities	43,399	2,330	2,712	48,441

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments would fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by twenty-five (25) basis points with all other variables held constant:

	Group	
	2021 RM'000	2020 RM'000
Profit after tax		
- Increase by 0.25% (2020: 0.25%)	(59)	(96)
- Decrease by 0.25% (2020: 0.25%)	59	96

35. Fair values of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables	20
Other receivables	21
Contract assets	22
Cash and bank balances	24
Borrowings	27
Long term payable	29
Trade payables	30
Other payables	31
Contract liabilities	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair value estimates of the following classes of financial instruments were determined by application of the methods and assumptions described below:

(a) Borrowings

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

(b) Long term payable

Fair value of long term payable is based on discounting expected future cash flows at market incremental lending rate for the payable.

Fair value hierarchy

The following provides the fair value measurement hierarchy of the Group's assets and liabilities.

The different levels have been defined as follows:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35. Fair values of financial instruments (cont'd.)

Non-financial instruments

The fair value of the investment properties as at 30 June 2021 and 30 June 2020 were determined based on valuations performed by independent professionally qualified valuers, on a direct comparison method. The fair value of the investment properties is categorised as Level 3 under the fair value hierarchy.

36. Operating lease commitments

The Group as lessor

The Group has entered into non-cancellable lease agreements for its properties, resulting in future rental receivables which can, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

The Group has aggregate future minimum lease receivables as at the end of the reporting period as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Not later than one (1) year	2,523	2,366
Later than one (1) year and not later than five (5) years	11,800	5,550
Later than five (5) years	43,128	9,602
	57,451	17,518

37. Capital management

The primary objective of the capital management of the Group and of the Company are to ensure that they maintain a good credit rating and capital ratios in order to support its business, maximise shareholders' values, maintaining financial flexibility for its business requirement and investing for future growth. The Group and the Company manage its capital structure in accordance to the changes in economic conditions, its business plans and future commitments. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2021 and 2020.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The gearing ratios as at 30 June 2021 and 2020 were as follows:

	Group	
	2021 RM'000	**2020 RM'000 (Restated)**
Total borrowings (Note 27)	30,850	50,300
Total equity	1,213,372	1,193,957
Gearing ratio	3%	4%

The Group and the Company are not subject to any other externally imposed capital requirements.

38. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follows:

(i) Property development - the development of mixed properties and its related activities;

(ii) Leisure - operation of resorts/hotels and theme parks;

(iii) Investment holding - investments in subsidiaries and property investment; and

(iv) Education - provision of educational services.

There are no other operating segments which have been aggregated to form the above four (4) reportable operating segments.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses.

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

38. Segment information (cont'd.)

	Property development		Leisure		Investment holding		Education		Elimination		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue												
External	175,177	181,870	9,348	18,604	4	14	1,267	1,410	-	-	185,796	201,898
Inter-segment	-	-	-	-	38,427	28,888	-	-	(38,427)	(28,888)	-	-
Total revenue	175,177	181,870	9,348	18,604	38,431	28,902	1,267	1,410	(38,427)	(28,888)	185,796	201,898
Results												
Interest income from deposit with licensed bank	269	781	-	-	64	393	-	-	-	-	333	1,174
Reversal of impairment losses on:												
- trade receivables	1,856	4,210	4	546	2	-	15	-	-	-	1,877	4,756
- other receivables	2,845	2,745	-	-	-	-	-	-	-	-	2,845	2,745
- contract assets	63	602	-	-	-	-	-	-	-	-	63	602
- inventories written off	-	28	-	-	-	-	-	-	-	-	-	28
Reduction of payables	1,663	62	22	8	45	26	107	-	-	-	1,837	96
Depreciation of property, plant and equipment	5,446	5,686	534	487	494	523	201	517	(469)	(791)	6,206	6,422
Interest expense	3,488	5,136	2	32	639	761	20	22	(408)	(490)	3,741	5,461
Write-down of inventories	12	1,984	-	262	-	-	-	-	-	-	12	2,246
Write-off of property, plant and equipment	-	-	-	168	-	-	-	-	-	-	-	168
Fair value gain on long term payable	15,382	-	-	-	-	-	-	-	-	-	15,382	-
Fair value gain on investment properties	17,943	3,610	-	-	-	-	-	-	-	-	17,943	3,610
Impairment losses on:												
- trade receivables	163	601	50	66	-	-	-	15	-	-	213	682
- other receivables	3,946	1,397	-	-	45	-	-	-	-	-	3,991	1,397
- contract assets	1,022	6	-	-	-	-	-	-	-	-	1,022	6
Segment profit/(loss) before tax	136,065	40,968	(1,862)	(1,486)	17,296	5,884	(8)	(1,408)	(126,828)	(24,175)	24,663	19,783
Taxation	53,350	5,554	-	-	4,061	(915)	-	-	(52,163)	5,395	5,248	10,034
Assets:												
Additions of non-current assets	750	414	352	827	93	47	-	1	-	-	1,195	1,289
Segment assets	2,176,306	2,058,131	1,458	2,603	2,050,858	2,039,180	4,602	4,862	(2,617,907)	(2,455,183)	1,615,317	1,649,593
Segment liabilities	1,246,388	1,198,974	20,286	20,614	70,971	62,611	8,762	9,014	(944,462)	(835,577)	401,945	455,636

38. Segment information (cont'd.)

Additions to non-current assets consist of the following:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Property, plant and equipment	1,195	1,289

39. Adoption of MFRSs and Amendments to MFRSs

39.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective Date**
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendments to MFRS 16 *Covid-19 - Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020 (effective immediately)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

39.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2021

Title	**Effective Date**
Interest Rate Benchmark Reform Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling Contract*	1 January 2022
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

40. Significant events during the financial year

40.1 2019 Novel Coronavirus infection ("COVID-19")

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meet its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continue to monitor its fund and operational needs.

The Group has also continued to prioritise the health and safety of its employees, and implemented necessary COVID-19 mitigation measures such as physical distancing at work, workplace segregation, staggered work hours and lunch breaks, flexible working arrangements including working from home, virtual meetings, temperature checks and regular workplace sanitisation.

Given the continued uncertainty posted by the COVID-19 pandemic, the Group continues to monitor local developments closely, and remain proactive and vigilant in mitigating any potential impacts to the Group's businesses.

40.2 Development of Large Scale Solar Photovoltaic Plant

M K Land Resources Sdn. Bhd. ("MKLRSB"), a wholly-owned subsidiary of the Company has been shortlisted by Energy Commission ("EC") as one of the successful bidders for the Development of Large Scale Solar Photovoltaic Plant ("LSSPV") in Peninsular Malaysia for commercial operation in 2022/2023 (LSS @ MEnTARI), subsequent to a competitive bid process conducted by EC.

MKLRSB has received a Letter of Notification as a Shortlisted Bidder from EC dated 12 March 2021 to develop a 10.95 MW LSSPV in Kerian, Perak Darul Ridzuan, subject to fulfilment of additional requirements, which will be issued by EC in due time.

Subsequently Solar Citra Sdn. Bhd. ("SCSB"), a wholly-owned subsidiary of MKLRSB, which in turn is a wholly-owned subsidiary of the Company, had been set up on 10 May 2021 to undertake the LSSPV project.

41. Significant event subsequent to the financial year

Development of Large Scale Solar Photovoltaic Plants

On 26 August 2021, SCSB had signed a Large Scale Solar Protolvotaic (LSS4) Power Purchase Agreement with Tenaga Nasional Berhad.

42. Comparative figures

(a) IFRIC Agenda Decision - Over time transfer of constructed good ("IAS 23")

The IFRS Interpretations Committee ("IFRIC) in its March 2019 meeting concluded that any receivable, contract asset, inventories that an entity recognises over time are not a qualifying assets. In addition, the Agenda Decision also concluded that capitalisation of borrowing costs into inventories cease when the development project is launched or ready for its intended use or sale. The Malaysia Accouning Standard Board announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual reports beginning on or after 1 July 2020.

With the adoption of the IFRIC Agenda Decision, the Group has applied retrospectively in its statement of financial position as at 1 July 2019 to reflect the new policy.

42. Comparative figures (cont'd.)

(b) Reclassifications

Comparative balances have been reclassified to reflect the presentation in accordance to MFRS 101 paragraph 82(ba).

(c) Reconciliation of consolidated financial statements

The impact of the adoption of the IFRIC Agenda Decision and reclassifications of certain comparative figures in the financial statements of the Group are as follows:

Consolidated Statement of Profit or Loss:

Group 30 June 2020	As previously reported RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Reclassifi-cations RM'000	As restated RM'000
Revenue	201,898	-	-	201,898
Cost of sales	(115,308)	1,199	-	(114,109)
Gross profit	86,590	1,199	-	87,789
Other income	16,912	-	(8,103)	8,809
Net gain on impairment of financial asset and contract asset	-	-	6,018	6,018
Administrative expenses	(48,457)	-	-	(48,475)
Selling and marketing expenses	(3,215)	-	-	(3,215)
Other expenses	(27,785)	-	2,085	(25,700)
Operating profit	24,045	1,199	-	25,244
Finance costs	(3,647)	(1,814)	-	(5,461)
Profit before tax	20,398	(615)	-	19,783
Taxation	(10,034)	-	-	(10,034)
Profit for the financial year	10,364	(615)	-	9,749
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	10,364	(615)	-	9,749

42. Comparative figures (cont'd.)

(c) Reconciliation of consolidated financial statements (cont'd.)

The impact of the adoption of the IFRIC Agenda Decision and reclassifications of certain comparative figures in the financial statements of the Group are as follows: (cont'd.)

Consolidated Statement of Profit or Loss:

Group	As previously reported RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated RM'000
1 July 2019			
Current assets			
Inventories	268,777	(2,098)	266,679
Equity attributable to owners of the parent			
Retained profits	23,389	(2,098)	21,291
30 June 2020			
Current assets			
Inventories	267,114	(2,713)	264,401
Equity attributable to owners of the parent			
Retained profits	21,905	(2,713)	19,192

Consolidated Statement of Cash Flows:

Group			
30 June 2020			
Cash flows from operating activities			
Profit before tax	20,398	(615)	19,783
Interest expense	3,647	1,814	5,461
Inventories	(23,787)	(1,199)	(24,986)

LIST OF MATERIAL PROPERTIES

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2021 (RM'000)
PT 44011, H.S.(D) 222395 (part), PT 46696, H.S.(D) 234003, PT 48041, H.S.(D) 267031, PT 47959 - 48023, H.S.(D) 267033 - 267097, PT 48032, H.S.(D) 267103, PT 48033, H.S.(D) 267104 (part), PT 48035, H.S.(D) 267105 (part) & PT 48531, H.S.(D) 280464, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan.	Land for proposed mixed development.	162.77 acres	Leasehold expiring on 18/8/2102, 8/6/2104, 13/9/2105 & 21/12/2109		7/10/96, 30/6/97* & 23/6/03	256,402
PT 47373, H.S.(D) 256297, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan.	Investment properties	12.99 acres	Leasehold expiring on 13/5/2108		30/6/21*	138,700
Unit No. LA1, Ground Floor, Tropics Shopping Centre, Jln. PJU 8/1, Bdr. Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.	A retail lot	1,485.33 sq. metres	Leasehold expiring on 8/6/2104		30/6/21*	3,200
PT 46227 - 46676, H.S.(D) 233287 - 233985, Mukim of Sg. Buloh, District of Petaling Jaya, State of Selangor Darul Ehsan.	Land for proposed mixed development.	22.65 acres	Leasehold expiring on 12/9/2105		31/8/00*	14,185
Parcels A - G, PT 47372, H.S.(D) 256296, PT 48035, H.S.(D) 267105 (part) & PT 48033, H.S.(D) 267104 (part), Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan	Land for proposed mixed development.	23.04 acres	Leasehold expiring on 16/10/2094		31/8/00*	19,891
PT 12203, H.S.(D) 7821, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Land for proposed mixed development.	3.60 acres	Freehold		31/8/00*	2,898
LOT 70290 (PT 45196), PN 22356 (Formerly H.S.(D) 198534), Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan.	Investment properties	0.50 acres	Leasehold expiring on 5/3/2103		30/6/21*	5,880
PT 51444, H.S.(D) 321262, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan.	Land for proposed mixed development.	5.56 acres	Leasehold expiring on 5/3/2103		8/7/99	78,453
Lot 70324, PN 112377, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan.	Land for proposed mixed development.	11.76 acres	Leasehold expiring on 7/2/2111		8/7/99	85,805

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2021 (RM'000)
Lot No. 5113, No. Hakmilik 49024 Mukim of Ulu Kelang, District of Kuala Lumpur, State of Wilayah Persekutuan.	Land for proposed mixed development.	55.49 acres	Leasehold expiring on 9/11/2083		31/1/05	51,774
PT 12035 - PT 12040, H.S.(D) 11244 - 11249, Mukim of Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan.	Land for proposed mixed development.	95.42 acres	Leasehold expiring on 12/6/2096		8/7/99	63,698
PT 12039 (part), H.S.(D) 11248, Mukim of Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan.	Investment properties	5.51 acres	Leasehold expiring on 12/6/2096		30/6/21*	3,000
PT 13777, H.S.(D) 14820, Mukim Serendah, District of Ulu Selangor, State of Selangor Darul Ehsan.	Land for proposed mixed development.	64.93 acres	Leasehold expiring on 4/9/2097		5/9/98	19,878
PT 203089, H.S.(D) 136260, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Land for proposed mixed development.	21.70 acres	Freehold		1/12/04	5,907
Parcel D5, held under PT 203091, H.S.(D) 136262, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Land for proposed mixed development.	30.82 acres	Freehold		27/2/06	9,852
PT 181650, PT 80580 & PT 80581, Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Land for proposed mixed development.	14.33 acres	Freehold		8/3/02	13,366
PT 49262, PT 49263 & PT 57408 Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Land for proposed mixed development.	21.75 acres	Leasehold		22/5/06	9,056
PT 600 - 602 (part),PT 604, PT 605, PT 632, PT 633, PT 635, PT 638, PT 639, PT 640 (part), PT 641, PT 642, PT 3813 - 4264, PT 749 - 1131 & PT 1748 - 1825, Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Land for proposed mixed development and resort.	1,316.88 acres	Leasehold land expiring on 15/8/2093, 17/10/2093, 16/6/2094, and 28/4/2096 respectively.		23/6/03*	120,876
PT 600 (part), PT 602 (part), PT 603 (part), PT 636 (part) & PT 640 (part), H.S.(D) KN 1175, H.S.(D) KN 1177 & H.S.(D) KN 1183 respectively, Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Investment properties	102.97 acres	Leasehold land expiring on 15/8/2093 and 29/6/2096 respectively.		30/6/21*	41,180

LIST OF MATERIAL PROPERTIES

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2021 (RM'000)
Lot 9450 (part), formerly known as PT 602 Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Ecopark	3.50 acres	Leasehold expiring on 15/8/2093.	22	30/6/21*	1,428
Lot 10089 & Lot 9450 (part), PT 1887 (part), PT 602 (part) & PT 603 (part), Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Water Themepark, Nursing College & Club House	14.14 acres	Leasehold expiring on 15/8/2093.	24	30/6/21*	50,699
Lot 10090, PT1808, Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Hotel	3.68 acres	Leasehold expiring on 15/8/2093.	24	30/6/21*	20,127
Lot 10089 & Lot 9450 (part), PT 1887 (part), Mukim of Gunung Semanggol, District of Kerian, State of Perak Darul Ridzuan.	Marina Village	10.35 acres	Leasehold expiring on 15/8/2093.	22	30/6/21*	23,141
PT 1514 & PT 1515, H.S.(D) KN 1744 & KN 1745 (part), PN 220212 - PN 220235 [Lot 7946 - Lot 7954 (PT 1511 - PT 1519)] & PN 363402, Lot 7955 (PT 1520), Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan.	Land for proposed mixed development.	1,888.12 acres	Leasehold expiring on 8/1/2096		30/6/03*	93,338
PN 257319, Lot 9089 & H.S.(D) 6350, PT 4068, Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan.	Land for proposed mixed development.	406.81 acres	Leasehold expiring on 10/2/2101		27/6/97	11,548
PN 220215, Lot 7948 (PT 1513), Mukim of Beriah , District of Kerian, State of Perak Darul Ridzuan.	Investment properties	180.54 acres	Leasehold expiring on 8/1/2096		30/6/21*	15,700
PT4067 (part), Mukim of Beriah , District of Kerian, State of Perak Darul Ridzuan.	Investment properties	353.72 acres	Leasehold expiring on 10/2/2101		30/6/21*	28,000
PN 220222 & PN 220228 [Lot 7951 & 7952, (PT 1516 & PT 1517) (part)], PN 363402 [Lot 7955 (PT 1520), (part)] & PN 257319,[Lot 9089, PT 4067 (part)] Mukim of Beriah, District of Kerian, State of Perak Darul Ridzuan.	Investment properties	41.13 acres	Leasehold expiring on 8/1/2096 and 17/07/2106 respectively		30/6/21*	6,550
Lot PT 379 (part), H.S. (M) 46, Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Land for proposed mixed development.	50.77 acres	Leasehold expiring on 27/6/2098		31/10/00*	19,607

LIST OF MATERIAL PROPERTIES

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2021 (RM'000)
Geran Mukim of 1232, Lot 1922 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Kuala Melaka Inn, Hotel, Langkawi.	2,129 sq. metres	Freehold	12	2/12/02	14,129
Master Title Geran Mukim of 1231, Lot 1919 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Sub basement area comprising of ballrooms, meeting rooms, kitchen and other facilities within a block of service apartment.	1,678 sq. metres	Freehold	19	11/9/02	
Master Title Geran Mukim of 1231, Lot 1919 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Sub basement area comprising of car park facilities within a block of service apartment.	2,893 sq. metres	Freehold	19	11/9/02	6,753
Master Title H.S. (M) 9 - 93, PT 249 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Sub basement area comprising of car park facilities within a block of service apartment.	2,938 sq. metres	Freehold	19	11/9/02	
PT 449, H.S. (D) 264, Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Ombak Villa, Langkawi.	40,800 sq. metres	Leasehold expiring on 28/4/2099	8	11/9/02	35,941
Developer's Lot No.2, Block A, Type A3, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Title H.S.(D) 222361, PT 43977, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 17, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office with an attic floor equiped with a passenger lift	1,948 sq. ft. / 7,876 sq. ft.	Leasehold expiring on 8/6/2104	21	30/6/21*	3,700

LIST OF MATERIAL PROPERTIES

Location	Description / Existing Use	Land / Built-Up Area	Tenure	Age of Building (Year)	Date of Acquisition, Date of Valuation*	Net Carrying Amount @ 30 June 2021 (RM'000)
Developer's Lot No.1, Block A, Type A1, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Title H.S.(D) 222360, PT 43976, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 19, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey corner shop-office equiped with a passenger lift	2,519 sq. ft. / 12,600 sq. ft.	Leasehold expiring on 8/6/2104	21	30/6/21*	4,850
Developer's Lot No.3, Block A, Type A4, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Title H.S.(D) 222362, PT 43978, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 15, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office with an attic floor equipped with a passenger lift	1,948 sq. ft. / 7,700 sq. ft.	Leasehold expiring on 8/6/2104	21	30/6/21*	3,700
Developer's Lot No.3A, Block A, Type A3, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Title H.S.(D) 222363, PT 43979, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 11A, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A renovated five-storey intermediate shop-office equipped with a passenger lift.	1,948 sq. ft. / 7,700 sq. ft.	Leasehold expiring on 8/6/2104	21	30/6/21*	3,650
Developer's Lot No.5, Block A, Type A4, Phase 1A, Perdana Business Centre, Bandar Damansara Perdana held under Title H.S.(D) 222364, PT 43980, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan (No. 11, Block A, Jln PJU 8/5H, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, SDE.)	A five-storey intermediate shop-office equipped with a passenger lift	1,948 sq. ft. / 7,700 sq. ft.	Leasehold expiring on 8/6/2104	21	30/6/21*	3,650

ANALYSIS OF SHAREHOLDINGS

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 SEPTEMBER 2021

The total number of issued shares of the Company stands at 1,204,589,984 ordinary shares, with voting right of one vote per ordinary share.

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	346	3.137	5,655	0.000
100 - 1,000	1,618	14.671	1,133,891	0.094
1,001 - 10,000	4,479	40.614	27,109,294	2.250
10,001 - 100,000	3,904	35.400	143,790,588	11.936
100,001 - 60,229,498 (Less than 5% of issued shares)	678	6.147	274,984,925	22.828
60,229,499 AND ABOVE (5% and above of issued shares)	3	0.027	757,565,631	62.889
TOTAL :	11,028	100.000	1,204,589,984	100.000

LIST OF TOP 30 LARGEST SHAREHOLDERS

No.	Name	Holdings	%
1	MKN HOLDINGS SDN BHD	479,096,585	39.772
2	KASI A/L K L PALANIAPPAN	186,907,715	15.516
3	PB TRUSTEE SERVICES BERHAD EMKAY TRUST	91,561,331	7.601
4	SEE TIAN CHWAN	5,518,800	0.458
5	CHANG KENG ONN	5,110,000	0.424
6	TEOH CHENG HUA	5,000,000	0.415
7	WONG CHEE KONG	4,000,000	0.332
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH HOCK CHAI	3,500,000	0.290
9	KHO POH SING	2,700,000	0.224
10	CHAN HAI MING	2,665,800	0.221
11	TEO KWEE HOCK	2,500,000	0.207
12	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KASI A/L K LPALANIAPPAN	2,320,000	0.192
13	FEDERLITE HOLDINGS SDN BHD	2,261,600	0.187
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HOCK LEYONG	2,117,000	0.175
15	CHIN KIAN FONG	2,093,600	0.173
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	2,062,000	0.171

ANALYSIS OF SHAREHOLDINGS

No.	Name	Holdings	%
17	CHIN SIN LIN	2,015,600	0.167
18	YEO EN SENG	2,010,000	0.166
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HO CHI HENG	2,000,000	0.166
20	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	1,983,100	0.164
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	1,916,300	0.159
22	WAN KOK CHEONG	1,906,000	0.158
23	MAH SIEW SEONG	1,880,000	0.156
24	LIM SIOK BEE	1,873,000	0.155
25	LIM SENG CHEE	1,851,000	0.153
26	HENRY CHEE MING PING	1,757,000	0.145
27	SHAMEER SDN BHD	1,710,000	0.141
28	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	1,600,000	0.132
29	TAN KOK HWA	1,541,000	0.127
30	SIN KEK YONG	1,445,000	0.119

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2021

	Direct no. of Shares held		Indirect no. of Shares held	
Name	Holdings	%	Holdings	%
MKN Holdings Sdn Bhd	479,096,585	39.77	-	-
Datuk Kasi A/L K L Palaniappan	189,227,715	15.71	-	-
Tan Sri Datuk (Dr.) Hj Mustapha Kamal Bin Hj Abu Bakar	82,405,198	6.84	479,096,585*	39.77
Puan Sri Datin Hjh Wan Nong Binti Hj Wan Ibrahim	9,156,133	0.76	479,096,585*	39.77

* By virtue of his/her interest in MKN Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

INFORMATION ON DIRECTORS SHAREHOLDINGS AS AT 30 SEPTEMBER 2021

	Direct no. of Shares held		Indirect no. of Shares held	
Name	**Holdings**	**%**	**Holdings**	**%**
Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal	-	-	-	-
Lau Shu Chuan	-	-	-	-
Hjh Juliana Heather Binti Ismail	-	-	-	-
Anita Chew Cheng Im	-	-	-	-
Dato Tan Choon Hwa @ Esther Tan Choon Hwa	-	-	-	-
Yeong Weng Cheong	-	-	-	-

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting ("42nd AGM") of the Company will be held fully virtual through the online meeting platform of TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Tuesday, 7 December 2021 at 10.30 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who are retiring pursuant to Clause 93 of the Constitution of the Company and being eligible, have offered themselves for re-election: **(Please refer to Explanatory Note 2)**

   (a) Pn Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal **(Resolution 1)**
   (b) YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa **(Resolution 2)**

3. To re-elect Mr Yeong Weng Cheong who is retiring pursuant to Clause 97 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 3) (Please refer to Explanatory Note 2)**

4. To approve the payment of Directors' fees of Ms Anita Chew Cheng Im amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **(Resolution 4) (Please refer to Explanatory Note 3)**

5. To approve the payment of Directors' fees of Pn Hjh Juliana Heather Binti Ismail amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **(Resolution 5) (Please refer to Explanatory Note 3)**

6. To approve the payment of Directors' fees of YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **(Resolution 6) (Please refer to Explanatory Note 3)**

7. To approve the payment of Directors' fees of Mr Yeong Weng Cheong amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **(Resolution 7) (Please refer to Explanatory Note 3)**

8. To approve the payment of Directors' benefits for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **(Resolution 8) (Please refer to Explanatory Note 3)**

9. To re-appoint BDO PLT, the retiring auditors for the financial year ending 30 June 2022 and to authorise the Board of Directors to fix the remuneration of auditors. **(Resolution 9) (Please refer to Explanatory Note 4)**

SPECIAL BUSINESS

To consider and if thought fit, with or without any modification(s), to pass the following ordinary resolutions:

10. **PROPOSED CONTINUATION IN OFFICE OF PN HJH JULIANA HEATHER BINTI ISMAIL AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

    "THAT approval be and is hereby given to Pn Hjh Juliana Heather Binti Ismail who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as a Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance." **(Resolution 10) (Please refer to Explanatory Note 5)**

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

11. **PROPOSED CONTINUATION IN OFFICE OF MS ANITA CHEW CHENG IM AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

"THAT approval be and is hereby given to Ms Anita Chew Cheng Im who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance." **(Resolution 11) (Please refer to Explanatory Note 5)**

12. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby empowered to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of the issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate"). **(Resolution 12) (Please refer to Explanatory Note 6)**

THAT such approval on the Proposed General Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;

(b) the expiration of the period within which the next Annual General Meeting is required to be held after the approval was given; or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

13. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

ALIZA BINTI AHMAD TERMIZI
(SSM PC No.: 201908000714) (LS0009656)
YEAP KOK LEONG
(SSM PC No.: 202008001750) (MAICSA 0862549)
Company Secretaries

Petaling Jaya
29 October 2021

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

Notes:

1. IMPORTANT NOTICE

   The revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia ("the Revised Guidance Note and FAQs") states that listed issuers are encouraged to continue leveraging technology to conduct their general meeting beyond movement control order. This includes conducting fully virtual or hybrid general meetings.

   According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

   Shareholders are to attend, speak (including posing questions to the Board in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 42nd AGM of the Company using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online.

   Please refer to the Procedures for registration/RPV in the Administrative Guide for the 42nd AGM in order to participate remotely via RPV.

2. For the purpose of determining a member who shall be entitled to attend and vote at the 42nd AGM, the Company shall be requesting the Record of Depositors as at 30 November 2021. Only a depositor whose name appears on the Record of Depositors as at 30 November 2021 shall be entitled to participate in this AGM via RPV.

3. A member entitled to participate in this AGM via RPV is entitled to appoint not more than two proxies to participate in his stead. A proxy may but need not be a member of the Company and a proxy appointed to participate in this AGM via RPV shall have the same rights as the member to speak at a meeting.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy but not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. 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.

6. Where a member or the authorised nominee or an exempt authorised nominee appoints two or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

8. If the appointer is a corporation, this form must be executed under its common seal or under the hand of its attorney duly authorised and accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Proxy Form.

9. Shareholders who appoint proxy(ies) to participate via RPV at the 42nd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 42nd AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid.

10. Alternatively, you may also submit the duly executed proxy form electronically via TIIH Online website at https://tiih.online (applicable to individual shareholders only), not later than **Sunday, 5 December 2021 at 10.30 a.m.** Please refer to the Procedures for Electronic Submission of Proxy Form.

11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

12. Any authority pursuant to which such an appointment is made by a power of attorney, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42nd AGM.

13. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42nd AGM. The certificate of appointment should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
    (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        (a) at least two (2) authorised officers, of whom one shall be a director; or
        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

14. It is important that you read the Administrative Guide for the conduct of the 42nd AGM.

15. Shareholders are advised to check the Company's website at www.mkland.com.my and announcements from time to time for any changes to the administration of the 42nd AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

Explanatory Notes on Ordinary Business / Special Business:

1. Explanatory Note 1

To receive the Audited Financial Statements for the financial year ended 30 June 2021

This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Explanatory Note 2

Re-election of Directors

- Resolution 1 To re-elect Pn Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal who is retiring pursuant to Clause 93 of the Constitution of the Company and being eligible, has offered herself for re election.

- Resolution 2 To re-elect Dato' Tan Choon Hwa @ Esther Tan Choon Hwa who is retiring pursuant to Clause 93 of the Constitution of the Company and being eligible, has offered herself for re-election.

- Resolution 3 To re-elect Mr Yeong Weng Cheong who is retiring pursuant to Clause 97 of the Constitution of the Company and being eligible, has offered himself for re-election.

Clause 93 of the Constitution of the Company provides that one-third of the Directors of the Company for the time being shall retire by rotation at an annual general meeting ("AGM") of the Company. The Directors who are subject to retirement by rotation in accordance with Clause 93 of the Constitution are Pn Hjh Felina Binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal (Executive Chairman) and YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (Independent Non-Executive Director).

Clause 97 of the Constitution of the Company provides that any Director appointed during the year shall hold office until the next AGM of the Company. The Director who is subject to retirement in accordance with Clause 97 of the Constitution is Mr Yeong Weng Cheong (Non-Independent Non-Executive Director).

For the purpose of determining the eligibility of the Directors to stand for re-election at the 42nd AGM, the Nomination Committee ("NC") has considered the following:

(a) The performance and contribution of each of the Directors based on their assessment results of the Board Effectiveness Evaluation 2020/2021; and

(b) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities.

The Board agreed with NC's recommendation that the Directors who retire in accordance with Clauses 93 and 97 respectively, of the Constitution of the Company are eligible to stand for re-election. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the Board meeting. Details of the assessment are disclosed in the Corporate Governance Overview Statement.

3. Explanatory Note 3

Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides, amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board recommended the following to the shareholders for approval at the 42nd AGM:

- Resolution 4 To approve the payment of Directors' fees of Ms Anita Chew Cheng Im amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022.
- Resolution 5 To approve the payment of Directors' fees of Pn Hjh Juliana Heather Binti Ismail amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022.
- Resolution 6 To approve the payment of Directors' fees of YBhg Dato' Tan Choon Hwa @ Esther Tan Choon Hwa amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022.
- Resolution 7 To approve the payment of Directors' fees of Mr Yeong Weng Cheong amounting to RM7,000 per month for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022.
- Resolution 8 To approve the payment of Directors' benefits for the period commencing on 8 December 2021 until the next Annual General Meeting of the Company to be held in 2022.

Directors' Fees

The Remuneration Committee ("RC") has reviewed the Directors' fees and recommended the following Directors' fees to the Board for consideration. The Board agreed with RC's recommendation that the Directors' fees provided are still competitive and at par with prevalent market rate.

The proposed Ordinary Resolutions 4 to 7, if passed, will give authority to the Company to pay the Directors' fees for a period commencing on 8 December 2021 until the next AGM of the Company to be held in 2022, as and when their services are rendered. The quantum of the Directors' fees remains unchanged as compared with the year 2020/2021.

Directors' Benefits

The Directors' benefits comprise allowances and other emoluments payable to the Independent Non-Executive Directors ("INEDs") and Non-INED (collectively referred to as "Non-Executive Directors") of the Board and Board Committees. The current Directors' benefits are as set out below:

Description	**INED & Non-INED**
Meeting allowance for Board and Board Committees (per meeting) for each Non-Executive Director	RM2,000

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

In determining the estimated total amount of benefits for the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of INEDs and Non-INED involved in these meetings. The estimated amount of RM250,000 for the period commencing on 8 December 2021 until the next AGM of the Company to be held in 2022 ("Relevant Period") is derived from estimated attendance for about 10 Board meetings to be held during the Relevant Period.

Payment of the Non-Executive Directors' benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 8 has been passed at the 42nd AGM.

The Board is of the view that it is just and equitable to pay the Directors' benefits as and when incurred, particularly after the Non-Executive Directors have discharged their duties, responsibilities and rendered their services to the Company throughout the Relevant Period.

The proposed Ordinary Resolution 8, if passed, will give authority to the Company to pay the Directors' benefits of up to RM250,000 for a period commencing on 8 December 2021 until the next AGM of the Company to be held in 2022.

4. Explanatory Note 4

The Board has through the Audit and Risk Management Committee ("ARMC"), considered the re-appointment of BDO PLT as Auditors of the Company. The factors considered by the ARMC in making the recommendation to the Board to table their re-appointment at the 42nd AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report for the financial year ended 30 June 2021.

5. Explanatory Note 5

Proposed continuation in office of Pn Hjh Juliana Heather Binti Ismail and Ms Anita Chew Cheng Im as INED

The Board, with the recommendation of NC, has assessed the independence of Pn Hjh Juliana Heather Binti Ismail and Ms Anita Chew Cheng Im, who have served as INEDs of the Company for a cumulative term of more than nine years since 21 December 2009 and 19 February 2009 respectively, and recommending to shareholders to retain their designation as INED of the Company as they have shown that:

(a) They have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and will thus be able to function as a check and balance, and bring an element of objectivity to the Board;

(b) They have vast experience in the Corporate Finance and Human Resource, which will enhance the Board's diverse set of experience, expertise and independent judgement;

(c) They have been with the Company for a cumulative term of more than nine years and have good knowledge of the Company's business operations and the property development market;

(d) They have devoted sufficient time and attention to their professional obligations for informed and balanced decision making; and

(e) They have exercised due care and diligence during their tenure as an INED of the Company and carried out their professional duties in the best interest of the Company and shareholders.

6. Explanatory Note 6

Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 12 is proposed to seek a renewal of general authority pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"). The proposed Ordinary Resolution 12, if passed, will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares for such purposes as the Directors consider would be in the best interest of the Company. The authority will continue to be in force until the conclusion of the next AGM of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by the Company in general meeting, at a general meeting.

As at the date of this notice, no new shares in the Company were issued pursuant to the general authority to the Directors for issuance of shares pursuant to the Act, obtained at the 41st AGM held on 8 December 2020 and which will lapse at the conclusion of the 42nd AGM.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organise a general meeting.

ADMINISTRATIVE GUIDE FOR THE FORTY SECOND (42^{ND}) ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

Date : Tuesday, 7 December 2021
Time : 10.30 a.m.
Broadcast Platform : Fully Virtual, https://tiih.online or https://tiih.com.my

Dear Valued Shareholders of M K Land Holdings Berhad ("M K Land" or the "Company"),

The revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia ("the Revised Guidance Note and FAQs") states that listed issuers are encouraged to continue leveraging technology to conduct their general meeting beyond movement control order. This includes conducting fully virtual or hybrid general meetings. As part of the safety measures taken by M K Land to safeguard the safety of our shareholders, the Board of Directors of M K Land wishes to inform that 42nd Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through the online meeting platform as stated above.

According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

Shareholders are advised to check the Company's website at www.mkland.com.my and announcements from time to time for any changes to the administration of the 42^{nd} AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

REGISTRATION OF SHAREHOLDERS AND PROXY(IES)
REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, speak (including posing questions to the Board in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 42^{nd} AGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. Please refer to Procedure for RPV in order to participate remotely via RPV.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate at this 42^{nd} AGM via RPV must request his/her proxy(ies) or attorney or authorised representative to register himself/herself for RPV at **TIIH Online** website at https://tiih.online. Please refer to Procedure for RPV.

As the 42^{nd} AGM is a fully virtual AGM, shareholders who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

Please note that only a depositor whose name appears on the Record of Depositor as at 30 November 2021 shall be entitled to participate or appoint proxies to participate on his/her behalf at the 42^{nd} AGM.

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate the 42nd AGM remotely using the RPV are to follow the requirements and procedures as summarized below:

	Procedure	Action
		BEFORE THE AGM DAY
(a)	Register as a user with TIIH Online	• Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

ADMINISTRATIVE GUIDE FOR THE FORTY SECOND (42ND) ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

	Procedure	Action
		BEFORE THE AGM DAY
(b)	Submit your registration for RPV	• Registration is open from Friday, 29 October 2021 until the day of 42nd AGM on Tuesday, 7 December 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 42nd AGM to ascertain their eligibility to participate the 42nd AGM using the RPV. • Login with your user ID and password and select the corporate event: **“(REGISTRATION) M K LAND HOLDINGS BERHAD 42ND AGM”**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors dated 30 November 2021, the system will send you an e-mail after 5 December 2021 to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. *(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the 42nd AGM remotely).*
		ON THE DAY OF THE AGM
(c)	Login to TIIH Online	• Login with your user ID and password for remote participation at the 42nd AGM at any time from 9.30 a.m. i.e. 1 hour before the commencement of the AGM on Tuesday, 7 December 2021 at 10.30 a.m.
(d)	Participate through Live Streaming	• Select the corporate event: **“(LIVE STREAM MEETING) M K LAND HOLDINGS BERHAD 42nd AGM”** to engage in the proceedings of the 42nd AGM remotely. • If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavor to respond to questions submitted by you during the 42nd AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	• Voting session commences from 10.30 a.m. on Tuesday, 7 December 2021 until a time when the Chairman announces the end of the session. Select the corporate event: “**(REMOTE VOTING) M K LAND HOLDINGS BERHAD 42ND AGM**” or if you are on the live stream meeting page, you can select “**GO TO REMOTE VOTING PAGE**” button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the closure of the 42nd AGM, the live streaming will end.

ADMINISTRATIVE GUIDE FOR THE FORTY SECOND (42^{ND}) ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

Note to users of the RPV facilities:

1. Should your registration for RPV be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the 42^{nd} AGM must ensure that the duly executed proxy forms are deposited in a hard copy form to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 42nd AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid.

Alternatively, you may also submit the duly executed proxy form electronically via TIIH Online website at https://tiih.online (applicable to individual shareholders only), not later than **Sunday, 5 December 2021 at 10.30 a.m.** Please refer to the Procedures for Electronic Submission of Proxy Form.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42^{nd} AGM.

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42^{nd} AGM. The certificate of appointment should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
  (a) at least two (2) authorised officers, of whom one shall be a director; or
  (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE GUIDE FOR THE FORTY SECOND (42ND) ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor's **TIIH Online** website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online Register as a user under the "e-Services" by selecting "**Create Account by Individual Holder**". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **M K LAND HOLDINGS BERHAD 42ND AGM - "Submission of Proxy Form"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(ies) appointment. • Print the form of proxy for your record.

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects **"Create Account by Representative of Corporate Holder"**. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: **M K LAND HOLDINGS BERHAD 42ND AGM - "Submission of Proxy Form"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE FORTY SECOND (42ND) ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

POLL VOTING

The voting at the 42nd AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time from 10.30 a.m. on **Tuesday, 7 December 2021** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website at https://tiih.online.

Upon completion of the voting session for the 42nd AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the 42nd AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than **Sunday, 5 December 2021 at 10.30 a.m.** The Board will endeavor to answer the questions received at the 42nd AGM.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts or food vouchers for attending the 42nd AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorized recording and photography are strictly prohibited at the 42nd AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact persons	:	Encik Mohammad Amirul Iskandar
Contact Number	:	+603 2783 9263
Email	:	Mohammad.Amirul@my.tricorglobal.com
Contact persons	:	Puan Ros Sakila Binti Bahari
Contact Number	:	+603 2783 9277
	:	Sakila@my.tricorglobal.com

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M K LAND Holdings Berhad
(REG NO. 197801003984) (40970-H)

FORM OF PROXY

CDS account number

I/We (name of shareholder as per NRIC, capital letters) ____________________

NRIC No. (new) /ID No./Company No ____________________ NRIC No. (old) ____________________

of (full address) ____________________

being a member(s) of abovenamed Company, hereby appoint ____________________

(name of proxy as per NRIC, in capital letters) NRIC No. (new) ____________________

NRIC No. (old) ____________________ or failing him/her ____________________

(name of proxy as per NRIC, capital letters) NRIC No. (new) ____________________

NRIC No. (old) ____________________

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held fully virtual through the online meeting platform of TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Tuesday, 7 December 2021 at 10.30 a.m. and at any adjournment of such meeting.

With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the ordinary resolution specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

	RESOLUTIONS	FOR	AGAINST
1.	RESOLUTION 1		
2.	RESOLUTION 2		
3.	RESOLUTION 3		
4.	RESOLUTION 4		
5.	RESOLUTION 5		
6.	RESOLUTION 6		

	RESOLUTIONS	FOR	AGAINST
7.	RESOLUTION 7		
8.	RESOLUTION 8		
9.	RESOLUTION 9		
10.	RESOLUTION 10		
11.	RESOLUTION 11		
12.	RESOLUTION 12		

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

NO OF SHARES	PERCENTAGE
Proxy 1 ____________	%
Proxy 2 ____________	%
	100%

____

Signature of shareholder(s)/Common Seal

Date:

Notes:

1. IMPORTANT NOTICE

   The revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia ("the Revised Guidance Note and FAQs") states that listed issuers are encouraged to continue leveraging technology to conduct their general meeting beyond movement control order. This includes conducting fully virtual or hybrid general meetings.

   According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

   Shareholders are to attend, speak (including posing questions to the Board in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 42nd AGM of the Company using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online.

   Please refer to the Procedures for registration/RPV in the Administrative Guide for the 42nd AGM in order to participate remotely via RPV.

2. For the purpose of determining a member who shall be entitled to attend and vote at the 42nd AGM, the Company shall be requesting the Record of Depositors as at 30 November 2021. Only a depositor whose name appears on the Record of Depositors as at 30 November 2021 shall be entitled to participate in this AGM via RPV.

3. A member entitled to participate in this AGM via RPV is entitled to appoint not more than two proxies to participate in his stead. A proxy may but need not be a member of the Company and a proxy appointed to participate in this AGM via RPV shall have the same rights as the member to speak at a meeting.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy but not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. 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.

6. Where a member or the authorised nominee or an exempt authorised nominee appoints two or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

8. If the appointer is a corporation, this form must be executed under its common seal or under the hand of its attorney duly authorised and accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Proxy Form.

9. Shareholders who appoint proxy(ies) to participate via RPV at the 42nd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 42nd AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid.

10. Alternatively, you may also submit the duly executed proxy form electronically via TIIH Online website at https://tiih.online (applicable to individual shareholders only), not later than **Sunday, 5 December 2021 at 10.30 a.m.** Please refer to the Procedures for Electronic Submission of Proxy Form.

11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

12. Any authority pursuant to which such an appointment is made by a power of attorney, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42nd AGM.

Stamp

The Company Secretary
M K LAND HOLDINGS BERHAD
(REG NO. 197801003984) (40970-H)
Unit 32-01, Level 32, Tower A
Ground Floor, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

13. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Sunday, 5 December 2021 at 10.30 a.m.** to participate via RPV in the 42nd AGM. The certificate of appointment should be executed in the following manner:

   (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
   (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      (a) at least two (2) authorised officers, of whom one shall be a director; or
      (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

14. It is important that you read the Administrative Guide for the conduct of the 42nd AGM.

15. Shareholders are advised to check the Company's website at www.mkland.com.my and announcements from time to time for any changes to the administration of the 42nd AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

M K LAND Holdings Berhad
(REG NO. 197801003984) (40970-H)

REQUEST FORM
Annual Report 2021

To: The Registrar

Please send to me/us a printed copy of the 2021 Annual Report of M K Land Holdings Berhad.

Name of Shareholder:

NRIC/ Company No.: ______________________________

CDS Account No.: ______________________________

Address: ______________________________

Telephone No.: ______________________________

Date: ______________________________

____
Signature of Shareholder

Contact Details of M K Land Holdings Berhad for a printed copy of the 2021 Annual Report:

SHARE REGISTRAR
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (197101000970) (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel	:	03 – 2783 9299
Fax	:	03 – 2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Person	:	Ms Ros Sakila Binti Bahari (e-mail: Sakila@my.tricorglobal.com)

You may also submit your request on-line via the Share Registrars' website by following the simple steps below:

Step 1 - go to http://my-etricor.com/
Step 2 - Click at the "Investor Services" link on the top menu to go to the Investor Services Centre
Step 3 - Select the "Services" link on the top menu.
Step 4 - Choose the type of service by selecting "Request for Annual Report"
Step 5 - Key in the company name in full, i.e. M K Land Holdings Berhad, to search
Step 6 - Complete the on-line request form
Step 7 - Click the "Submit" button to submit the request

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PROPERTY SALES OFFICE

DAMANSARA PERDANA SALES OFFICE

Ground Floor, Unit 11A, Jalan PJU 8/5H,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan.
t : +603 7733 0303
f : +603 7732 6021

RESIDENSI SUASANA@DAMAI SALES GALLERY

Jalan PJU 10/2B,
Damansara Damai,
47830 Petaling Jaya,
Selangor Darul Ehsan.
t : +603 6157 1900
f : +603 6157 1360

MERU PERDANA SALES OFFICE

No. 39 & 41, Laluan Meru Perdana II,
Taman Meru Perdana 2,
31200 Chemor,
Perak Darul Ridzuan.
t : +605 525 3077
f : +605 525 3307

TAMAN BUNGA RAYA

No. 1, Persiaran Bunga Raya,
Taman Bunga Raya,
Bukit Beruntung,
48300 Rawang,
Selangor Darul Ehsan.
t : +603 6028 1878
f : +603 6028 1857

BUKIT MERAH LAKETOWN PROPERTY SALES OFFICE

Bukit Merah Laketown,
Jalan Bukit Merah,
34400 Semanggol,
Perak Darul Ridzuan.
t : +605 890 8080
f : +605 890 8083

RESORT SALES OFFICE

HOTEL & RESORTS SALES OFFICE

No. 15-1, Jalan PJU 8/5H,
Damansara Perdana Business Centre,
Bandar Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan.
t : +603 7724 1282 / 7724 1317
f : +603 7724 1317

BUKIT MERAH LAKETOWN RESORT

Jalan Bukit Merah,
34400 Semanggol,
Perak Darul Ridzuan.
t : +605 890 8888
f : +605 890 8000

OMBAK VILLA LANGKAWI
KUALA MELAKA INN

Lot 78 Jalan Kuala Muda,
Padang Matsirat, 07100 Langkawi,
Kedah Darul Aman.
t : +604 955 8181
f : +604 955 8881

EDUCATION

LAKE VIEW COLLEGE

Jalan Bukit Merah,
34400 Semanggol,
Perak Darul Ridzuan.
t : +605 890 8070
f : +605 890 8212

www.mkland.com.my

M K LAND HOLDINGS BERHAD (REG NO. 197801003984) (40970-H)
No. 19, Jalan PJU 8/5H, Perdana Business Centre,
Bandar Damansara Perdana, 47820 Petaling Jaya,
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+603-7727 9007