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

MOVING FORWARD BOLDLY

2022 ANNUAL REPORT

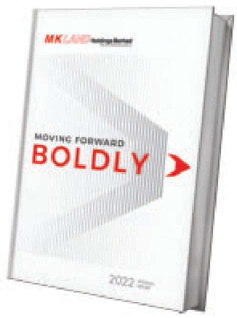
Digital Version of Annual Report 2022

01 Download the "QR Code Reader" on App Store or Google Play

02 Run the QR Code Reader and point your camera to the QR Code

03 Get access to the soft copy of our reports and contact information

The digital version of M K LAND Holdings Berhad's Annual Report 2022 is available on our website - www.mkland.com.my . We welcome your feedback to ensure we cover all important and relevant matters.



MOVING FORWARD
BOLDLY

The headline of the cover design **Moving Forward Boldly** refers to M K Land Holdings Berhad's confident advance into the future. Inspired by its past achievements and determinations to realise its visionary plans, the company is surging into a new era.

On the cover, a large arrow symbolises the organisation's forward trajectory while the smaller arrow highlights its dynamism. Overall, the cover has a sleek and contemporary vibe that mirrors the company's intrinsic professionalism.

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43rd

ANNUAL GENERAL MEETING OF M K LAND HOLDINGS BERHAD

Date : Thursday, 8 December 2022
Time : 10.30 a.m.
Broadcast Platform : Fully Virtual, https://tiih.online or https://tiih.com.my

A TRIBUTE

To many, Tan Sri Datuk (Dr.) Hj Mustapha Kamal bin Hj Abu Bakar was known as the property tycoon with immense influence over the property development business for more than three decades. To colleagues and staff alike, he was stern and had unrelenting interest in company affairs but this was just testament to his passion. To me, he is the epitome of how great a man could and would be - a visionary leader, passionate mentor, humble gentleman and above all a devoted father and loving family man.

Tan Sri Datuk (Dr.) Hj Mustapha Kamal's venture into the corporate world saw him establishing M K Land Holdings Berhad in 1978 and since then he had built a strong and formidable foundation. The knowledge and experience he had gathered during his illustrious career equipped him to lead M K Land Holdings Berhad to pioneer the developments of townships across the nation.

His first acclaimed huge project of affordable housing was Bandar Baru Sungai Buloh which he started in 1985 and he had never looked back since then. His plan was to shape and to position Malaysia as a home-owning nation, a plan that he continued to lead and champion, particularly in Selangor and Perak which eventually earned him a title of Icon of Affordable Housing Estate. He placed importance and cherished the people that grew the Company together with him as he knew such remarkable achievements can only be achieved in unity, hence the Company's motto, **Together We Make It Happen**.

Tan Sri Datuk (Dr.) Hj Mustapha Kamal was committed to serving the community around him, may it be on matters of religion, education, health or environment conservation. He made it his personal obligation to be deeply involved in the creation and implementation of the programmes and initiatives as he strived towards improving the standards and quality of life of this generation and generations to come. As such, his legacy has carved a lasting impression on the lives he touched and the country at large.

The Company reflects on his memories by carrying on his legacy, doing charitable and good actions that will benefit the society and improve the lives of the community. The best way to honour him is to ensure we continue to create values for all our shareholders and stakeholders.

> **"Have passion for what you do, do not do something just because it is the popular thing to do. Once your passion guides you, it will enable you to persevere and prepare you for any eventuality."**

Having said that, I am and I will continue to be here to ensure that M K Land continues to pave the way by moving forward and braving through what the future would offer, while still holding tight to its true principles that have been instilled by my late father. We shall always be guided by those correct principles and values that he had established.

EXECUTIVE CHAIRMAN'S WELCOME NOTE

السلام عليكم ورحمة الله وبركاته

Salam Sejahtera To Our Esteemed Shareholders, Investors, Colleagues and Friends,

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 2022 ("FY2022"). All praise to Allah Almighty for bestowing upon us the strength to keep persevering and moving forward.

The Group recorded a higher revenue of RM196.8 million for FY2022, compared to RM185.8 million the previous year. Profit after tax totalled to RM16.1 million for the financial year under review, whereas in the previous year it was RM19.4 million. As we transition into an endemic phase, many economic sectors have returned to normal where the gradual loosening of COVID-19 restrictions has led to positive business sentiment. In terms of the property division, sale of properties and collections are ongoing. We have been able to launch a few affordable homes' projects and further reduce the inventories as at 30 June 2022, despite the volatile and soft property market. The leisure division which bore the biggest brunt during the pandemic has shown significant improvements during this financial year. The future for renewable energy business is bright as Malaysia aspires to achieve carbon neutral status by 2050 and we look forward to being a part of this agenda. One of the ways is our diversification into renewable energy, whereby the development of Large Scale Solar Photovoltaic Plant will start to commission in the next financial year. Overall, the Group has been prudent in managing and operating our business to ensure that our financial position remains healthy.

We have gone through the toughest times including several economic recession and despite the obstacles we faced, we have emerged together and remained steadfast. The future is expected to be more challenging with all the uncertainties in the market but M K Land is ever ready to face these challenges as we move together as one united force. New growth areas and strategic business collaboration have been identified as potential revenue sources for our future growth to complement our developments in Damansara Perdana and Perak. The journey ahead will be exciting as we look to offer the market new products that enhance the experiences of our buyers and investors.

To all our present staff, I would like to express my deepest gratitude for your commitment, tenacity and capability to deal with changes that have taken place and changes that will be introduced in the near future. Your dedication and continuous effort to ensure coordination between business units, innovation of new strategies and seeking collaboration with others will pave the way forward as we enter into a new era of futurising the Group.

It has been a privilege to be on the journey of progress with all the Board of Directors, the Management and staff. I am truly grateful for all your contributions. We welcome Mr Teh Heng Poh who was appointed as Non-Independent Non-Executive Director. We look forward to Mr Teh imparting his expertise towards the Group. Our utmost gratitude to Ms Anita Chew Cheng Im who has resigned from the Board after twelve years as an Independent Director, we thank you for all your valuable contribution and service. I also would like to extend my appreciation to the stakeholders and I look forward to your continued support and trust.

Everyone has experienced a myriad of trials in this past year, amongst which includes an ongoing health crisis, national disasters and an uncertain economic environment. On the other hand, there has also been plentiful of triumphs, the most prominent one being the ability to come together to confront these trials. This shows that when united, we are able to move forward boldly, proving our motto of - **Together We Make It Happen**.

Hjh Felina binti Tan Sri Datuk (Dr.) Hj 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

PN HJH JULIANA HEATHER BINTI ISMAIL
Senior Independent Non-Executive Director

MS ANITA CHEW CHENG IM
Independent Non-Executive Director
(Resigned as Board of Director with effect from ("w.e.f.") 31 August 2022)

DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA
Independent Non-Executive Director

MR YEONG WENG CHEONG
Non-Independent Non-Executive Director

MR TEH HENG POH
Non-Independent Non-Executive Director
(Appointed as Board of Director w.e.f. 1 March 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
Ms Anita Chew Cheng Im
(Resigned as Chairman w.e.f. 31 August 2022)

Dato' Tan Choon Hwa @ Esther Tan Choon Hwa
(Redesignated from Member to Chairman w.e.f. 31 August 2022)

MEMBERS
Pn Hjh Juliana Heather binti Ismail

Mr Teh Heng Poh
(Appointed as Member w.e.f. 31 August 2022)

NOMINATION AND REMUNERATION COMMITTEE

CHAIRMAN
Pn Hjh Juliana Heather binti Ismail

MEMBERS
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa

Ms Anita Chew Cheng Im
(Resigned as Member w.e.f. 31 August 2022)

COMPANY SECRETARY

Mr Yeap Kok Leong
(SSM PC NO.: 202008001750)
(MAICSA 0862549)

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

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

AUDITOR

BDO PLT
Chartered Accountants

PRINCIPAL BANKERS

AmBank Berhad
Hong Leong Bank Berhad
MBSB Bank Berhad
Public Bank Berhad

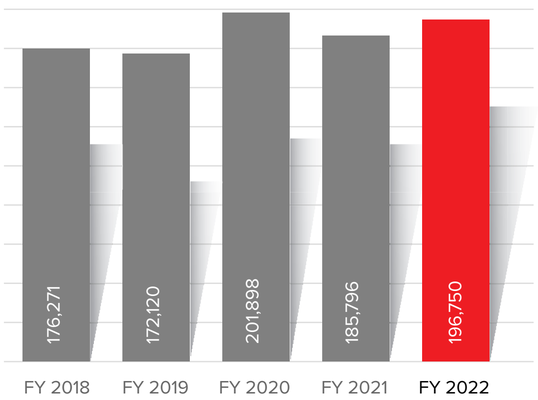
LISTING

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

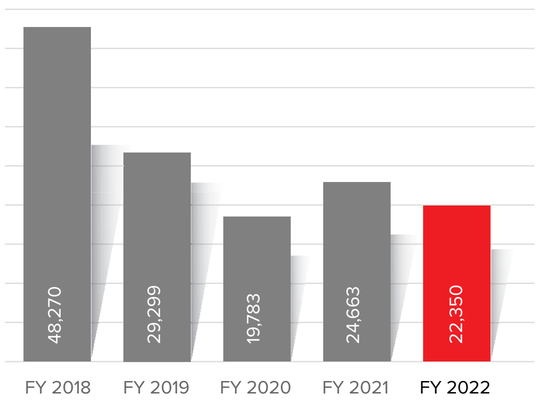
5-YEAR FINANCIAL HIGHLIGHTS

RM'000	1.7.2017 to 30.6.2018	1.7.2018 to 30.6.2019	1.7.2019 to 30.6.2020	1.7.2020 to 30.6.2021	1.7.2021 to 30.6.2022
Revenue	176,271	172,120	201,898	185,796	196,750
Profit before tax	48,270	29,299	19,783	24,663	22,350
Profit after tax	27,317	6,341	9,749	19,415	16,129
Total assets	1,564,911	1,664,441	1,649,593	1,615,317	1,653,600
Net assets	1,191,984	1,198,370	1,193,957	1,213,372	1,229,501
Shareholders' fund	1,191,984	1,198,370	1,193,957	1,213,372	1,229,501
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)	2.3	0.5	0.9	1.7	1.4
Net assets per share (RM)	0.99	0.99	0.99	1.01	1.02

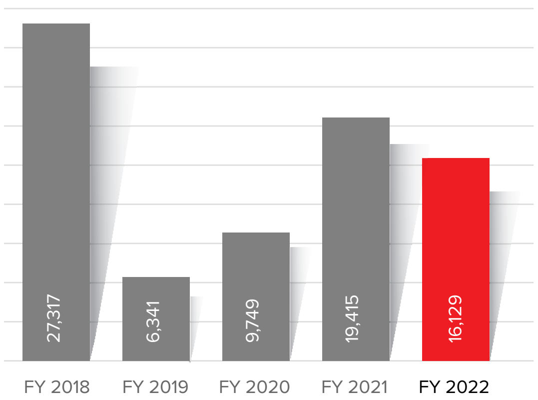
Revenue
(RM'000)



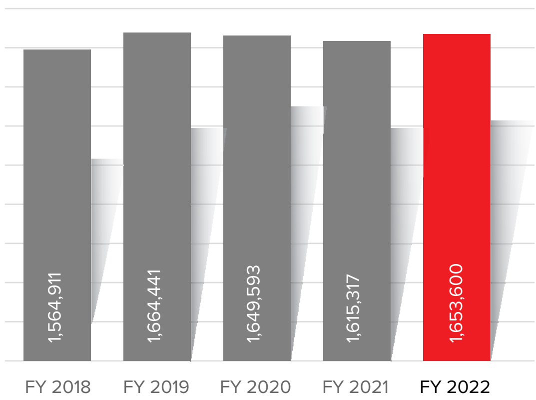
Profit before tax
(RM'000)



Profit after tax
(RM'000)



Total assets
(RM'000)



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

51 years old

Female

Malaysian

Board Appointment:
29 August 2017

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 M K Land.

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

She is the daughter of the late 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 2022.

BOARD OF DIRECTORS' PROFILE

MR LAU SHU CHUAN

Executive Director

Board Appointment:
1 February 2017

62 years old

Male

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 2000, Mr Lau had worked with two 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.

He 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 five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

PN HJH JULIANA HEATHER BINTI ISMAIL

Senior Independent Non-Executive Director

Chairman of Nomination and Remuneration Committee
Audit and Risk Management Committee Member

Board Appointment:
21 December 2009

64 years old

Female

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 redesignated 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.

She does not have any other directorship in other public companies and listed issuers.

She does not have any family relationship with any Director and/or substantial 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 2022.

BOARD OF DIRECTORS' PROFILE

DATO ' TAN CHOON HWA @ ESTHER TAN CHOON HWA

Independent Non-Executive Director

Chairman of Audit and Risk Management Committee
(Redesignated from Member to Chairman w.e.f. 31 August 2022)
Nomination and Remuneration Committee Member

Board Appointment:
26 September 2017

72 years old

Female

Malaysian

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 ("FCA") in England and Wales, a member of the Malaysian Institute of Accountants ("MIA") and the Chartered Tax Institute of Malaysia.

She began her career as an auditor with Grant Thornton and later with Kingston Smith, both firms in United Kingdom ("UK") before returning 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 UK 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 where she is well exposed to the requirements of regulatory bodies, as well as compliance matters for public listed companies. She has conducted several due diligence and fund-raising exercises as Reporting Accountant for clients.

In 2006, Dato' Esther Tan received the award from the National Association of Women Entrepreneur Malaysia as "the woman entrepreneur of the year" under the Finance category. 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.

She presently 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 does not have any family relationship with any Director and/or substantial 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 2022.

BOARD OF DIRECTORS' PROFILE

MR YEONG WENG CHEONG

Non-Independent Non-Executive Director

Board Appointment:
2 February 2021

66 years old

Male

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.

He 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.

He 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 2022.

MR TEH HENG POH

Non-Independent Non-Executive Director

Board Appointment:
1 March 2022

63 years old

Male

Malaysian

Mr Teh Heng Poh was appointed to the Board of M K Land Holdings Berhad on 1 March 2022 as Non-Independent Non-Executive Director.

In the early years of his career, Mr Teh was responsible in handling extensive projects such as the Bukit Merah Laketown development which consists of Service Apartments, Resort Homes, Waterfront Villas, Water Villages, Water Park and an Eco Sanctuary. During the time, he was appointed as the Chief Operating Officer of Segi Objektif (M) Sdn Bhd, the main developer of the project.

He later took on the role of Chief Operating Officer, Corporate Planning & Finance Department at M K Land Holdings Berhad where his relevant practical experience in property development, combined with his qualifications in Accounting and Economics were of great contribution. In November 2005, he joined MKN Group of Companies where he continued to impart his expertise in areas of strategic direction and overall business performance.

Mr Teh was conferred the Ahli Mahkota Perak by His Majesty Sultan of Perak Darul Ridzuan in 1998.

He 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, nor any conflict of interests with the Company.

He 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 2022.

GROUP CHIEF EXECUTIVE OFFICER'S PROFILE

DATO' FARIS YAHAYA
Group Chief Executive Officer

Age	National	Gender	Appointment Date
53	Malaysian	Male	1 July 2022

Dato' Faris was appointed as the Group Chief Executive Officer of M K Land Holdings Berhad on 1 July 2022.

He brings more than 30 years of experience in audit, banking, financial advisory and construction.

He holds a Bachelor of Science, majoring in Accounting & Financial Analysis from the University of Warwick, United Kingdom. He attended Bank Negara Malaysia's Global Leadership Development Programme at Drucker School of Management in Claremont Graduate University, Haas School of Business in University of California Berkeley and Marshall School of Business in University of Southern California. He is a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants ("MICPA").

He 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 no conviction for offences within the past five years. He also not has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

DEPUTY CHIEF OPERATING OFFICERS' PROFILES

EN AHMAD SOALAHUDDIN AL-THANI BIN AHMAD TERMIZI
Deputy Chief Operating Officer (Property)

Age	National	Gender	Appointment Date
45	Malaysian	Male	1 July 2022

Ahmad Soalahuddin was appointed as Deputy Chief Operating Officer of M K Land Holdings Berhad on 1 July 2022.

He holds a Master's of Business Administration from Anglia Ruskin University, United Kingdom and a Bachelor of Science Degree in Civil Engineering from Marquette University, United States of America. He is a member of Planning, Policies and Standards Committee of Real Estate and Housing Developers' Association.

He has more than 23 years of experience in Township Development where his knowledge on matters such as master planning, infrastructure, construction, business development to sales and marketing are extensive. He also has expertise on Agribusiness. Together with the team, he utilises digitisation and collaboration strategies to grow M K Land Holdings Berhad for future success.

He 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 no conviction for offences 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 2022.

HJ KAMARULZAMAN BIN ABU BAKAR
Deputy Chief Operating Officer (Non-Property)

Age	National	Gender	Appointment Date
59	Malaysian	Male	1 March 2019

Hj Kamarulzaman was appointed as Deputy Chief Operating Officer of M K Land Holdings Berhad on 1 March 2019. 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.

At M K Land, he has been involved in Total Property Development Process from identifying land for development, preparing the feasibility study, liaising with authorities and agencies for approvals and managing the operations of projects. He also has expertise in managing cash flows, obtaining certificate of completion and compliance as well as forming of Joint Management Body and Management Corporation.

He 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 no conviction for offences 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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial year ended 30 June 2022 ("FY2022") has indeed proved to be a tumultuous period, in no small measure compounded by the impact of COVID-19. Despite these challenging market conditions, M K Land Holdings Berhad ("M K Land" or "Group") has secured yet another year of commendable performance with a revenue of RM196.8 million, surpassing the FY2021 revenue of RM185.8 million. This achievement is largely attributable to the commitment and determination of the Group's workforce to adapt and embrace the new normal.

It is with great pleasure that we present the Management Discussion and Analysis, outlining a review of the business and performance for FY2022, while presenting an overview of the plans and prospects for the ensuing years.

Across FY2022, the Group maintained its focus on affordable housing projects and other open market landed and highrise developments, while planning for the launch of the new phase in the luxury homes segment. This is in addition to the contribution from its leisure and renewable energy segment.

OPERATING ENVIRONMENT

A MACRO-ECONOMIC PERSPECTIVE

Over the past two years, the pandemic has significantly impacted the global and domestic economy. Advancements in healthcare have made the coronavirus vaccine available and accessible globally, Malaysia included. The successful uptake of the national immunisation campaign and the stringent containment measures by the authorities have paved the way for the opening up of the economic sectors. The ensuing declining infection rate and severity of infection led to the country's much-awaited transition towards the endemic phase.

MANAGEMENT DISCUSSION AND ANALYSIS

The anticipated economic return to pre-pandemic era has yet to materialise due to the geopolitical factors such as the Russia-Ukraine war and exacerbated by shutdowns in China due to the zero-COVID-19 policy. This had led to disruptions in the supply chain, increased pricing of products and services, forced closure of business premises and affected domestic sectors reliant on foreign labour such as construction, and negatively impacted the property players.

The above factors weighed significantly on Malaysia's economy, impacting with increased inflation, unemployment and shrinking incomes, hence reducing the purchasing power of potential homeowners. Compounding this was the increase in cost of raw materials for construction, rising labour costs and difficulty in securing financial loans, which did little to stem the erosion of buyer’s confidence.

The consequence was evident, as in 2021, the residential overhang environment remained with volume rising by 24.7% to 37,000 units worth RM22.79 billion, an increase of 20.5% in value over 2020. This led to the deferment of new project launches as developers concentrated efforts on clearing unsold inventories amidst a softer property market.

According to the National Property Information Centre, in a report published in April 2022, the residential properties accounted for the major chunk of property market transactions in Malaysia in 2021, totalling 198,812 transactions and worth RM76.9 billion. This represented 66.2% of the total 300,497 property transactions recorded in 2021 and 53.1% of the total property value transacted of RM144.87 billion.

Aiming to bolster the livelihood of Malaysians and revive ailing business sectors, the Government offered financial relief via various economic stimulus such as the Short-Term Economic Recovery Plan. Additionally, policies such as Real Property Gains Tax exemption and the extension of the Government's Home Ownership Campaign until 31 December 2021 saw the continuation of stamp duty waiver for loan agreements and instrument of transfer. These as well as the lifting of 70% financing cap for the third housing loan onwards during the period, served to further stimulate the property development sector by incentivising home ownership and upgrading of homes.

Bank Negara Malaysia’s decision to maintain the Overnight Policy Rate at 1.75% until May 2022, the lowest in its history, has also made home ownership financing more affordable for home buyers.

REVIEW OF OPERATIONS

OPERATIONAL EXCELLENCE

Amidst the challenging environment, particularly during the pandemic, M K Land capitalised on digital technology to mitigate disruption to business operations. Given the heightened importance of communications, online meetings enabled continued stakeholder engagements with regulatory bodies, financial institutions, customers and marketing campaigns for potential buyers. Even when restrictions were lifted, this online mode remained a viable and productive engagement channel.

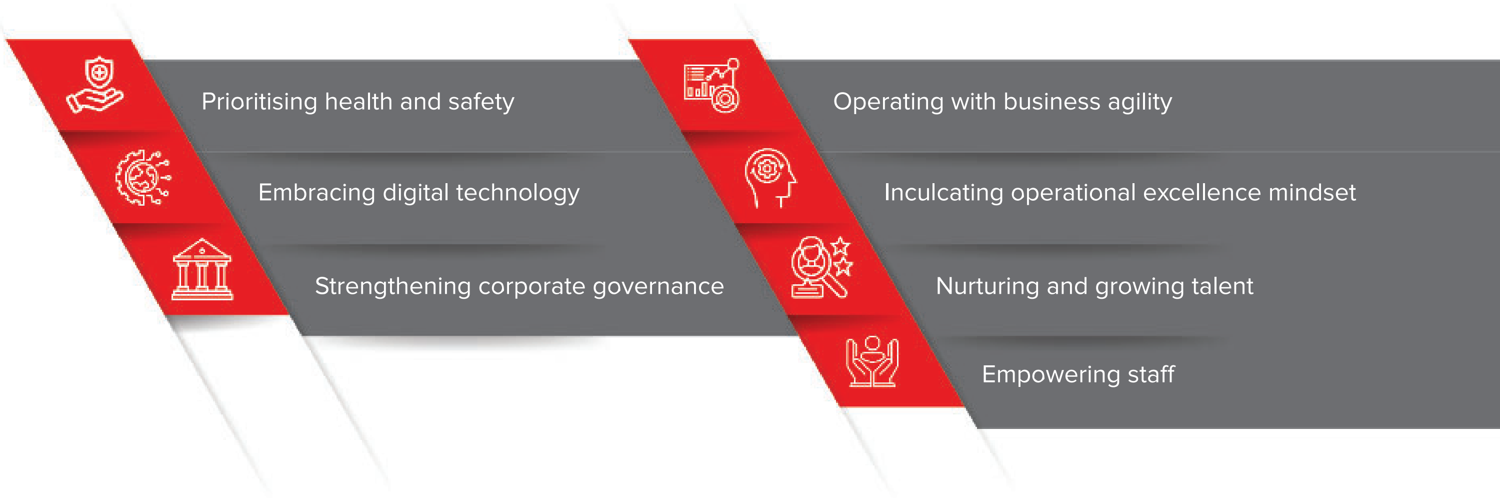
The Group’s property division spearheaded efforts to manage the administration of tenders and contracts in support of business continuity. Such efforts included engaging sub-contractors in tender and contract discussions, taking into consideration their concerns on rising material and labour costs to create a win-win situation and minimise the impact on the Group’s ongoing projects.

To drive for operational efficiency across the organisation, various cost-cutting measures were adopted. These included deferring capital expenditure already planned for and streamlining the organisational framework for a lean structure to fit the current economic scenario. Marketing campaigns, particularly for the Group’s leisure business segment, continued aggressively on a digitalisation mode for increased efficiency and reach to potential customers. Additionally, efforts were extended to assist customers having difficulties in securing end-financing by leveraging the Group’s established relationships with financial institutions.

REVENUE
RM**196.8**
million

PROFIT AFTER TAX
RM**16.1**
million

MANAGEMENT DISCUSSION AND ANALYSIS



Group's Strategic Response

PROPERTY HIGHLIGHTS

The Group's property development segment contributed 90.6% or RM178 million of the overall Group revenue performance in FY2022 and is set to continue as the main revenue driver for the Group moving forward.

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

During FY2022, the Carnelian, being 90 units of single-storey terrace houses, was launched in February 2022 and the Emerald 6 project, with 139 double-storey terrace units, was handed over in April 2022. Both projects are located at Klebang Putra, Ipoh.

In May 2022, the Group also launched the Acacia Rumah SelangorKu Phase 4A project consisting of 126 units of double-storey houses at Taman Bunga Raya in Bukit Beruntung. The Group also continued with the construction of 260 units in Tower C and selling of the remaining units at Tower A, B and C of Residensi Suasana@Damai condominium at Damansara Damai.

STRATEGIC PRIORITIES

The Group has mapped out a robust list of strategic priorities moving forward, such as the launching of its highly anticipated landed property, The Rafflesia @Hill 2 and efforts to complete the balance of sales of its ongoing Residensi Suasana@Damai, a lifestyle condominium with complete facilities in the mature township of Damansara Damai.

Additionally, the Group plans to infuse more lifestyle elements into Taman Bunga Raya while continuing to offer the popular affordable and practical double-storey Rumah SelangorKu homes, targeted at young and growing families.

The Group's projects at Meru Perdana and Klebang Putra will continue to offer practical single-storey terraces to cater to young families. Efforts will focus on enhancing the masterplan of Raia Perdana and infuse a mixed development of houses and commercial shops with a centralised community park for its residents to enjoy and uplift their quality of life.

This is in addition to enhancing the masterplan for Bukit Merah by creating the future green and modern lifestyle destination that will attract purchasers from Penang, Taiping and the surrounding economic growth corridors.

Damansara Perdana, Petaling Jaya, Selangor

The Damansara Perdana township stands proudly as M K Land's flagship development, located in the Golden Triangle of Petaling Jaya. It encompasses 792 acres of land, featuring both residential and commercial developments.

This township has the distinction of being the Group's first foray in high-end projects, showcasing its Armanee Terrace Condominium and The Rafflesia landed homes. As a yardstick of its success, all its residential strata development has been fully sold, with just limited units of its commercial development remaining.

The Rafflesia, Damansara Perdana

Residensi Suasana@Damai, Damansara Damai

Iris, Taman Bunga Raya

To further enhance its aesthetic value, the Group continued to liaise with Projek Lintasan Damansara-Shah Alam Sdn Bhd, the project owner of the Damansara–Shah Alam Elevated Expressway and Majlis Bandaraya Petaling Jaya to upgrade the surrounding landscape.

The township has since seen much development, leaving less than 200 acres to which plans have been drawn up for the launch of the highly anticipated The Rafflesia @Hill 2, a luxury 3-storey semi-detached homes consisting of 24 units in November 2022. Subsequently, The Rafflesia @Hill 2 Phase 3 luxury 3-storey semi-detached homes, consisting of 24 units, is expected to also be launched in the financial year 2023.

Damansara Damai, Petaling Jaya, Selangor

Damansara Damai, a mature township covering 400 acres, is a sought-after location for affordable living, given its strategic location with ready infrastructure and facilities. It has strong accessibility to major highways such as the Lebuhraya Damansara-Puchong, Kuala Lumpur Middle Ring Road 2 ("MRR2"), New Klang Valley Expressway ("NKVE"), Duta-Ulu Kelang Expressway and the Kuala Lumpur-Kuala Selangor Expressway. It is also located near the now operational Damansara Damai MRT station.

The ongoing development in Damansara Damai, the 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 and Tower B of Residensi Suasana@Damai have been completed with vacant possession, delivered in September 2020 and July 2021 respectively. Tower C is currently in the advance stage of construction and the Certificate of Completion and Compliance is expected to be obtained before the end of financial year 2023.

Taman Bunga Raya, Bukit Beruntung, Selangor

Taman Bunga Raya ("TBR"), with an area of 518 acres, is located in Bukit Beruntung, Selangor. Comprising over 11,770 mid to low-cost affordable houses, it is conveniently nestled amidst necessary amenities such as health clinics, teaching institutions and a postal office. This makes for a conducive environment for its more than 40,000 inhabitants. Accessibility is enhanced with a 30-minute drive via the Projek Lebuhraya Utara Selatan ("PLUS") highway and NKVE to the Jalan Duta Interchange and Damansara Interchange.

In total, 5 Rumah SelangorKu sub-phases have since been successfully launched. The last two, Iris Phase 1D1 with 52 units and Iris Phase 1D2 with 60 units, were fully sold in March 2020 and November 2020 respectively. The handing over of the two sub-phases is expected to be completed in financial year 2023.

Another Rumah SelangorKu development, the Acacia Phase 4A comprising 126 units, was launched in May 2022 with overwhelming response from buyers.

A similar response was experienced with TBR's first open market residential development, Sakura Phase 2A with 68 units. Attractively priced at RM380,000, this double-storey terrace house was launched in September 2020 and was fully sold. Sakura Phase 2A is currently under construction and is targeted to be handed over in financial year 2023.

Following the success of Sakura Phase 2A, the Group is launching Sakura Phase 2B1 consisting of 58 units double-storey terrace houses in the new financial year. It has already chartered strong sales due to landed property being in high demand and its attractive price of RM450,800.

The Group aspires to continue offering popular landed Rumah SelangorKu and practical double-storey terrace homes targeting the young and growing families, reflecting the new positioning for TBR.

MANAGEMENT DISCUSSION AND ANALYSIS

Ludisia, Meru Perdana

Meru Perdana, Ipoh, Perak

Meru Perdana is a 190-acre township development located along the main Jelapang-Chemor road in Ipoh, Perak. First launched in 2009, it comprises residential and shop offices.

The latest product, Ludisia 1, a single-storey terrace house launched in April 2021, is designed with a built-up area ranging from 1,390 square feet to 1,423 square feet and a selling price from RM307,400. As at 30 June 2022, 60 units were sold. The next phase, Ludisia 2, consisting of 65 units of single-storey terrace houses, will be launched in the upcoming financial year, aligning with strong market demand.

Klebang Putra, Ipoh, Perak

Klebang Putra is the Group's mature residential township covering 240 acres in Ipoh. The first phase of 166 acres was launched in 2003, followed by the launch of the second phase of 74 acres in 2015.

In FY2022, efforts at Klebang Putra were focused on completing its current product, namely Emerald 6, comprising 139 units of double-storey houses with an average selling price of RM304,000. It has been handed over to its purchasers in April 2022.

The latest addition, the Carnelian, consisting of 90 units of single-storey terrace houses, was launched in February 2022 with very encouraging sales.

Emerald 6, Klebang Putra

Raia Perdana, Simpang Pulai

Raia Perdana, Simpang Pulai, Perak

Raia Perdana is a joint development project with Menteri Besar Incorporated, covering 228 acres in Simpang Pulai, Perak. Consisting of affordable housing and commercial units, it has the distinction of being the Group's first Rumah PerakKu development.

The first phase, comprising 137 units of double-storey terrace houses, was launched in January 2020 and was fully sold in November 2021.

Currently, the Raia Perdana masterplan is being enhanced to include improved open market residential components with modern lifestyle elements to attract more prospective buyers. A central park surrounding a thematic lake, a guarded neighbourhood, a commercial centre and complete amenities are being planned to elevate the quality of life of its residents in the near future.

Water Theme Park, Bukit Merah Laketown Resort

LEISURE BUSINESS

The Group's business footprint in the leisure business segment is in its Bukit Merah Laketown Resort in Perak and Ombak Villa and Kuala Melaka Inn, both in Langkawi. These leisure establishments cater to diverse clienteles from domestic as well as international sectors.

The leisure industry was one of the most affected sectors by the pandemic. Temporary closures mandated by the Malaysian authorities to curtail the spread of disease as well as cancellations of bookings even when restrictions were lifted, had significantly impacted the revenue from these business entities.

Nonetheless, to uphold the Group's commitment to the local community to ensure the sustainability of these entities, necessary cost management measures were implemented, such as preserving cash flow by rationalising headcount and limiting expenditure. Innovative initiatives were adopted such as mobilising food trucks and setting up food kiosks to reach out to customers in Langkawi, Bukit Merah, Taiping and Bagan Serai.

The Group embarked on aggressive digital marketing, targeting particularly towards local tourism in the initial phase. Among the campaigns on social media were 'Lake Park Komer Bungkus Jer', 'Bungkus Jer On Wheels' and Steamboat and Grill in Bukit Merah. Other campaigns organised included 'Staycation', 'Relax & Stay!', 'Vaxxication' and 'Fishing, Eat & Stay!' while the hotels in Langkawi extended its 'Pay Now Stay Later' campaign. Other initiatives included honeymoon packages, romantic dinners and room promotion for local tourists. The success of these initiatives was largely due to the commitment and determination of the Group's staff.

The cautious easing of restrictions in stages in 2022 signalled the return to vacations for families and travellers. Preceding this was the government's innovative 'International Travel Bubble to Langkawi' initiative, targeting those wishing to holiday in Langkawi and those intending to tour other parts of Malaysia. This tourist initiative proved successful, as reflected in the significantly increased occupancy rate at Ombak Villa Langkawi from September 2021 to December 2021. In Bukit Merah, SOPs and strict safety measures such as imposing a visitor quota at the Group's waterpark continued to be upheld during the pandemic.

Bukit Merah Laketown Resort, Perak

With the easing of pandemic mandatory restrictions, the resort was allowed to resume full operations and business in the second quarter of 2022.

Bukit Merah Laketown Resort ("BMLR") had ramped up its activities post-COVID-19, embracing social media to drive awareness of its promotions.

As a result of its digital marketing, strategic planning and effective cost management, BMLR successfully achieved its targeted revenue.

Ombak Villa Langkawi, Kedah

Ombak Villa Langkawi ("OVL"), an award-winning hotel, is conveniently located just 3 km or approximately 5 minutes' drive from the Langkawi International Airport as well as the Mahsuri International Exhibition Centre. Appealing to the discerning tourists, it offers a remarkable view of the Andaman Sea and the Mat Chinchang Mountain range.

It features a total of 79 units, consisting of 76 Ombak Suites, 2 opulent Seroja Honeymoon Suite and the luxurious 3-bedroom Villa Seri Kasturi. OVL is complemented by Langkawi Lagoon, which comprises 6 deluxe rooms at the Beachfront Hotel and 15 studio suites at the Sea Villa built on stilts of the Andaman Sea.

Additionaly, the Group's leisure arm in Langkawi also includes Kuala Melaka Inn ("KMI"), consisting of 69 rooms offered at a reasonable rate targetting budget travellers.

Business resumed only in second quarter of 2022 following the easing of pandemic restrictions. Since then, OVL has been actively promoting its room packages and food and beverage promotions extensively via the social media and travel agents directly.

Despite the challenges, with sound marketing strategies and strong implementation, OVL successfully achieved its targeted revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

EDUCATION

Lake View College, Perak

Lake View College ("LVC") is located within BMLR and is a fully equipped campus building. Established in December 2005, well over 1,500 students have since graduated from this educational institution.

Factors such as declining student numbers in recent years and the unprecedented pandemic had significantly impacted the operation of the College. As at 30 June 2022, there are 58 students who are in the midst of completing their studies.

RENEWABLE ENERGY

Large Scale Solar Photovoltaic Plant, Kerian, Perak

Globally, there is an ongoing worldwide energy shortage, environmental crisis and rising raw renewable energy ("RE") material costs leading to concerns on climate change and sustainability, therefore increasing Environmental, Social and Governance ("ESG") considerations at the world stage. At the 26th United Nations Climate Change Conference of the Parties, the world targets to limit temperature rise to 1.5°c, with over 100 countries, including Malaysia, making net zero carbon emission by 2050.

Given Malaysia's vast solar potential due to its location in the equatorial zone, M K Land had developed a visionary plan to expand its traditional property developer's scope to include environmentally sustainable avenues into its operations. M K Land undertook a bold step into RE by bidding in the tender for the fourth cycle of the large-scale solar programme and was successful in obtaining a Letter of Notification from the Suruhanjaya Tenaga ("ST") on 12 March 2021. The Group's wholly owned subsidiary, Solar Citra Sdn Bhd entered into a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad on 26 August 2021, to supply 10.95 MW of electricity. ST granted the Group a 4-year extension on the PPA, resulting in a concession agreement until the end of 2047.

The Engineering, Procurement, Construction and Commissioning contract for the construction of the solar farm was awarded to Atlantic Blue Sdn Bhd, a wholly owned subsidiary of Solarvest Holdings Berhad in July 2021. With planning and relevant infrastructure approvals for the project in hand, progress is as scheduled. The project is expected to be completed in financial year 2023.

M K Land is proud to align itself with the country's commitment towards net zero carbon emission. The Group will strive to strengthen further this environmentally conscious and commercially viable business segment into its mid to long-term plans.

FINANCIAL PERFORMANCE REVIEW

The Group's dedication and tenacity to strive valiantly forward is reflected in its 5.9% increase in revenue of RM196.8 million for FY2022 over the RM185.8 million in FY2021.

The Group recorded a pre-tax profit of RM22.4 million which is 9.3% lower than the RM24.7 million secured in FY2021, largely attributable to higher cost of sales. This led to the Group's profit after tax in FY2022 decreasing by 17% to RM16.1 million in FY2022 from RM19.4 million a year ago.

The Group's financial position remains healthy with the Group's total cash and bank balances standing at RM77.1 million in FY2022, a significant increase of 43.6% as compared to RM53.7 million in FY2021. The gearing ratio as at FY2022 remains low at 2.4%. This cash management approach allows financial flexibility to engage in any new viable business opportunities.

The ongoing focus within the Group is to continue to deliver products and services. Cost reduction strategies were applied to be more prudent financially during the pandemic. COVID-19 inadvertently brought about both innovative and cost-efficient ways of working. One prime example being the increased use of digital technology to drive online engagements.

PROSPECTS & OUTLOOK

As the country transitions towards endemic phase, the path to recovery is further assured by the strong effort from the Government to prevent future lockdowns, bolstered by the high uptake of vaccination, herd immunity within the population and the decreased morbidity and mortality. The World Bank projects Malaysia's economy to grow by 5.5% in 2022, driven by the recovery in domestic demand, expansion in exports and reopening of borders.

Moving forward, the Group's strategic priorities will differ according to its individual business target market but overall, there would be continued strong focus on digital marketing to increase leads, improve engagements and efficiency and ultimately, lead to improved sales.

Specific to the luxury homeowner market, the Group's focus will be personalised with engagements towards targeted potential buyers and target market. As for the township developments, the Group is constantly striving to improve the offerings to the existing and potential buyers including exploring the development of community parks, retail and public amenities.

Additionally, the Group is also exploring the development of smarter, more environmentally and occupant-friendly houses which offer flexibility for people to work and study from home. Such a move will augment the Group's intention for product differentiation, not simply to offer houses but a conducive lifestyle, working in partnership with customers to embrace the ideas of ESG.

The Group is in an expansion mode, having explored and identified new areas of growth. One such area is its landbank business strategy for future developments. The Group will continue to focus on developing affordable homes in TBR, Klebang Putra and Raia Perdana, as well as to optimise usage of remaining landbanks in Damansara Perdana, Bukit Merah and Bandar Technopolis Perdana.

To support progress in this strategic direction, the Group has managed to significantly reduce its holding of unsold stocks. The Group is confident in reducing this number even further, taking into account the entrance of buyers who have delayed buying for the last two years to scout for good deals. The Group will continue to focus on sales of its products and the timely completion of its on-going projects while remaining cautious with new launches.

With the lifting of the movement control order and other forms of restrictions, the Group can hence refocus on its repositioning plan for BMLR. Action plans are in place to regain the Group's position and market share for BMLR. This includes the possibility of refurbishing existing offerings and complement these with adding more attractions and events to attract visitors throughout Peninsular Malaysia and Singapore. Drawing on its strategic management during the pandemic, the Group's leisure segment will continue to be vigilant on health and safety aspects whilst engaging in digital marketing to expand its reach to the public.

The Group is reviewing further business opportunity for RE. It is currently in discussion with several companies on potential collaboration following the recent announcement by the Government to transition towards sustainable energy. One of the initiatives include the allocation and redistribution of RE quota of 1,200MW for solar resources. From the 1,200MW quota, 600MW will be allocated for the procurement of green electricity via virtual power purchase agreement.

Looking at the evolving economic scenario, M K Land is confidently poised to face the future and will continue to grow its product portfolio, pursuing a forward-looking strategy to capitalise on the revitalised economy. In keeping with prudent financial management and efficiency of operations, the Group will focus on renewed growth in the market.

While the future is immensely challenging, the Group will continue to create value by leveraging its inherent business strengths and its business model, which has thus proven resilient and sustainable. Augmented by short, medium and long-term plans, the Group is confident in progressing forward, launching new projects, transforming its processes and broadening its revenue base.

With this, the Group remains vigilant but confident of the future and will continue to seek ways to accelerate growth towards the realisation of its vision and mission.

Above all, M K Land will not lose sight of our philosophy to always strive towards excellence in providing quality products and services through teamwork for betterment of the organisation, society and nation. This philosophy is anchored firmly on self-awareness, conscience, independent will and imagination that shall and always will be guided by correct principles and values.

SUSTAINABILITY STATEMENT

DIRECTORS' AND MANAGEMENT'S STATEMENT OF COMMITMENT TO ECONOMIC, ENVIRONMENTAL AND SOCIAL ("EES") SUSTAINABLE PRACTICES

The Board of Directors ("Board") and members of Management ("Management") of M K Land Holdings Berhad ("M K Land" or "Group") remain committed in ensuring M K Land's continued role as a responsible corporate citizen that approaches meaningful value creation in relation to local community development and stakeholders, driven by robust financial performance.

The strategic incorporation of EES topics supports the varied and inclusive views of the Group and its stakeholders. These topics address and mitigate salient and emerging business and operational risks, while continuing to spearhead financial and non-financial values creation across the short, medium and long-term perspectives.

ABOUT THIS REPORT

M K Land presents its Sustainability Statement 2022 ("SS2022") for the financial year ended 30 June 2022. SS2022 details a comprehensive account of M K Land's EES highlights, as it progresses on the Group's sustainability journey.

M K Land's strong EES focus on material matters enables the Group to fortify its business model and strategies in order to maintain resilience against emerging EES issues as detailed in this statement. With a committed focus on EES, the Group aims to bolster its competitive capacity to sustain stakeholder value creation amidst a dynamic and fast-paced business landscape.

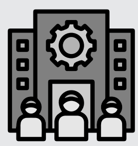
Additional disclosure of M K Land's value creation strategies, business performance and future prospects can be found in the rest of the Group's Annual Report FY2022.

SS2022 encompasses all aspects of M K Land's current EES strategy, responsibly addressing the four relevant areas:

ECONOMIC

ENVIRONMENTAL

EDUCATION & SOCIAL



ETHICAL WORKPLACE

SUSTAINABILITY GOVERNANCE

Sustainability Governance Structure

To drive the EES agenda across the value chain for the Group and spread awareness of EES amongst the organisation, a robust and comprehensive sustainability governance structure is in place at M K Land.

The governance structure takes a top-down approach, whereby the Board sets the tone in driving the Group's sustainability strategies and goals. This enables the Board to have oversight on material EES matters and allows for effective cascading of policies within the Group.

In addition, swift and efficient decision-making can be made by the Board and other decision makers. This allows for effective development of action plans and adoption of the EES culture within the Group.

M K Land's governance structure has oversight on the following material topics:

1. Economic strategy
2. Environmental sustainability
3. Education and social sustainability
4. Ethical workplace sustainability

Feedback, data and relevant information regarding EES matters can also be reported to the Board for review and if required, further action can be taken by them. The Group's structure is set up in a way that ensures the Board and Management possess a high level of understanding of the Group's EES topics which enables them to make decisions that will further elevate the EES agenda.

Close monitoring of progress regarding sustainability performance and attaining certain targets will also take place and be reported to the Board for review.

Board Oversight

With the current sustainability structure and risk management unit in place, the Board has oversight on EES topics which includes climate change, resource consumption and many others. The Board will focus on any risks and opportunities presented to the Group on EES matters and evaluate the potential impacts on financial and non-financial value creations over the short, medium and long-term perspectives.

Risk Management Approach

The Board understands its responsibility to maintain a certain level of internal control within M K Land when it comes to financial, business and operational matters. Material EES matters will also be focused on due to its ability to impact the creation of both financial and non-financial values for the Group.

In matters relating to risk management, M K Land takes guidance from the ISO31000 framework. The Group also has an established Audit and Risk Management Committee ("ARMC"), which holds the responsibility of risk reporting to the Board.

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 the Group's assets.

M K Land's risk management process can be seen in the following flowchart:

Assess and Evaluate Risk

Communicate Risk

Manage Risk

Monitor and Follow Up Risk

EES issues such as labour and human rights, climate change, anti-corruption and many others do possess the potential to significantly impact the Group's business operations. These impacts include restriction in financing, poor perception of the Group and lack of raw materials to name a few. This could be detrimental to M K Land and that is why risk management for material EES matters is crucial for the Group. Enterprise Risk Management and the Corruption Risk Management reports for the Group for this financial year were presented to the ARMC. These reports were reviewed by the ARMC and recommendations for improvements are carried out by the Management.

SUSTAINABILITY STATEMENT

MATERIALITY

M K Land's adoption of sustainability culture pervades amongst its various stakeholders and across its value chain is underpinned by a robust and systematic materiality assessment of the organisation's material topics. In FY2022, the perspectives of our various stakeholders were gathered to identify, assess and prioritise M K Land's updated list of material EES topics. This in turn will go on to impact the Group's business strategies and EES management approach going forward.

This assessment was carried out during FY2022 to align more accurately with global EES developments as well as our stakeholders' latest concerns.

The Group identified, prioritised and assessed its list of material matters by seeking its valued stakeholders' perspectives via a thorough Materiality Assessment Exercise ("MAE"). The initial list of identified material matters included in the MAE is as below:

Economic topics

- Stakeholder Economic Values
- Local Procurement (Local Skills and Entrepreneurship Development)
- Digitalisation and Technology
- Product Quality and Responsibility
- Corporate Branding and Reputation
- Efficient Supply Chains
- Sustainable and Thriving Townships

Environmental topics

- Climate Change, Emissions and Pollutions
- Energy Consumption
- Water Consumption
- Resource Consumption
- Waste Management and Recycling
- Green Buildings and Development
- Landbank

Social topics

- Talent Retention and Development
- Succession Planning
- Human and Labour Rights
- Local Community Development
- Diversity and Equal Opportunity Workplace

Governance topics

- Corporate Governance
- Risks Management and Mitigation
- Regulatory Compliance
- Anti-Corruption and Ethical Conduct
- Data Privacy and Security

M K Land ensured an inclusive feedback mechanism for the MAE that involved the participation and views of relevant internal and external stakeholders in the Group's operations. External stakeholders may have responded using a proxy.

The MAE was conducted virtually through an easy-to-understand digital survey format for better accessibility and efficiency. The survey was also translated into Bahasa Malaysia to ensure a better understanding amongst respondents. A more detailed process of the MAE is depicted here:

Identify

M K Land initially identified a list of sustainability matters as well as stakeholder groups. These were identified based on internal Group insights as well as standard reporting guidelines and global sustainability trends such as Bursa Malaysia's Sustainability Reporting Guide 2nd Edition, GRI, FTSE4Good and more.

Survey

A digital survey that includes the identified sustainability matters was devised and distributed to various internal and external stakeholders.

Prioritise

Based on the materiality assessment survey results, the appropriate sustainability matters were accordingly prioritised using statistical analysis, while aligning to material matters' importance to EES as well as importance to value creation.
A materiality matrix was generated from the survey results.

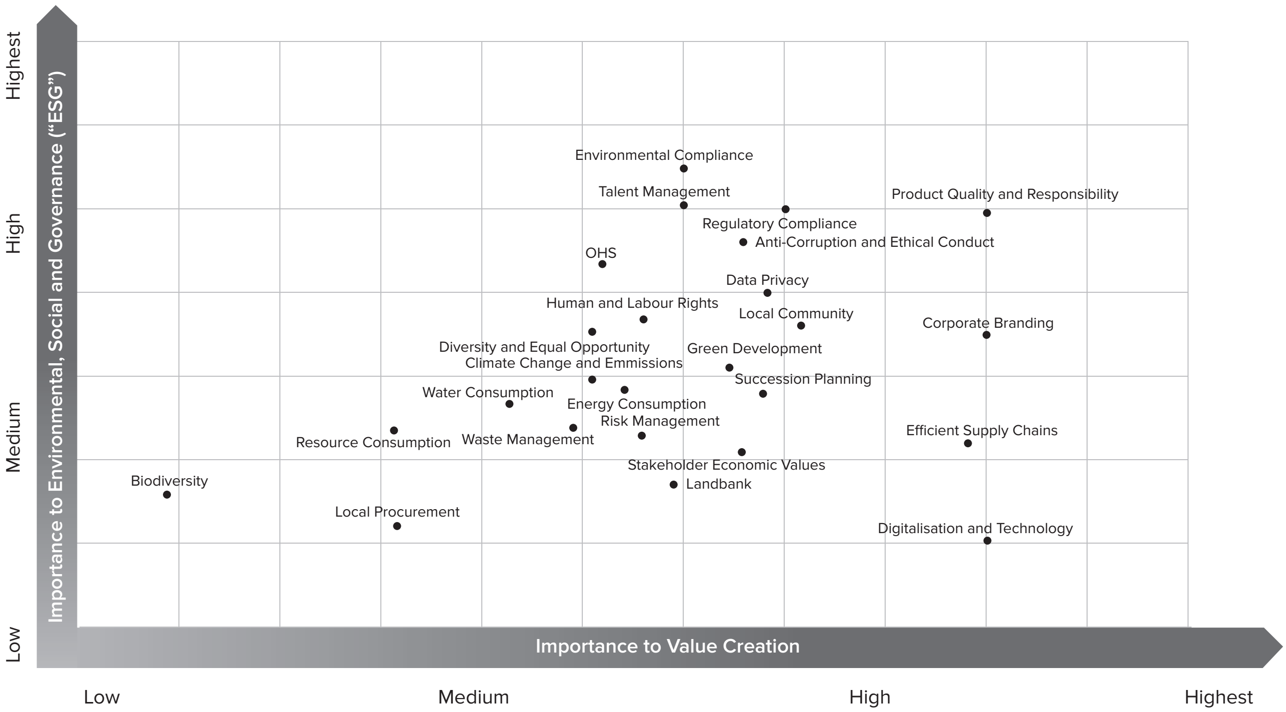
Validate

The survey results and materiality matrix were reviewed and refined accordingly by the Management and presented to the Board for approval.

Materiality Matrix

The results of the MAE have allowed the Group to develop a detailed materiality matrix that better reflects how M K Land prioritises its material matters, as shown below:

Materiality Matrix FY2022



From the above illustrated matrix, it can be concluded that the 10 key topics include Product Quality and Responsibility, Corporate Branding, Regulatory Compliance, Anti-Corruption and Ethical Conduct, Environmental Compliance, Human Resource Management, Efficient Supply Chains, Data Privacy, Local Community and Digitalisation and Technology.

The emergence of Product Quality and Responsibility and Corporate Branding as the first and second most material topics respectively, may signify how in a highly competitive marketplace, both these factors are significant differentiators for property developers such as ourselves in selling our products and achieving customer satisfaction.

Greater focus will be given on customer satisfaction initiatives such as surveys, marketing promotions and branding activities as well as undertaking efforts that would improve end-product quality.

In the tabulation, key environmental topics such as climate change, energy, water and resource consumption as well as biodiversity were generally not scored high. The results however do not negate the importance of environmental topics to our business going forward, especially with regulators' focus on such topics.

SUSTAINABILITY STATEMENT

Stakeholder Engagement

M K Land believes that connecting and interacting with our valued stakeholders is essential in fostering meaningful stakeholder engagement. M K Land defines stakeholders as individuals, groups and entities that are impacted by the Group's business operations.

M K Land strives to operate in a safe and environmentally friendly manner and believes that sustainable success will only be attainable by the collaborative efforts between the Group, its stakeholders and the community.

While the pandemic and related movement restrictions initially shifted how the Group carried out many of its stakeholder engagements, the post-pandemic landscape is in transition towards the endemic phase. In view of this, the Group has continued adopting a hybrid approach of both physical and online platforms to conduct stakeholder engagements. This meant cutting down on physical meetings and resorting to online platforms in performing stakeholder engagement in this financial year.

Aligning with our long-term sustainability plans, the Group continues to explore opportunities to foster innovations and build capabilities for sustainable business growth. This is why stakeholder engagement and receptiveness to stakeholder views are vital in the Group's quest for sustainability.

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 as well as the areas and outcomes of engagement.

FY2022 Stakeholder Engagement Table

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 Checks and Standards • Customer Satisfaction • Brand Reputation • Awards, Accreditations and Certifications on Property and Leisure Development • Updates on Latest Products and Promotions

Stakeholders	Priority	Methods of Engagement	Areas of Engagement
Government, Regulators and Authorities	Very Important	• Dialogues, Meetings and Discussions • Emails and Letters • 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
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	• Pricing and Payment Terms for Materials and Service • Product Quality and Service Levels • Time-Efficient Delivery • Legal Compliance • Charity, Donation and Financial Aid • Community Care and Support via Volunteerism or in kind • Environment and Nature • Education Opportunities • Employment Opportunities
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 • 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 Events • 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

ECONOMIC

Direct Economic Performance

Throughout FY2022, M K Land has continued to generate direct and indirect economic values for the organisation and its stakeholders. The creation of financial values is an important aspect in furthering our sustainability agenda.

Financial performance is key in driving both environmental and social aspects since EES initiatives require a vast amount of financial investment in order to be effective. Having a strong financial performance can be seen as an important step for implementation of sustainable practices.

Our financial performance also enables the creation of indirect economic values which benefit important stakeholder groups, such as shareholders, investors, employees and Non-Governmental Organisations ("NGO") that help community development. We also create value by paying tax to the government which contribute towards the development of infrastructure in Malaysia.

These indirect economic values help support overall business operations which allow for sustainable development and also help increase the likelihood of selling our products and services to customers.

Economic Value Created and Distributed for Stakeholders

M K Land's business model focuses on providing economic values to our various stakeholders. Our commitment to shared value creation is clearly displayed through our business model which creates jobs, supports local supply chains, contributes toward community infrastructure/ services and provides many other socio-economic benefits. The beneficiaries include the stakeholders, the investors, the community, the government and others.

Local Community Infrastructure Investments and Services

M K Land does its best to support local communities through community service and the development of certain infrastructures for the usage of the general public. Our expertise in property development and construction has enabled for the development of residential areas, commercial centres and recreational areas. These projects in Damansara Perdana, Taman Bunga Raya, Bukit Merah, Meru Perdana and Klebang Putra bring benefit to its members and residents alike.

The Damansara Perdana township in particular has contributed to the Orang Asli community by providing them with proper housing and employment opportunities. Amongst the infrastructures that were built for the ease and convenience of the Orang Asli residents are Surau and Police Beat. The Group has been involved with developing mosques and dialysis centers for the community.

M K Land will continue to develop affordable houses for the community in support of the national agenda which aims for all Malaysians to own a house.

Local Procurement and Supply Chains

M K Land has remained committed to procure locally as it is in line with our value creation strategy. M K Land defines local procurement as procuring goods and services from Malaysian based suppliers and/or vendors.

Local procurement stimulates business activity within the vicinity as it can provide job opportunities for locals which subsequently increase their expertise as well as benefit the surrounding communities.

This approach is beneficial for local communities as well as for the Group as it would mean better operations from more control over cost and response time. Our environmental footprint is also significantly reduced as using local suppliers for the sourcing of goods, resources and services would mean a shorter transportation cycle, less fuel and electricity consumed.

Product Quality and Responsibility

M K Land prioritises product and service quality as it is essential in ensuring customer satisfaction and experience. Management has adopted the approach of completing all projects with quality, on time and within cost. All processes from design, construction and quality controls are managed through our detailed Standard Operating Procedures (“SOP”).

Respective project and/or development managers are in charge and held responsible for the quality of products that are under their supervision. Expectations and responsibilities are stated in the job description to maintain a certain level of quality and M K Land has appointed trusted and capable managers to ensure high quality products.

To ensure quality standards, M K Land takes guidance from the Quality Assessment System in Construction which is monitored by the Construction Industry Development Board. This is done to ensure that industry standards are met.

Furthermore, M K Land has in place a Quality Independent Audit Team who monitors the quality of construction through scheduled inspections at worksites.

In FY2022, the Group has recorded zero incidents of non-compliance regarding serious issues of our product and/or service quality that have resulted in a regulatory warning, fine or penalty. This includes fines or censures for misleading advertising, promotions or marketing information.

Customer Satisfaction

Customer satisfaction is an important factor for M K Land and it is closely monitored via several feedback mechanisms such as social media, email correspondence, feedback forms and direct input from customers.

M K Land values our customers’ feedback as this provides necessary information for improvements to be made. It can be seen as a measurement of our ability to meet customer expectations and demands.

Data collected are used to determine how improvements can be made at M K Land for both current and future customers. This data can also reveal potential trends and major insights into how our customers interact.

By improving our customer satisfaction, the Group aims to achieve the following:

- Mantain long-term engagement to retain customers;
- Build the reputation and trust between the Group and; our customer base/ relevant stakeholders;
- Help boost customer acquisition; and
- Inspire investor confidence.

Moving forward, M K Land will continue to seek feedback from our customers, aiming towards better assessing overall customer sentiments of the Group’s branding and perception towards its products and services.

ENVIRONMENTAL

M K Land is aware of the environmental impacts involved within the property development sector. This is due to the significant resources consumed as well as waste and carbon produced in the industry.

Being able to manage and reduce our overall impact on the environment and manage resource consumption will be the key objectives for the Group, moving forward.

The property industry has the potential to adopt many sustainable development practices which include green building design, capitalising on digitalisation, advancement of technologies and many others. M K Land will do our part in contributing towards these practices.

The Group has set our sights on driving sustainable development as a core aspect of our business model and set to embed this within our philosophy. We will continue to work on developing our EES framework and set out target indicators to further push this agenda within our operations, including the non-property related businesses.

Specific environmental factors are crucial to be considered as it can significantly impact our surrounding environment and business operations. Where possible, the Group will disclose data relating to these topics as found below and aim to improve on our environmental performance in the coming years.

M K Land will continue to look into other potential areas within the renewable energy development value chain which would replace the traditional sources.

It is crucial that we focus on EES as not only does it entail climate-related issues but also addresses issues such as supply chain and labour rights, waste management, productivity, water and electricity consumption, cost savings and carbon footprint.

M K Land understands the potential sustainability possess in creating both financial and non-financial values for stakeholders. We will try to leverage this by engaging key stakeholder groups for ideas and potential collaborations, wherever possible. One such collaborations may include green development design for industrial park.

SUSTAINABILITY STATEMENT

Climate Change and Emissions

Climate change is a major environmental issue that the world is facing today. The continued and intensifying impacts that are caused by climate change have led to many businesses in all industries to focus on reducing their carbon emissions.

The property sector is one of the major producers of carbon and greenhouse gases due to the consumption of fossil fuels like diesel and petrol which contribute towards climate change. These fossil fuels are typically used to operate heavy machinery during the construction process.

Climate change can significantly impact M K Land's operations. For instance, extreme weather conditions may cause physical damage to our properties, thus incurring additional costs that are needed for repair. Availability of land can also be affected due to adverse weather conditions which limit our areas for operation. Extreme weather conditions and shortage of resources could also halt operations for an extended period of time.

M K Land will continue to explore various measures throughout our operations that can reduce of our unit energy usage and carbon emissions. We have investigated opportunities presented by solar power and are now converting suitable landbanks into areas where solar power can be generated.

The Board and the Management maintain oversight on climate change for the Group and any global developments are cascaded to them. This shows our dedication to the cause as our highest-level decision makers are entrusted with this topic.

Venturing toward Solar Renewable Energy

In support of the nation's aspiration to transition towards renewable energy ("RE"), M K Land has initiated a project to operate a 10.95Mw of Large Scale Solar Photovoltaic Plant in Kerian, Perak. This is done through our wholly-owned subsidiary, Solar Citra Sdn Bhd. This helps the country's agenda as the Group plays our role of reducing the consumption of fossil fuels and limiting the release of carbon into the atmosphere.

SUSTAINABILITY STATEMENT

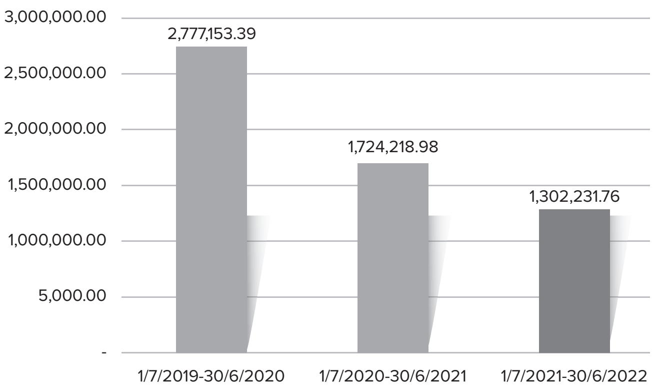
Energy Consumption

Energy consumption is directly linked to carbon emissions which contribute to climate change therefore it is vital to monitor and manage this factor. Specifically, the Group will look closely at both Scope 1 and Scope 2 energy sources.

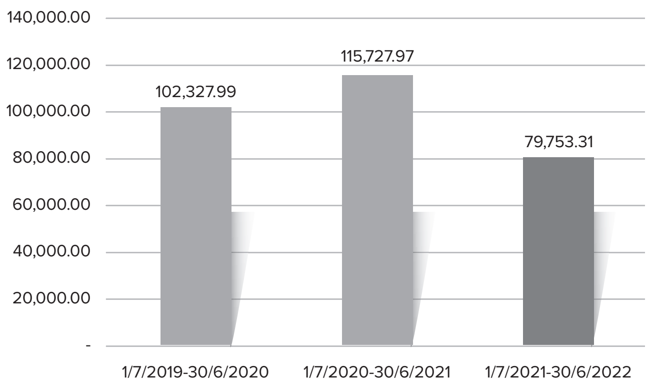
Scope 1 details the energy, in this case, diesel and fuel litres which is used in heavy machinery for construction. Scope 2 details the energy, in this case being electricity consumption in kilowatt per hour, as the local grid uses fossil fuels. As can be seen in both graphs, there is a downward trend over the years. This is because the Board and Management remain cognisant of the Group's energy consumption, as we are aware of resort and construction operations being the largest consumers of direct and indirect energy sources.

Energy Performance Data

Electricity Consumption (kWh)



Diesel Consumption (litres)



Awareness on environmentally-friendly and energy-efficient practices will continue to be cascaded among the workforce at M K Land. It is crucial for members of the Group to realise the importance of adopting methods that limit our negative impact on the environment.

Water Consumption

Our potable water comes from municipal sources and this is consumed at our offices, housing developments, construction sites and resort operations.

M K Land believes that water is a shared and finite resource where access to clean water is a basic human right and must be upheld at all times. Malaysia had experienced some challenges regarding water supply and these disruptions affected the masses. The disruptions further emphasised the importance of clean water and how vital for the Group to consume and use the resource responsibly as well as not allow for polluted water into water sources or bodies.

The Group has embarked on responsible consumption of water and this can be seen through the installation of a dual-flush water closets in many of our developments.

Resource Consumption

As stated earlier, M K Land is aware of the large amounts of natural resources consumed in the property development industry such as steel, cement, concrete, wood, bricks, masonry and glass.

Similar to both energy and water consumption, the Group will pursue methods that promote more efficient use of these natural resources.

All business divisions are encouraged to use materials with minimal environmental impact. Business and operational processes are constantly under review to ensure resources are used and discarded in an optimal and efficient manner.

M K Land continues to adopt the ‘3R’ approach, essentially measures to reduce, reuse and recycle resources at all project sites. This is so that waste volume can be reduced while giving these materials a second lease of life. Some of our more recent projects use bamboo and used tyres as part of the soil treatment process and retaining wall design.

Biodiversity

Biodiversity is an important component to consider for M K Land due to its potential to impact food security, the health of ecosystems, tourism and scientific research.

When there is awareness on biodiversity, this would mean that any sensitive or high-value flora and fauna species, along with other unique habitats can be preserved. When the community is conscious of the surrounding biodiversity, it enables them to also be advocates of furthering the sustainability agenda.

Sites can only be worked on with the relevant authorities’ approval and any land or area that is assessed to be of high conservation value or considered biodiversity critical sites will not undergo construction.

Where needed, M K Land will collaborate with external experts to conduct biodiversity audits at relevant operational sites. All sites, existing and new, will continue to be assessed for biodiversity risks as well as value.

All projects are planned and designed with environmental and social impacts in mind and we comply with local regulatory requirements of maintaining and preserving our surrounding environment.

Landbank

M K Land requires land for our business as it is the foundation for property development.

The Group has a land acquisition strategy to replenish our landbank. Any land purchased is in accordance with the existing laws, including any environmental and social regulations.

These regulations may include environmental and social impact assessments, traffic assessments and the assessment of potential impacts of development proposals on the surrounding community. In some instances, the Group’s landbank has been used to farm vegetables and fruits and this can be found within the development of Bukit Merah Laketown Resort. As mentioned earlier, the Group has started to venture into solar power as a renewable resource. This includes efforts to convert portions of our undeveloped landbanks where solar energy can be generated for the betterment of the community and the environment.

Land parcels are also important to consider and should be strategically located and acquired at competitive prices to ensure the final product is within the buying capability of prospective customers. Undeveloped land parcels are maintained in accordance with existing regulations.

SOCIAL

M K Land equally prioritises social material matters and aspects within the organisation that can create value for stakeholders.

The Group understands the importance of nurturing our workforce and the importance of the Group's human capital. The aspects the Group has considered include talent management, human resource management, human and labour rights, community investment, workforce diversity and remuneration.

Focus is placed on the Group's supply chain towards aligning with suppliers, vendors, contractors and business partners with M K Land's increased EES commitment.

In FY2022, there have been zero recorded incidents of social non-compliance as per regulations. The Group has not been censured or fined and there have been zero cases brought through dispute resolution mechanisms.

Human and Labour Rights

The Group firmly believes in investing into human capital as this will help achieve optimum performance from our workforce and provide the correct motivation for the staff to carry out their tasks adequately. The aim is to nurture M K Land's workforce and allow their maximum potential to be realised. This would include taking care of their physical and mental well-being, along with resolving any issues that may arise.

By possessing an engaged and focused workforce, the Group will be well equipped to face the challenges posed by the ever-changing industry.

M K Land remains committed in upholding both human and labour rights of our workers. We adhere to international standards such as the International Bill of Human Rights and we comply with fair labour practices as stipulated in local statutory laws across the company's operations.

M K Land is strictly against the employment or use of child or forced labour and prohibits discrimination based on race, religion, gender, disabilities, nationality and any other socio-demographic factors. The Group's Human Resource and Administration ("Group HR and Admin") Department reinforces this by encouraging the employment of people with diverse backgrounds.

M K Land supports the employment of those from under-privileged groups, varied backgrounds and social status and those with skills rather than qualifications. This can be seen when examining our workforce at our office and resorts.

The Group adheres to labour laws such as the Malaysia Employment Act 1955 and the Employment (Limitation of Overtime Work) Regulations 1980. Employees are encouraged to always strive for a healthy work-life balance within the Group and this is facilitated through certain activities, programmes and events.

M K Land attempts to safeguard our workforce wherever possible and this extends to third party contractors or sub-workers. Their basic human and labour rights are provided for since we ensure they are treated with dignity and work in safe conditions. The Group is strictly against any form of forced labour, modern slavery, debt bondage and human trafficking.

Workers are entitled to healthcare, decent accommodation, fair wages, clean sanitation, access to food and rights pertaining to the freedom of association, religious freedom and collective bargaining. Workers are only allowed to operate in safe and secure working conditions and should not be exploited in any way especially in relation to working hours and pay.

SUSTAINABILITY STATEMENT

Employees also possess the right to collective bargaining through a union. Currently for M K Land, only Pujaan Pasifik Sdn Bhd has collective bargaining under a union.

All workers are expected to have the correct legal documentation to work and failure to provide these documents will result in termination of employment and will be reported to the relevant authorities.

The whistleblower mechanism functions as a channel for third party workers or any other stakeholders to bring grievances to the attention of the Board and Management.

Moving forward, M K Land will continue to closely monitor any possible human and labour rights infringements at worksites or within the supply chain.

Worker Representation and Overall Safety

M K Land encourages employees to voice their opinions when it comes to their working environment. By doing so, not only do we achieve fair representation of workers but we also gain better insight into risk management and hazard identification when making decisions involving health and safety.

Issues raised about poor or unsafe work conditions and potential hazards are heavily considered by M K Land to prevent potential incidents from incurring.

M K Land aims to always provide a safe and secure work environment to ensure the well-being of our employees, suppliers, contractors and any other relevant stakeholders who play a role in our business operations.

Besides the value creation aspect, what is most important to M K Land is being a responsible corporate citizen and avoiding any incidents that could lead to injuries or fatalities to the staff and community.

Workforce Diversity

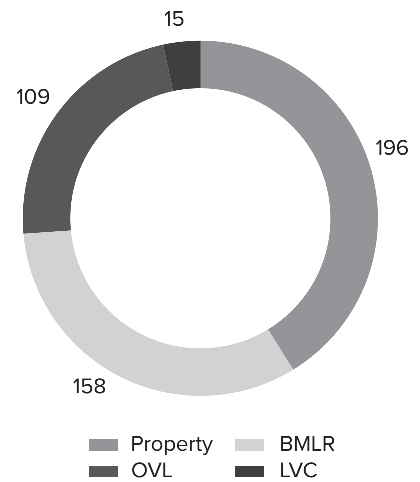
M K Land adopts a non-discriminatory approach, where talents are judged purely on the competence, qualifications, experience and professional contributions. Matters such as hiring, remuneration, promotions, compensation, gifts and benefits are completely based on merit.

By having diversity within our workforce, it promotes a richness of ideas and perspectives which supports innovative thinking and creativity which leads to more efficient decision-making. As seen in FY2022 workforce graphs, there is a total of 478 employees across the segment of property, leisure - Bukit Merah Laketown Resort (“BMLR”) and Ombak Villa Langkawi (“OVL”) and education – Lake View College (“LVC”).

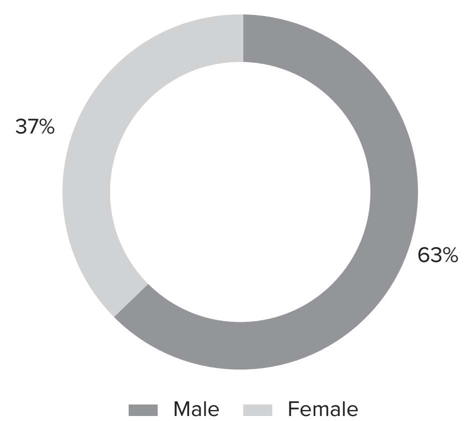
The Group supports job creation and opportunities for Malaysians in all our business segments. All our positions are designed for local talent and to date, no foreigners have been recruited.

M K Land strives to be transparent on the demographics of the workforce. The various graphs below, taken as at 30 June 2022, depicts the breakdown of the workforce based on gender, position, years of service, age and race. Information on the Board is also provided based on gender, ethnicity and age.

FY2022 Workforce: Breakdown by Total

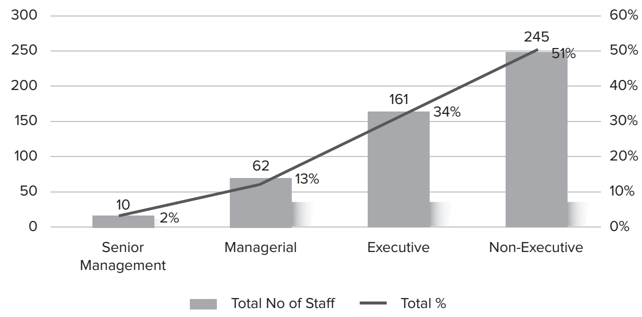


FY2022 Workforce: Breakdown by Gender

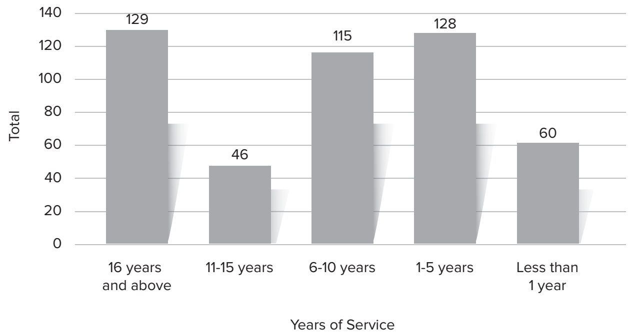


SUSTAINABILITY STATEMENT

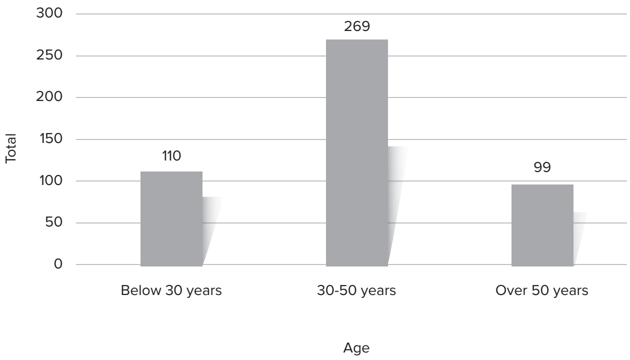
FY2022 Workforce: Breakdown by Position



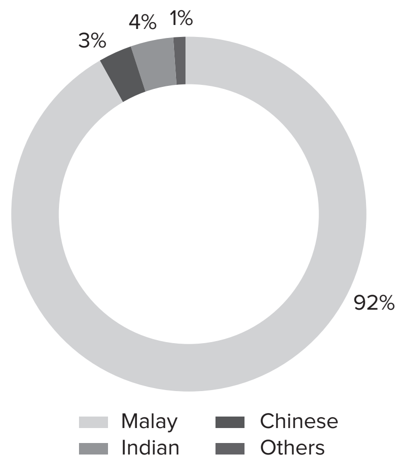
FY2022 Workforce: Breakdown by Years of Service



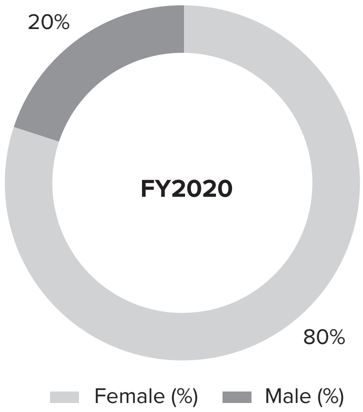
FY2022 Workforce: Breakdown by Age

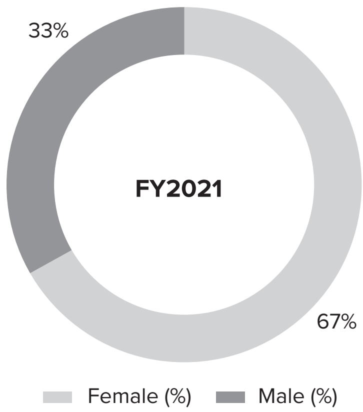


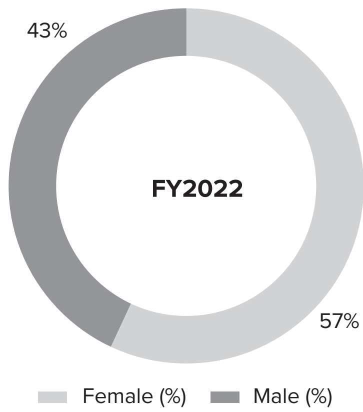
FY2022 Workforce: Breakdown by Race



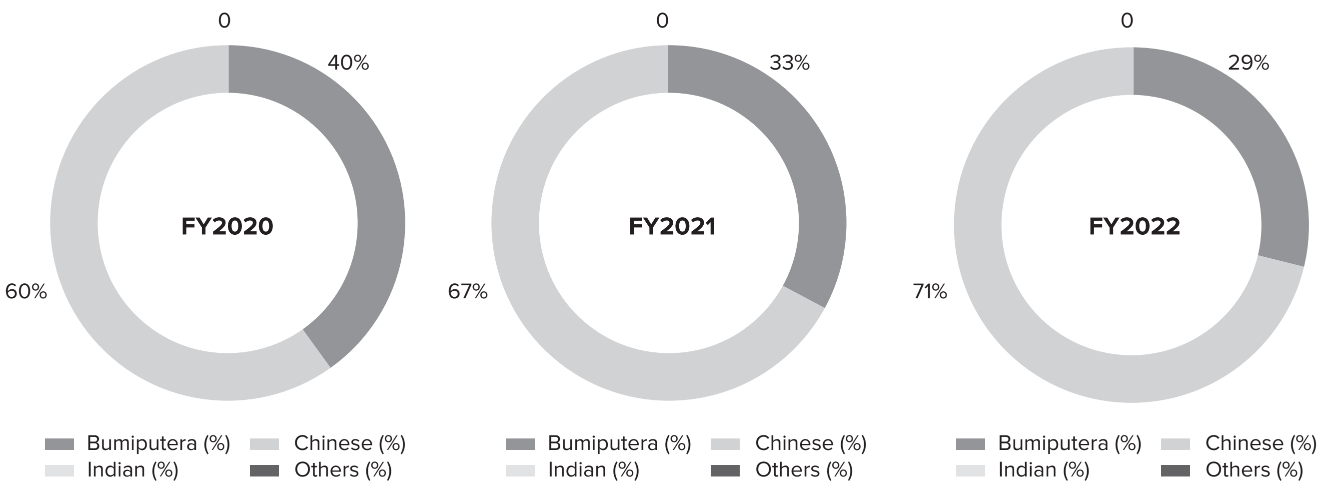
Board of Directors: Breakdown by Gender



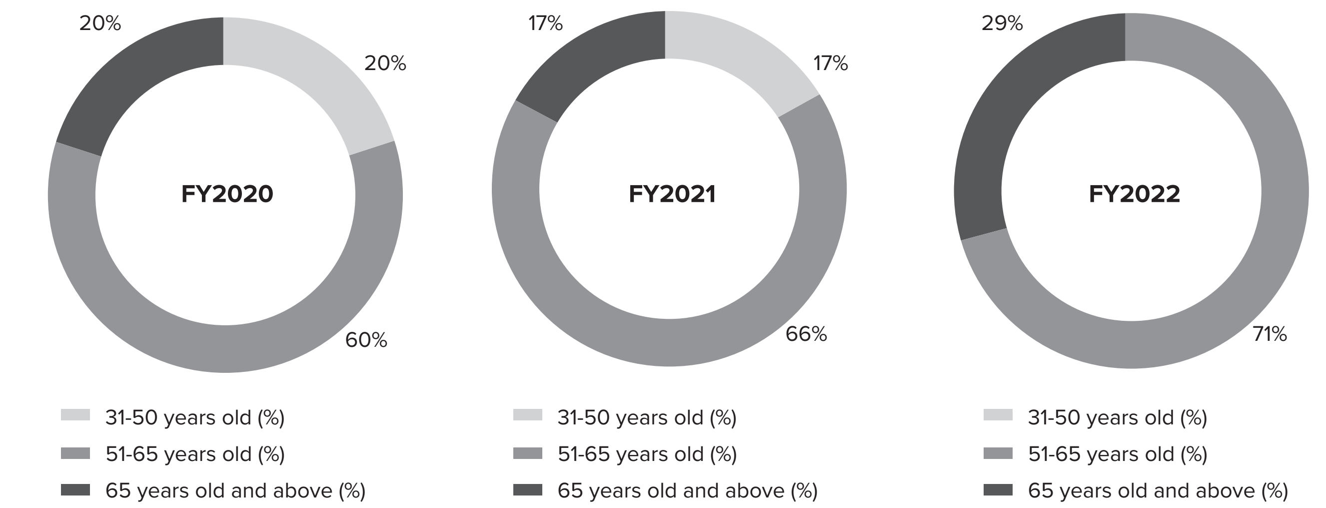




Board of Directors: Breakdown by Ethnicity



Board of Directors: Breakdown by Age



Human Resource Management

Given the competitive nature of the industry acquiring, developing and retaining talent are crucial to the Group. Having high-calibre, competent professionals within our workforce is necessary in such a dynamic business environment. The Group is committed to retaining loyal and strong talents who can drive growth, open up new horizons and create added value for the Group.

Our ability to sustain financial and non-financial values is dependent on the recruitment, development and retention of these competent workers.

M K Land focuses on acquiring professionals, who display a range of specific expertise and skillsets. Whilst technical skills are important, possessing soft skills such as branding, marketing, public relations, strategy planning, sustainability, risk management and more, are equally important.

In addition, the increased reliance on technology within business processes, especially after the COVID-19 pandemic, has highlighted the need to have a technologically savvy workforce to gain a competitive edge in the market.

SUSTAINABILITY STATEMENT

New employees go through an induction process which includes a briefing about the organisation, its policies and the employee handbook, whilst also being given a tour before settling in their respective roles.

For employees who are leaving M K Land, an exit interview will be held, followed by a completion of the resignation form that needs to be signed off. In most cases, a session will be conducted with the resigning employee to get their input and feedback on reasons for leaving as well as suggestions on how improvements can be made.

M K Land subscribes to the practice of merit towards providing equal opportunity for all positions across the Group and is strictly against all forms of discrimination.

Employee Benefits and Remuneration

M K Land provides competitive compensation packages to all staff under the Group's direct employment which are benchmarked against industry standards.

Compensation packages such as salaries, bonuses, various types of leave, monetary and non-monetary rewards and healthcare are provided to our workforce and are essential if the Group were to retain and attract talents within this competitive market.

Benefits provided are in compliance with the Employment Act 1955 and match current market standards.

Minimum Wage

M K Land complies with the Malaysian Government's minimum wage policy and ensures all employees earn a basic salary of at least RM1,500 per month.

Appraisal

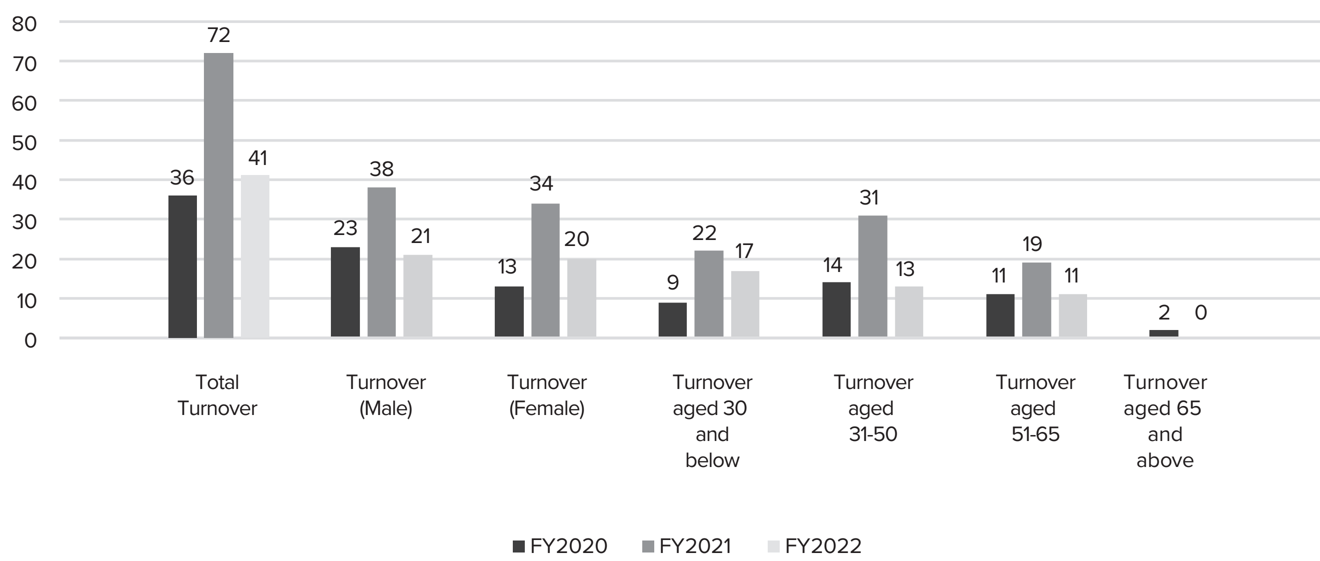
All employees at M K Land receive a formal appraisal at least once a year.

In essence, the appraisal process is meant to judge fairly the employees' performance against set indicators and targets in the employee's performance plan.

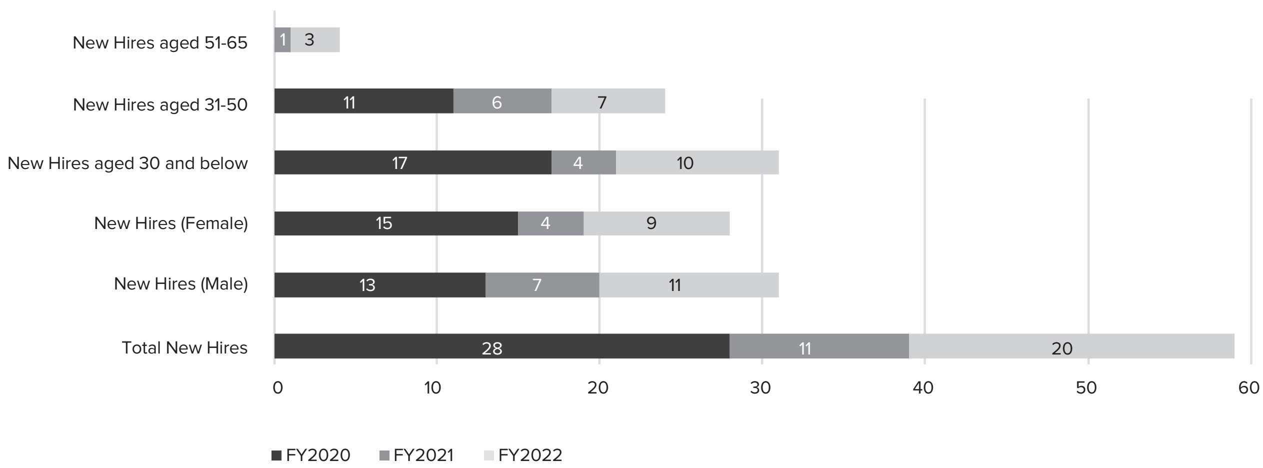
The process serves to guide annual increments, performance bonuses and to also identify performance gaps, which can then be addressed through training. It also enables effective feedback to be given between employees and their superiors and promotes open two-way communication.

Appraisals benefit our workforce as it promotes professional development and provides employee satisfaction.

Turnover Rate



New Hires Data



Employee Engagement

Due to the COVID-19 pandemic, interactions with our employees have been conducted online as much as possible.

As the nation moves towards the endemic phase, M K Land will be reverting to engage with our employees via face-to-face. Employee engagement is crucial in ensuring job satisfaction for the workforce and can significantly build morale between fellow employees as they are able to engage with each other outside of work.

Talent Training and Development

M K Land firmly believes in facilitating the professional development of employees in order to strive towards reaching their full potential. All employees throughout the organisation are encouraged to attend the various training sessions and workshops that are provided.

Heads of departments are encouraged to train their staff when possible and oversee talent training and development with assistance from the Group HR and Admin Department.

By providing these trainings, we advance the skillset of our workforce which supports financial and non-financial value creation for the Group. Trainings can also help outline any gaps in skills of our employees such as with technology or market trends and encourages them to strive for better job performance. Whilst benefiting the Group, this also helps their own personal career development.

Developing the skillsets of our employees can also help with succession planning as it allows employees to take on roles and responsibilities that can equip them for future leadership roles within the Group if the opportunity arises. Employees are encouraged to use the training opportunities provided to advance their capabilities within M K Land.

Training provided is comprehensive, covering technical expertise, soft skills and leadership capabilities. More specifically for M K Land, trainings are focused on the four business segments.

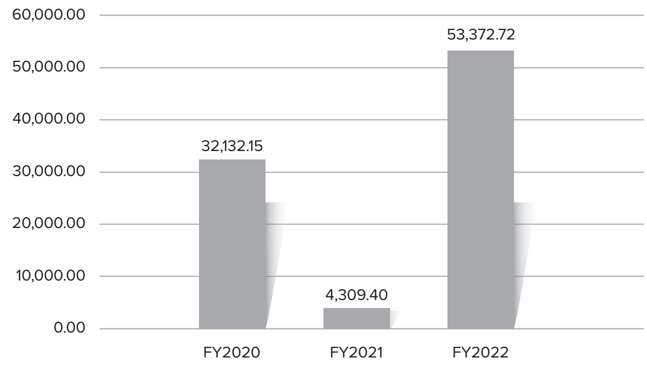
All trainings that employees attended are assessed for effectiveness through feedback mechanisms such as post-training evaluation form for execution upon completion of training.

The Group's HR and Admin Department ensures sufficient budget and arrangements are in place to facilitate employee training. This includes co-ordinating with external trainers when necessary.

During COVID-19, physical training sessions were limited and had to be replaced with online sessions instead. Due to the change in SOP, the Group will consider resuming physical trainings, as permitted.

SUSTAINABILITY STATEMENT

Total Training Spend (RM)



Total Training Hours (Employees)

FY2020	FY2021	FY2022
1,224	272	702

Average Training (Hours)

	FY2020	FY2021	FY2022
Male	0.82	0.35	0.79
Female	1.07	0.46	1.06

Total Training Per Employee (Hours)

	FY2020	FY2021	FY2022
Senior Management Staff	4.4	3.8	8.7
Management Staff	4.0	4.3	6.4
Executives	3.5	5.7	3.1
Non-Executives	3.9	5.6	3.3

Average Training Per Employee (Hours)

	FY2020	FY2021	FY2022
Senior Management Staff	9.5	3.59	8.9
Management Staff	1.99	0.86	1.82
Executives	0.95	0.39	0.92
Non-Executives	2.02	0.96	2.17

Community Investment

M K Land remains committed to upholding our Corporate Social Responsibility ("CSR") since it benefits the community by providing a wide range of financial and non-financial supports to various charitable causes and community programmes.

The practice of helping those in need has been embedded within M K Land and it has been cascaded accordingly to all fellow employees. We expect no returns in the investments we make into the community as we do this as a gesture of goodwill.

We intend to interact with the local community beyond our CSR initiatives to foster lasting relationships and this is when sustainable and positive outcomes may be developed. The Group understands that development of our surrounding community contributes to our value creation approach as they are crucial to our overall sustainability.

Whilst there is no single department that handles community investment, a majority of initiatives and donations are done through the M K Land Sports Club.

M K Land continues to make strategic investments into local infrastructure and participates in community engagements and development initiatives across our operating areas. These include supporting the local workforce and providing jobs to locals in need of employment.

Moving forward, M K Land aspires to collaborate with a wide range of NGO, government bodies, local charitable entities and others for the betterment of the community in the future.

ETHICAL CONDUCT & WORKPLACE INTEGRITY

The Group prioritises an ethical approach when it comes to conducting business as it is an integral aspect on how we operate. We aim to maintain a certain level of professionalism within our operations that involves good practice of corporate integrity, ethical conduct, corporate governance and accountability.

M K Land has developed a Code of Conduct that focuses on ethical practices and is in line with the Anti-Bribery and Corruption ("ABAC") Policy that has been established for the Group.

The Code of Conduct, as contained in the Group's employee handbook, sets out the standards of conduct and personal behaviour for directors and employees to ensure that the Group's commitment is upheld.

The Code of Conduct covers the following components: human rights, environment, company assets, exclusive service, integrity and professionalism, personal appearance, confidential information and compliance obligations.

The Board will periodically review compliance and effectiveness of the Code of Conduct.

Anti-Bribery and Corruption

M K Land adopts a strict zero-tolerance approach towards corruption and bribery. In accordance with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has established the ABAC Policy.

Eliminating corruption and bribery from our environment is in line with our business objectives, vision and mission. The Group understands the negative repercussions without the ABAC Policy implemented and it will affect the overall operation.

The Board maintains oversight when it comes to the ABAC Policy which shall be reviewed yearly or as and when necessary, for further improvements to be made. In addition, Management shall demonstrate leadership and commitment with respect to the ABAC Policy by:

1. Ensuring M K Land's ABAC Policy is implemented, maintained and adequately reviewed.
2. Ensuring the integration of M K Land's ABAC Policy into the organisation's processes.
3. Communicating internally and externally regarding M K Land's ABAC Policy.
4. Putting in place the appropriate controls and contingency measures which are reasonable and proportionate, in order to address risks and issues on bribery and corruption.
5. Enabling personnel at every level to be responsible for ensuring that the ABAC Policy is applied and complied within their department or function.
6. Ensuring overall oversight and assurance on compliance with M K Land's ABAC Policy.

The ABAC Policy helps define what is considered a corrupt act and clearly states that any acts of giving and receiving of bribes, favours or other forms of gratification with the intention of securing business contracts or other forms of incentives or rewards to be strictly prohibited at M K Land.

M K Land's ABAC Policy also states that any party, staff or supplier found guilty to have engaged in behaviour contravening the ABAC Policy will face disciplinary action, not limited to termination of employment/contract, legal remedies and will be reported to the relevant legal authorities for punitive action. These authorities include the Royal Malaysia Police, MACC and others.

SUSTAINABILITY STATEMENT

All data relating to anti-corruption is collected through an internal audit function.

All employees at M K Land are expected to abide with our policies and failure to do so could result in a violation of Section 17A of the MACC Act, whereby an organisation can be considered guilty if any of its employees and/ or associates commit corruption for the benefit of the organisation. Therefore, the Group has the ABAC Policy in place to reduce the likelihood of this violation occurring.

Operations With High-Risk of Corruption

M K Land undergoes comprehensive risk assessment procedures to identify different types of possible corrupt acts within various departments across the Group.

This assessment allows the Group to be more vigilant of possible corrupt acts that employees could engage in such as bribery to government and/or public officials, tender or bid rigging and fraudulent financial reporting.

M K Land will safeguard and establish additional prevention measures for departments deemed to be at a higher risk of corruption. In addition, the Group will continue to cascade our anti-corruption stand within our supply chain and ensure our integrity pledge form is signed by all potential business partners.

Anti-Corruption Training and Communication

All the Board members have received some level of anti-corruption briefings and training as part of the overall training schedule established for company directors. In FY2022, awareness training had been provided to the Management.

All staff of M K Land and its subsidiaries have also been exposed to various levels of anti-corruption training. This includes briefings during the induction phase for any new Board member or employee, as well as periodic sessions held across the financial year.

In FY2022, 25 staff from across the Group attended anti-corruption related training or briefings conducted by external trainers. In addition, all new staff is provided a detailed briefing on the Group's policies, including the ABAC Policy and the Code of Conduct as well as other matters of corporate governance. The Group aims to increase the level of training and to eventually cascade anti-corruption training to all employees and subsequently, to all suppliers.

Regular emails are sent to employees that remind them of our zero-tolerance approach to corruption and bribery along with procedures when it comes to receiving and sending gifts. Staff are also reminded to ensure that business partners sign our integrity pledge form and managers must explain the ABAC Policy to any third parties involved with business operations.

Strengthening Anti-Corruption Across The Value Chain

The Group aims to cascade our ABAC Policy across our value chain so that a certain standard of professional integrity is also displayed by our suppliers, vendors and partners. Suppliers and subcontractors are required to provide written acknowledgement of complying with M K Land's ABAC Policy through our integrity pledge form to remain in contention to bid for contracts.

Operations that pose a high risk of corruption, will be monitored more closely and is where the ABAC Policy is heavily enforced.

M K Land also conducts background checks on third party vendors and rejects any party who has been previously involved in corruption, reflecting the Group's zero-tolerance approach to corruption.

Whistle Blower

M K Land has a whistleblower mechanism in place which provides a proper channel for employees who wish to report any forms of unethical behaviour, misconduct, fraud and other workplace malpractice.

Our Whistle Blower Policy can be found on the Company's website, under the corporate governance section at http://www.mkland.com.my/co_profile-govern.html .

Employees are encouraged to use the policy whenever they feel the need to raise genuine concerns, disclose alleged, suspected and actual wrongdoings or known improper conduct at the workplace on a confidential basis without fear of any form of victimisation, harassment, retribution or retaliation.

Our Whistle Blower Policy serves as both an anti-corruption mechanism and a grievance mechanism for all employees. All reports made are thoroughly investigated by the appropriate channels and the whistleblower's identity will remain anonymous throughout the process. The whistleblower will also be granted immunity from any form of reprisal or punitive action.

The process of investigation is undertaken by Group's HR and Admin Department, details of which may be found in M K Land's ABAC policy. In the case where anyone is proven guilty after investigation, the incident will be reported in full to regulatory authorities such as the MACC.

In FY2022, a total of zero cases involving corruption were reported through our Whistle Blower Policy.

Political Stance and Contributions

As provided for in the laws of the country and M K Land's commitment to freedom of association, staff, value chain partners and other stakeholders have the right to join or support political parties of their choosing or any civil society or NGO, so long that these entities are recognised by law as legal entities. The Group supports the rights of citizens to vote in accordance with their conscience.

However, M K Land may participate in charitable or nation-building events organised by the government or its ministries and agencies. The Group may also support CSR events or programmes that could see the involvement of political parties or politicians.

Feedback and Inquiries

The Group always aims to foster a two-way communication with its valued stakeholders. M K Land is therefore open to receiving inquiries, feedback and concerns in order to improve its sustainability reporting and journey, which can be channelled to:

Nazri Tumin
Senior General Manager
Corporate Services Division
M K Land Holdings Berhad
nazri@mkland.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement by the Board of Directors ("Board") of M K Land Holdings Berhad ("M K Land" or "Company" or "Group") 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 by the Malaysian Code on Corporate Governance 2017 as revised on 28 April 2021 ("MCCG" or "Code"). M K Land's application of each Practice under the three Principles during the financial year ended 30 June 2022 ("FY2022") is disclosed in the M K Land Corporate Governance Report ("Corporate Governance Report") for FY2022. The Corporate Governance Report is available on M K Land'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 to adhere 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 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 to ensure the sustainability of the organisation and safeguarding the interests of the shareholders and maximising long-term stakeholder value.

The Board oversees the overall strategic and operational business performance. The Audit and Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC") were established to assist the Board in discharging its various functions. Both the ARMC and NRC ("Board Committees") are entrusted to further fortify the levels of accountability and integrity of Group.

The Board considers that the Group has complied substantially with the Principles and guidance as stipulated in the MCCG throughout FY2022. The Board will endeavour to improve and enhance 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 members of the Management of the Company ("Management"), terms of reference ("TOR") and the 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 19 October 2022 to ensure it remains consistent with the Board's objective and responsibilities, as well as complies with the relevant standards of corporate governance under the MCCG. The Board Charter can be found on 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, management information systems, shareholders' engagement 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 the Board and Management.

The roles of the Executive Chairman ("Chairman"), the Executive Director ("ED") and the Group Chief Executive Officer ("GCEO") are held by different individuals with clear and distinct roles and responsibilities. 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. The GCEO has the overall management and executive responsibilities for the day-to-day business operations and the implementation of the Board's decisions.

The details of the roles and responsibilities of the Chairman, the ED and the GCEO 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 Group
The Board delegated the Group's executive responsibilities of the day-to-day business operations to the GCEO and the Board reviews the business performance of the Group quarterly. Management personnel are delegated with specific roles and functions to respective projects and/or tasks as assigned by the GCEO. Plans and operating procedures are in place for each function to ensure continuity and smooth business operations of the Group. Performance of the Group within each business unit is reviewed, subsequently a variance analysis is conducted and reported at the quarterly Board meetings. Management prepares the budget annually and also draws 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 on 25 May 2022.

Board Committees
To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the ARMC and the NRC. The Board Committees operate within a clearly defined TOR, which can be found on 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 are tabled to the Board.

The composition and key functions of the Board Committees are summarised as follows:

ARMC
The ARMC comprised of several Independent Non-Executive Director ("INED") until 31 August 2022, where a Non-Independent Non-Executive Director ("NINED") was appointed. The ARMC is responsible for assisting and 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 transactions, risk management, Anti-Bribery & Corruption Policy and Whistle Blower Policy.

NRC
Previously, the NRC consisted of two separate Committees, which was the Nomination Committee ("NC") and Remuneration Committee ("RC"). These were established on 20 April 2001. Effective on 27 September 2021, the NC and the RC were combined into a single committee known as the NRC. The members of the NRC consist of INEDs. The key functions of the NRC include nomination of new directors and 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 and the key management, and the contribution of each individual director as well as to identify candidates to fill Board vacancies, and nominating them for approval by the Board.

The NRC is also responsible for recommending to the Board the remuneration of the Chairman, the ED, the GCEO and the key management, drawing external advice, if necessary.

Support Services
The Board is supported by the Company Secretary ("Company Secretary"), who is qualified under the Companies Act 2016. The Company Secretary plays an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and efficiently in accordance with the Board Charter and TORs respectively, and best practices and ensure adherence to the existing Board's policies and procedures. The role and responsibility of the Company Secretary has been formalised in the Board Charter.

The Company Secretary also attends 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 the profession and enable the Company Secretary to provide the necessary advisory role to the Board.

The Board also has access to the advice and services of the External Auditors, independent professional Internal Auditors and any other independent professional advisers of the Company, 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 an unbiased and independent view of the decision-making process.

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

For FY2022, the NRC reviewed and assessed the performance and independence of all the INEDs, including Pn Hjh Juliana Heather binti Ismail ("Pn Hjh Juliana"), who has served the Board for a cumulative term of more than nine 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 NRC.

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

The Board shall seek shareholders' approval to enable Pn Hjh Juliana to continue to serve as an Independent Director at the 43rd Annual General Meeting ("AGM") up to 31 May 2023 based on the justifications as set out below:

(a) She has 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) She has vast experience and knowledge on Human Resources, which will enhance the Board's diverse set of experience, expertise, and independent judgment;

(c) She has 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) She has devoted sufficient time and attention to her professional obligations for informed and balanced decision-making;

(e) She has exercised due care during her tenure as INEDs of the Company and carried out her professional duties in the best interest of the Company and its 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 require 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 a 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 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, a summary of dealing in securities in the Company by the directors or affected persons, directors' circular resolutions, reports on the Group's financial statements, any operational matters or proposals and corporate developments.

In addition, there is a schedule of matters reserved for the Board's deliberations and decisions, including among others, reviewing, evaluating, adopting and approving the policies and strategic plans for the Group. The Board will ensure that the strategic plans of the Group support 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 FY2022, a total of five Board meetings and eight Board Committees' meetings were held as follow:

	Attendance in meeting					
	BODM	ARMC	NC	RC	NRC	AGM
Pn Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal	4/5	-	-	-	-	1
Mr Lau Shu Chuan	5/5	-	-	-	-	1
Pn Hjh Juliana Heather binti Ismail	5/5	5/5	1/1	1/1	1/1	1
Ms Anita Chew Cheng Im *(Resigned w.e.f. 31 August 2022)*	5/5	5/5	1/1	1/1	1/1	1
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	5/5	5/5	1/1	1/1	1/1	1
Mr Yeong Weng Cheong	5/5	-	-	-	-	1
Mr Teh Heng Poh *(Appointed w.e.f. 1 March 2022)*	1/1	-	-	-	-	-

The Management were 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 needs of the directors have been reviewed by the Board, on topics such as 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
Pn Hjh Felina binti Tan Sri Datuk (Dr.) Hj Mustapha Kamal	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
Mr Lau Shu Chuan	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
Pn Hjh Juliana Heather binti Ismail	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
Ms Anita Chew Cheng Im	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	Chartered Tax Institute of Malaysia 2022 Budget Seminar
	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
	Suruhanjaya Syarikat Malaysia National Conference 2022 on Corporate Governance and Sustainability - Needed Now More Than Ever

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Course
Mr Yeong Weng Cheong	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey
Mr Teh Heng Poh	Mandatory Accreditation Program for Directors of Public Listed Companies
	Strengthening Corporate Values - Embarking on Sustainability and ESG Journey

Sustainability
In the course of pursuing the vision and mission of the Group, the Board acknowledge that practices that support corporate responsibilities is key to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholders' 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 20 to 41 of this Annual Report.

Code of Conduct
The Company had on 19 October 2022 reviewed the Code of Conduct for Directors and 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 .

Whistle Blower Policy
The Group acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhering 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 workplace 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 victimisation, harassment, retribution or retaliation.

Employees also can freely access the Senior Independent Director and/or the Head of Group Human Resources and Administration Department 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 Chairman, one ED, two INEDs and two NINEDs. 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 7 to 10 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 and one women director. In addition, the Board has also met the 30% women directors target where three of its board members are female, which is in line with Practice 5.9 of the MCCG.

The Board noted that Practices 5.2 and 5.3 of the MCCG have 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 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 judgment and act in the best interests of the Company.

Activities of the NRC
The NRC 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 by completing separate evaluation questionnaires regarding the processes that affect the Board and Board Committees and their effectiveness and performance. The criteria for the evaluation are guided by the Corporate Governance Guide - 4th 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 NRC meeting which was then reported to the Board at the Board meeting held thereafter. All assessments and evaluations carried out by the NRC in the discharge of its duties are properly documented.

Pursuant to Paragraphs 15.08A and 15.20 of the MMLR, the activities of the NRC in respect of FY2022 is listed 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 committees and the key management;
- recommended directors of the Group who are retiring and being eligible for re-election;
- reviewed the performance of the ARMC and its members;
- reviewed the revised TOR of NRC, Directors' Diversity Policy and Directors' Independence Policy; and
- reviewed the Director and Key Management's Fit and Proper Policies.

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 condone any gender biases. 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 that are sufficient to attract and retain the directors and Management needed to run the Company successfully, taking into consideration the functions, workloads and responsibilities.

The NRC reviews and recommends to the Board the remuneration of the Chairman, the ED, the GCEO and the key management of the Group pursuant to the contract of service. The remuneration of the Chairman, the ED, the GCEO and the key Management of the Group comprises basic salary and other customary benefits made available by the Group. The Board approved the remuneration of the Chairman, the ED, the GCEO 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 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 other factors. As these Management personnel works closely with the GCEO, their salaries and bonuses were reviewed and recommended by the GCEO after the annual performance appraisal exercise of the Group.

The NRC has two meetings during the financial year under review. The first was held on 24 September 2021, prior to the combination of the Board Committees and the second meeting was held on 17 March 2022. All members of the Committee attended the said meetings.

At the forthcoming 43rd AGM, the Board shall seek shareholders' approval for Directors' fees and benefits for the period as stated in the Notice of AGM until the next AGM to be held in 2023. The payment of the Directors' fees and benefits will only be made after the proposed resolutions are passed at the forthcoming 43rd AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The detailed disclosure on the named basis of the remuneration of the individual directors is set out in Practice 8.1 of the Corporate Governance Report.

The list of the Management personnel is disclosed on page 11 of this Annual Report. Management is primarily responsible for managing the business operations of the Group. The Board decided not to disclose on a named basis, the top five Management's remuneration in bands of RM50,000, in order to allay valid concerns of intrusion on staff confidentiality as well as maintain the Company's ability to retain talented Management in view of the competitive employment environment, in particular for the Group's property business.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC
The ARMC comprises the following:

Director	Membership
Ms Anita Chew Cheng Im INED	Chairman *(Resigned w.e.f. 31 August 2022)*
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa INED	Member, Chairman *(Redesignated from Member to Chairman w.e.f. 31 August 2022)*
Pn Hjh Juliana Heather binti Ismail Senior INED	Member
Mr Teh Heng Poh NINED	Member *(Appointed w.e.f. 31 August 2022)*

The Chairman of the ARMC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as 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 .

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 the purview of the ARMC including the financial reporting process.

The Board is assisted by the ARMC to among others, oversee the Company's and Group's financial reporting process, the quality of financial reporting and ensure that the financial statements comply with the provisions of the Companies Act 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 Companies Act 2016, the applicable MFRS and IFRS so as to present a true and fair view of the financial position, financial performance and cash flows of the Company and Group. 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 Company's and 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, reviewing 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 52 to 54 of this Annual Report.

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

Based on the evaluation, the NRC concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during FY2022.

Assessment of External Auditors ("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 the exchange of views on issues requiring attention.

The ARMC adopted the External Auditors Policy ("EA Policy") which outlines the policies and procedures for the ARMC to govern the assessment and 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 three 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, the experience of the 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 ARMC 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 as well as review 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 FY2022 were as follows:

	Company		**Group**	
	FY2022 RM'000	**FY2021 RM'000**	**FY2022 RM'000**	**FY2021 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 recommendations for the re-appointment of the External Auditors to the Board. The Board upon acceptance of the recommendations will then seek approval from the shareholders on the re-appointment of the External Auditors at the AGM.

Internal Controls 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 the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During FY2022, 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.

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

Engagement 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 where shareholders can have easy access to the Company's corporate information such as the Board Charter, TOR of the Board Committees, Company's 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.

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, the ED as well as the GCEO are present to respond to shareholders' questions, if required, at the AGM. The Notice and agenda of AGM together with the 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 the issues involved.

Poll Voting

All the resolutions passed by the shareholders at the 42nd AGM conducted on a virtual basis through live streaming held on 7 December 2021 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 provided by the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH").

The Board, based on last year's AGM, decided to continue conducting the 43rd AGM of the Company entirely on a virtual basis through the online meeting platform of TIIH Online website provided by TIIH, 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 charts, 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 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 at the Company's website.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 19 October 2022.

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 FY2022. The Board will endeavour to improve and enhance the adoption of corporate governance practices from time to time.

2. **Corporate Social Responsibility ("CSR")**
Apart from building a sustainable business, the Group has always embraced the role of a responsible corporate citizen by making positive impacts in the community it is operating within. The Group managed to initiate several CSR activities throughout this financial period, as follow:

    - Iftar Program with Anak-Anak Pusat Pemulihan Dalam Komuniti, Langkawi and Ombak Villa Langkawi Employees;
    - Iftar Program with Rumah Anak Yatim Damai Kuang, Sungai Buloh;
    - Iftar Program with Anak-Anak Yatim at Bukit Merah Laketown Resort; and
    - Iftar Program with Anak Yatim Meru Perdana, Ipoh.

3. **Workplace Diversity**
The Board and the 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 2022 is summarised below:

Race/ethnic	**Malay**	**Chinese**	**Indian**	**Others**
Male	275	6	13	6
Female	165	8	5	-
Total	**440**	**14**	**18**	**6**

Age Group	**No. of employee**
Below 30 years old	110
Between 31 to 50 years old	269
Above 50 years old	99
Total	478

4. **Utilisation of Proceeds Raised from Corporate Proposal**
There was no corporate proposal to raise funds during FY2022.

5. **Material Contracts**
There were no material contracts entered into by the Company and its subsidiaries involving the interest of the directors, the GCEO who is not a director or major shareholders, either still subsisting at the end of FY2022 or entered into since the end of the previous financial year.

6. **Recurrent Related Party Transaction ("RRPT")**
There was no RRPT entered into by the Group during FY2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of M K Land Holdings Berhad ("M K Land" or "Company" or "Group") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 30 June 2022 ("FY2022").

MEMBERSHIP

The ARMC comprises the following:

CHAIRMAN

MS ANITA CHEW CHENG IM
Independent Non-Executive Director
(Resigned as Chairman with effect from ("w.e.f.") 31 August 2022)

DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA
Independent Non-Executive Director
(Redesignated from Member to Chairman w.e.f. 31 August 2022)

MEMBERS

PN HJH JULIANA HEATHER BINTI ISMAIL
Senior Independent Non-Executive Director

MR TEH HENG POH
Non-Independent Non-Executive Director
(Appointed as Member w.e.f. 31 August 2022)

MEETINGS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During FY2022, five 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	5/5
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	5/5
Pn Hjh Juliana Heather Binti Ismail	5/5
Mr Teh Heng Poh	*

** Appointed after the financial year ended 30 June 2022.*

The above ARMC meetings were held without the presence of the Company's Executive Chairman, Executive Director and members of the Management of the Group ("Management"), 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 results, audit and risk management matters and Group's operations. Where necessary, the relevant Management personnel 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 .

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC's work during FY2022 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 FY2022 at the ARMC Meeting held on 14 October 2022 and reviewed the four (4) quarterly reports for the financial year under review at its meetings held on 23 November 2021, 22 February 2022, 23 May 2022 and 23 August 2022.

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 FY2022 had been reviewed and discussed with the external auditors on 14 October 2022 before putting forward to the Board for approval on 19 October 2022. 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 with the requirements of the MMLR and the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers.

2. External Audit

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 2023. 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 FY2022, 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 23 May 2022, the ARMC reviewed and approved the audit planning memorandum for FY2022. The audit planning placed emphasis, among others, on material contingent upon tax liabilities and litigations, impairment of trade receivables and assets, payables, inventories, property, plant and equipment, right of use assets, investment properties, borrowings, property development revenue, costs to completion and profit recognition. The ARMC was informed that there was no related party transactions or conflict of interest situations during the financial year under review.

3. Internal Audit

During the financial year under review, the internal auditor conducted a series of audit assignments and subsequently produced internal audit reports which 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 applicable laws, regulations, policies and standard operating procedures;
- Ensure reliability and integrity of information;
- Ensure safeguarding of assets; and
- Ensure operational effectiveness.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

At the start of each financial year, the ARMC will consider the scope of work required and the budget allocated for the internal audit function prior to deliberating on the Internal Audit Plan. The Internal Audit Plan consists of audit assignments that cover critical areas of operations within the Group. The ARMC had reviewed and approved the Internal Audit Plan on 22 February 2022.

Whereas during FY2022, the audit assignments that were reviewed by the ARMC included:

(i) Project Feasibility and Project Cost Management;
(ii) Vendor Management;
(iii) Effectiveness of the Anti-Bribery Management System;
(iv) Human Capital and Litigation Management;
(v) Compliance with Safety and Health Requirements; and
(vi) Effectiveness of Customer Relationship Management.

The ARMC will receive the internal audit reports and subsequently review the internal audit focus areas and findings. From this, recommendations for improvement are suggested to ensure that appropriate corrective actions can been taken by the Management in a timely manner to mitigate or address those key risks.

4. Internal Audit Function

The Group's internal audit function is being carried out by an independent external firm, namely Tricor Axcelasia Sdn Bhd ("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 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 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 FY2022 was RM32,330.00 (2021: RM216,975.94).

5. Risk Management

The Risk Management Working Committee ("RMWC") facilitates discussions on risk awareness with the Management. The key personnel 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, Cirrus Consulting Sdn Bhd, 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 so that effective and systematic risk identification and risk management process could be implemented and updated periodically.

During the financial year under review, the business risk profile and corresponding risk management system were updated by the RMWC and presented to the ARMC:

- Enterprise-Wide Risk Management ("ERM") Report for:
  (i) Bukit Merah Laketown Resort;
  (ii) Langkawi Resort; and
  (iii) Lake View College.

- Corruption Risk Management ("CRM") for the Group.

The ARMC reviewed the above risk management reports which included recommendations for improvements being carried out by the Management in a timely manner.

6. Related Party Transactions

In accordance with Paragraph 10.08 of the MMLR, the ARMC reviewed and noted that there was no related party transactions or any conflict-of-interest situations that may arise within the Group 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 Annual Report.

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

This statement is made in accordance with the resolution of the Board dated 19 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of M K Land Holdings Berhad ("M K Land" or "Company" or "Group") 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 ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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").

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 eliminate the risks of failure to achieve the business objectives. Thus, such risk management and internal control system 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, members of the Management of the Group ("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 risk management and 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 a periodical review on the key risks identified in the risk profile through discussions and workshops, and recommends mitigation measures to manage those risks in order to mitigate the impact on the Group's business and operations. There was a particular focus on areas of finance, operations and regulatory compliance in FY2022.

In addition, in order to ensure sound internal control is implemented by the Group, the Management with the assistance of the independent internal audit firm also conducts a periodical review on all weaknesses identified and provides recommendations to avoid the 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 Group Chief Executive Officer, 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 the departments are required to prepare their business plans and budgets on an annual basis. Subsequently, these are discussed with the relevant Management personnel, after which both the business plans and budgets are presented to the Board for deliberation and approval.

Once approved, the annual budget will be implemented accordingly toward 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. As such, the risk management report and the internal audit report are also presented to the Board for deliberation on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 ("ABAC") Policy, which provides adequate procedures in relation to the appropriate actions to be taken. The Group has adopted the ABAC 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.

INTERNAL AUDIT FUNCTION

The internal control function of the Group was reviewed and assessed by the Internal Auditors ("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 are rectified and reports directly to the Audit Risk and Management Committee ("ARMC") on a quarterly basis.

The Internal Auditors prepare an annual Internal Audit Plan which consists of selected risk areas, in this instance - Project Cost Management, Construction Progress, Billing and Collection and Payments and Cost Management. The internal 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 audit assignments will be conducted by the Internal Auditors. Subsequently, the Internal Auditors highlights the findings on the effectiveness and adequacy of the internal control processes. These findings are discussed with the Management and the Management's responses and the Internal Auditors' recommendations are incorporated in the internal audit report which is 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 ARMC Report.

RISK MANAGEMENT

The Board supports the guidelines as spelled 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 the risk management via the ARMC. The ARMC is supported by the Risk Management Working Committee ("RMWC") which was set up 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 the assistance of Cirrus Consulting Sdn Bhd works closely with the Group's operational managers to continuously evaluate, review and monitor all identified risks through a formalised 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

Nature	Description of Risks
Liquidity Risk	Inability to achieve the targeted revenue may cause Bukit Merah Resort Sdn Bhd and Pujaan Pasifik Sdn Bhd to face difficulties to pay off suppliers, overheads and other expenses.
Competition Risk - Resort	Stiff competition with existing and new resorts due to price war and reduction in selling price may affect the market share and gross profit of the company.
Project Management Risk - Solar project	Unexpected supply issues as a consequence of global events may result in an increase in cost and delay in the supply of raw material.
Inability to participate in new tender - Solar	The company is new to the solar business and has limited experience and capability to compete with the established solar players.
Inability to secure new projects - Solar	The company faces challenge to secure new tender from the bidding process due to low barriers of entry and stiff competition in the industry.
Non performing vendors (Consultants, contractors, nominated subcontractors, supplies) - Solar	The company currently does not have an established pool of consultants and contractors who have a prior business relationship.

In addressing and/or mitigating the identified key risks, the Management has proposed and implemented the necessary actions and initiatives. Such measures are generally in line with the recommendations of the Internal Auditors, in order to improve the effectiveness of the internal control.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Board has implemented an organisational 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:

- Clearly 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's Standard Operating Procedures ("SOP") for key operating units are adopted by the Group. The Group's corporate values, which emphasises on teamwork 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;
- Regular reviews of actual performance against budgets are regularly carried out, and the review encompasses both financial and non-financial key performance indicators; and
- The Group on an ongoing basis, compiles, reviews and updates the SOP, which involves key processes relating to its operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

EMPLOYEES' COMPETENCY

We strive towards enhancing and equipping our employees with the necessary knowledge, skills and competency to be able to perform effectively. This is through the training and development programmes which are driven by the Group Human Resource and Administration Department.

The training sessions that are applicable to all employees at each business division include topics on tax, budget, fire and safety and risk management. More specific and relevant topics that cater to each business segment are also conducted. For the property segment, training centers around topics such as product briefing and familiarization, sales drive programs, digitalisation trainings and corporate sustainability and environmental, social and governance workshop. For the leisure segment, the training topics include 'Creating A Guest Service Culture Workshop', 'Hospitality Revenue Management' and 'Workplace Safety Hazard for Hospitality & Hotel Workers' amongst many others.

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 MMLR of Bursa Securities. 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 dated 19 October 2022.

FINANCIAL
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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 2022.

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 15 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	16,129	5,374
Attributable to:		
Owners of the parent	16,410	5,374
Non-controlling interest	(281)	-
	16,129	5,374

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 2022, 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 25(a) to the financial statements.

OPTION GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT

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	
Hjh Juliana Heather binti Ismail	
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	
Yeong Weng Cheong	
Teh Heng Poh	(Appointed on 1 March 2022)
Anita Chew Cheng Im	(Resigned on 31 August 2022)

Subsidiaries of M K Land Holdings Berhad

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

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 2022 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 32 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 as follows:

	Group/ Company RM'000
Directors of the Company	
Salaries and other emoluments	2,614
Defined contribution retirement plan	372
Benefits-in-kind	170
Total	3,156

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 RM45,580.

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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D.)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONT'D.)

(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 39 to the financial statements.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and of the Group for the financial year ended 30 June 2022 amounted to RM100,000 and RM360,000 respectively.

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
19 October 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 70 to 145 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 2022 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
Director

Lau Shu Chuan
Director

Petaling Jaya
19 October 2022

STATUTORY DECLARATION

I, Cheah Zhi Liang (CA 45750), 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 70 to 145 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 19 October 2022

Cheah Zhi Liang

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD (Incorporated in Malaysia)

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 2022 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 70 to 145.

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 2022, 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 RM149.3 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 (Incorporated in Malaysia)

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 31(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 2022 were RM62.7 million and the associated impairment losses of trade receivables were RM20.6 million as disclosed in Note 19 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.

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

3. Impairment of trade receivables (cont'd.)

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, 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.

4. Revenue recognition in relation to Joint Development Agreement ("JDA")

Revenue and cost of sales of joint development activities in relation to the JDA during the financial year as disclosed in Notes 4 and 5 to the financial statements are RM27.2 million and RM9.8 million respectively.

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 JDA with the developer and the related cost of sales.

Audit response

Our audit procedures performed included the following:

a. Reviewed terms and conditions of the JDA to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

b. Verified receipts and relevant supporting documents in relation to the settlement of the amount receivables for the JDA;

c. Performed land title search to ascertain the ownership of the land had been transferred to the purchaser; and

d. Inquiries of management to obtain an understanding on the status of completion of the joint development project as at the reporting date.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M K LAND HOLDINGS BERHAD (Incorporated in Malaysia)

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 (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (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
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Law Kian Huat
02855/06/2024 J
Chartered Accountant

Kuala Lumpur
19 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
Revenue	4	196,750	185,796
Cost of sales	5	(141,980)	(127,365)
Gross profit		54,770	58,431
Other income	6	82,090	41,121
Net gain/(loss) on impairment of financial assets and contract assets	8	26,009	(441)
Administrative expenses		(37,502)	(40,163)
Selling and marketing expenses		(1,317)	(1,072)
Other expenses		(97,056)	(29,472)
Operating profit		26,994	28,404
Finance costs	7	(4,644)	(3,741)
Profit before tax	8	22,350	24,663
Taxation	11	(6,221)	(5,248)
Profit for the financial year		16,129	19,415
Other comprehensive income, net of tax		-	-
Total comprehensive income		16,129	19,415
Profit attributable to:			
Owners of the parent		16,410	20,351
Non-controlling interest		(281)	(936)
		16,129	19,415
Earnings per share attributable to owners of the parent			
Basic (sen)	12	1.4	1.7
Diluted (sen)	12	1.4	1.7

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	186,505	167,402
Investment properties	14	326,395	244,325
Inventories	16	748,872	749,878
Other investments	17	-	-
Deferred tax assets	18	16,969	19,475
		1,278,741	1,181,080
Current assets			
Inventories	16	149,841	208,477
Trade receivables	19	42,121	42,630
Other receivables	20	6,824	5,605
Contract assets	21	36,389	62,326
Tax recoverable		2,627	5,153
Other financial assets	22	7,806	4,588
Cash and bank balances	23	77,126	53,683
		322,734	382,462
Asset classified as held for sale	24	52,125	51,775
		374,859	434,237
Total assets		1,653,600	1,615,317
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	1,216,296	1,216,296
Treasury shares	25(a)	(1,904)	(1,904)
Merger deficit	25(b)	(39,441)	(39,441)
Retained profits		55,953	39,543
		1,230,904	1,214,494
Non-controlling interest		(1,403)	(1,122)
Total equity		1,229,501	1,213,372
Non-current liabilities			
Borrowings	26	16,979	5,371
Lease liabilities	27	190	205
Deferred tax liabilities	18	35,542	35,550
Long term payable	28	40,547	38,814
		93,258	79,940

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
Current liabilities			
Trade payables	29	80,721	83,167
Other payables	30	201,500	166,648
Contract liabilities	21	29,957	36,287
Borrowings	26	12,506	25,479
Lease liabilities	27	171	88
Current tax liabilities		5,986	10,336
		330,841	322,005
Total liabilities		424,099	401,945
Total equity and liabilities		1,653,600	1,615,317

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 2022

	Share capital RM'000 (Note 25)	Non-distributable: Treasury shares RM'000 (Note 25(a))	Non-distributable: Merger deficit RM'000 (Note 25(b))	Distributable: 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 2021	1,216,296	(1,904)	(39,441)	39,543	1,214,494	(1,122)	1,213,372
Profit for the financial year	-	-	-	16,410	16,410	(281)	16,129
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	16,410	16,410	(281)	16,129
At 30 June 2022	1,216,296	(1,904)	(39,441)	55,953	1,230,904	(1,403)	1,229,501
At 1 July 2020	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

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 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Profit before tax		22,350	24,663
Adjustments for:			
Depreciation of property, plant and equipment	13	6,177	6,206
Fair value gain on investment properties	14	(69,027)	(17,943)
Fair value loss on investment properties	14	50	-
Fair value gain on long term payables	6	-	(15,382)
Gain on disposal of investment properties	6	-	(30)
Gain on termination of leases	6	-	(28)
Impairment losses on:			
- trade receivables	19(c)	158	213
- other receivables	20(b)	1,724	3,991
- contract assets	21(c)	-	1,022
Impairment loss on property, plant and equipment	13	670	-
Interest expense	7	4,644	3,741
Interest income	6	(387)	(333)
Loss on termination of joint development project	8	69,027	-
Reversal of impairment losses on:			
- trade receivables	19(c)	(23,545)	(1,877)
- other receivables	20(b)	(3,010)	(2,845)
- contract assets	21(c)	(1,336)	(63)
Write-down of inventories	16(e)	60	12
Write off of property, plant and equipment	13	297	-
Operating profit before working capital changes		7,852	1,347
Changes in working capital:			
Contract assets		27,273	(9,965)
Contract liabilities		(6,330)	4,514
Inventories		34,726	51,292
Receivables		23,963	17,187
Payables		(37,621)	(34,370)
Cash generated from operations		49,863	30,005
Interest paid		(1,892)	(1,821)
Interest received		387	333
Taxes paid		(5,553)	(7,077)
Taxes refunded		6	5
Net cash from operating activities		42,811	21,445

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from investing activities			
Proceeds from disposal of investment properties		-	150
Purchase of property, plant and equipment	13(a)	(3,732)	(1,195)
(Increase)/Decrease in placement of pledged fixed deposits and deposits more than three (3) months		(3,728)	2,985
(Placement)/Withdrawal of money market funds		(3,218)	2,235
Net cash (used in)/from investing activities		(10,678)	4,175
Cash flows from financing activities			
Drawdowns of borrowings	26(c)	8,003	7,489
Repayments of:			
- borrowings	26(c)	(15,209)	(25,866)
- lease liabilities	27(b)	(122)	(136)
Net cash used in financing activities		(7,328)	(18,513)
Net increase in cash and cash equivalents		24,805	7,107
Cash and cash equivalents at beginning of financial year		41,762	34,655
Cash and cash equivalents at end of financial year	23	66,567	41,762

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 2022

	Note	2022 RM'000	2021 RM'000
Revenue	4	12,962	27,615
Other income	6	60	421
Net gain/(loss) on impairment of financial assets	8	5,599	(7,305)
Administrative expenses		(11,164)	(12,644)
Other expenses		(918)	(910)
Operating profit		6,539	7,177
Finance costs	7	(243)	(278)
Profit before tax	8	6,296	6,899
Taxation	11	(922)	(3,504)
Profit for the financial year		5,374	3,395
Other comprehensive income, net of tax		-	-
Total comprehensive income		5,374	3,395

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	13	3,520	3,876
Investments in subsidiaries	15	1,923,305	1,923,305
Other investments	17	-	-
Deferred tax assets	18	1,791	2,685
		1,928,616	1,929,866
Current assets			
Other receivables	20	66,559	71,368
Other financial assets	22	7,736	4,518
Cash and bank balances	23	863	630
		75,158	76,516
Total assets		2,003,774	2,006,382
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	25	1,216,296	1,216,296
Treasury shares	25(a)	(1,904)	(1,904)
Merger reserve	25(b)	636,856	636,856
Retained profits		115,002	109,628
Total equity		1,966,250	1,960,876
Non-current liabilities			
Lease liabilities	27	3,231	3,425
Current liabilities			
Other payables	30	33,942	41,059
Lease liabilities	27	282	232
Current tax liabilities		69	790
		34,293	42,081
Total liabilities		37,524	45,506
Total equity and liabilities		2,003,774	2,006,382

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 2022

		Non-distributable		Distributable	
	Share capital RM'000 (Note 25)	**Treasury shares RM'000 (Note 25(a))**	**Merger reserve RM'000 (Note 25(b))**	**Retained profits RM'000**	**Total equity RM'000**
At 1 July 2021	1,216,296	(1,904)	636,856	109,628	1,960,876
Profit for the financial year	-	-	-	5,374	5,374
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	5,374	5,374
At 30 June 2022	1,216,296	(1,904)	636,856	115,002	1,966,250
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

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 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Profit before tax		6,296	6,899
Adjustments for:			
Depreciation of property, plant and equipment	13	473	494
Impairment losses on amounts due from subsidiaries	20(c)	94	9,209
Impairment losses on amounts due from other receivables	20(c)	18	-
Interest expense	7	243	278
Interest income	6	(60)	(65)
Gain on termination of leases	6	-	(136)
Gain on lease modifications	6	-	(166)
Reversal of impairment losses on amounts due from subsidiaries	20(c)	(5,711)	(1,904)
Operating profit before working capital changes		1,353	14,609
Changes in working capital:			
Other receivables		18	(99)
Subsidiaries		(7,614)	(3,447)
Other payables		492	1,724
Cash (used in)/from operations		(5,751)	12,787
Interest received		60	65
Tax paid		(748)	(1,208)
Net cash (used in)/from operating activities		(6,439)	11,644
Cash flows from investing activities			
Purchase of property, plant and equipment	13(a)	(10)	(93)
(Placement)/Withdrawal of money market funds		(3,218)	2,237
Repayments from/(Advances to) subsidiaries		10,394	(13,153)
Net cash from/(used in) investing activities		7,166	(11,009)
Cash flows from financing activities			
Repayments of lease liabilities	27(b)	(494)	(528)
Net cash used in financing activities		(494)	(528)
Net increase in cash and cash equivalents		233	107
Cash and cash equivalents at beginning of financial year		630	523
Cash and cash equivalents at end of financial year	23	863	630

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

NOTES TO THE FINANCIAL STATEMENTS

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 15 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 2022 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 19 October 2022.

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 38.1 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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

2.2 Basis of consolidation (cont'd.)

Business combinations (cont'd.)

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.

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

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.

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.

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

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.

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 3.5 to 25 years
Motor vehicle and equipment	over the lease period from 5 to 6 years

NOTES TO THE FINANCIAL STATEMENTS

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

2.5 Leases (cont'd.)

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 in-substance 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.

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, non-current assets held for sale 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.

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

2.7 Impairment of non-financial assets (cont'd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.

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

2.8 Financial instruments (cont'd.)

(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.

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

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.

2.10 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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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, 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 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.

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

2.10 Impairment of financial assets (cont'd.)

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 Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes debtors who are in significant difficulties or have defaulted on payments.

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.

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

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.

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

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) Joint development activities

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.

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.

The Group identifies performance obligations that are distinct and material, which are judgemental in the context of contracts.

(d) 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.

(e) 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.

(f) Education services

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

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

2.17 Revenue recognition (cont'd.)

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.

2.18 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.

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

2.18 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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.

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.

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

2.19 Operating segments (cont'd.)

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.

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

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.

2.25 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.

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

2.25 Fair value measurements (cont'd.)

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.

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. Significant accounting judgements and estimates (cont'd.)

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 31 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) Revenue recognition in related to Joint Development Agreement ("JDA")

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.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation and uncertainty (cont'd.)

(d) 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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue from contracts with customers:				
Property development activities:				
- sale of property under development	102,973	157,012	-	-
- sale of completed properties	46,363	16,622	-	-
Joint development activities	27,245	-	-	-
Resort operations	11,336	3,473	-	-
Sales of goods and services	6,361	5,516	-	-
Educational services	763	1,267	-	-
	195,041	183,890	-	-
Other revenue:				
Rental income	1,709	1,906	-	-
Dividend income from subsidiaries	-	-	-	9,913
Management fees from subsidiaries	-	-	12,962	17,702
	1,709	1,906	12,962	27,615
	196,750	185,796	12,962	27,615
Timing of revenue recognition:				
Products and services transferred over time	115,072	161,752	-	-
Products and services transferred at a point in time	79,969	22,138	-	-
Revenue from contracts with customers	195,041	183,890	-	-

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	
	2022	**2021**
	RM'000	**RM'000**
Cost of property under development	78,385	112,107
Cost of completed properties sold	46,034	9,066
Cost of joint development activities	9,786	-
Resort operations	1,906	1,446
Costs of goods and services rendered	5,406	3,771
Cost of educational services	463	975
	141,980	127,365

6. Other income

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Administrative fees received from sub-sales of properties	190	178	-	-
Fair value gain on investment properties (Note 14)	69,027	17,943	-	-
Fair value gain on long term payable	-	15,382	-	-
Forfeiture income	-	210	-	-
Gain on disposal of investment properties	-	30	-	-
Gain on termination of leases	-	28	-	136
Gain on lease modifications	-	-	-	166
Interest income from deposits with licensed banks	387	333	60	65
Miscellaneous income	1,358	2,603	-	54
Rental income	3,178	2,577	-	-
Reduction of payables and accruals	7,950	1,837	-	-
Total	82,090	41,121	60	421

7. Finance costs

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on:				
- borrowings	1,892	1,821	-	-
- unwinding of interest	2,733	1,895	-	-
- lease liabilities (Note 27(b))	19	25	243	278
	4,644	3,741	243	278

NOTES TO THE FINANCIAL STATEMENTS

8. Profit before tax

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Auditors' remuneration				
- statutory audit	350	350	90	90
- non-statutory audit	10	10	10	10
Depreciation of property, plant and equipment (Note 13)	6,177	6,206	473	494
Employee benefits expense (Note 9)	24,555	32,611	10,300	11,580
Fair value loss on investment properties (Note 14)	50	-	-	-
Impairment loss on property, plant and equipment (Note 13)	670	-	-	-
Loss on termination of joint development project	69,027	-	-	-
Rental expense:				
- short-term leases	70	189	-	-
- low-value leases	156	146	64	80
Write-off of property, plant and equipment (Note 13)	297	-	-	-
Write-down of inventories (Note 16(e))	60	12	-	-
Reversal of impairment losses on:				
- trade receivables (Note 19(c))	(23,545)	(1,877)	-	-
- other receivables (Note 20(b))	(3,010)	(2,845)	-	-
- contract assets (Note 21(c))	(1,336)	(63)	-	-
- amounts due from subsidiaries (Note 20(c))	-	-	(5,711)	(1,904)
Impairment losses on:				
- trade receivables (Note 19(c))	158	213	-	-
- other receivables (Note 20(b))	1,724	3,991	18	-
- amounts due from subsidiaries (Note 20(c))	-	-	94	9,209
- contract assets (Note 21(c))	-	1,022	-	-
Net (gain)/loss on impairment of financial assets and contract assets	(26,009)	441	(5,599)	7,305

9. Employee benefits expense

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Salaries, wages, bonuses and allowances	19,529	19,084	8,410	4,969
Contribution to defined contribution plan	2,058	2,800	826	898
Social security costs	164	137	35	38
Other staff benefits	2,804	10,590	1,029	5,675
	24,555	32,611	10,300	11,580

Included in employee benefits expense of the Group and of the Company is the Directors' remuneration amounting to RM3,156,000 (2021: RM6,390,000) as further disclosed in Note 10 to the financial statements.

10. Directors' remuneration

	Group/Company	
	2022	2021
	RM'000	RM'000
Executive:		
Salaries	1,827	1,911
Contribution to defined contribution plan	372	329
Allowances	344	352
Accrued gratuity	-	3,282
Benefits-in-kind	170	170
	2,713	6,044
Non-Executive:		
Fees	345	254
Allowances	98	92
	443	346
Total	3,156	6,390

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	
	2022	2021
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	1
RM50,001 - RM100,000	2	1
RM100,001 - RM150,000	2	2

11. Taxation

The major components of taxation for the year ended 30 June 2022 and 30 June 2021 are:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense based on profit for the financial year:				
Current tax	4,378	5,920	865	1,517
(Over)/Under-provision in prior years	(655)	205	(837)	(182)
	3,723	6,125	28	1,335
Deferred tax (Note 18):				
Relating to increase/(reversal) of temporary differences	1,738	(877)	(188)	2,169
Under-provision in prior years	760	-	1,082	-
	2,498	(877)	894	2,169
	6,221	5,248	922	3,504

The Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 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:

	2022 RM'000	2021 RM'000
Group		
Profit before tax	22,350	24,663
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	5,364	5,919
Income not subject to tax	(3,727)	(1,893)
Expenses not deductible for tax purposes	3,725	1,528
Deferred tax assets not recognised	754	2,754
Utilisation of previously unrecognised deferred tax assets	-	(3,265)
(Over)/Under-provision of income tax expense in prior years	(655)	205
Under-provision of deferred tax in prior years	760	-
Taxation for the year	6,221	5,248

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.)

	2022 RM'000	2021 RM'000
Company		
Profit before tax	6,296	6,899
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	1,511	1,656
Income not subject to tax	(1,371)	(2,379)
Expenses not deductible for tax purposes	537	4,409
Over-provision of income tax expense in prior years	(837)	(182)
Under-provision of deferred tax in prior years	1,082	-
Taxation for the year	922	3,504

Tax savings of the Group is as follows:

	Group	
	2022 RM'000	2021 RM'000
Arising from utilisation of previously unrecognised tax losses	-	3,265

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	
	2022	2021
Profit attributable to owners of the parent (RM'000)	16,410	20,351
Weighted average number of ordinary shares in issue ('000)	1,204,590	1,204,590
Basic earnings per share (sen)	1.4	1.7

(b) Diluted

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

13. 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	Work-in progress 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 2022												
Cost												
At 1 July 2021	5,229	203,344	20,465	4,827	39,962	10,363	-	284,190	32,471	106	376	317,143
Additions	-	642	-	13	1,052	63	12,891	14,661	-	44	129	14,834
Transferred from inventories	-	11,413	-	-	-	-	-	11,413	-	-	-	11,413
Written off	-	(443)	-	-	-	-	-	(443)	-	-	-	(443)
At 30 June 2022	5,229	214,956	20,465	4,840	41,014	10,426	12,891	309,821	32,471	150	505	342,947
Accumulated depreciation and impairment losses												
At 1 July 2021	-	75,594	20,259	4,794	36,319	8,397	-	145,363	4,101	54	223	149,741
Depreciation charge for the year	-	4,335	53	12	1,104	271	-	5,775	290	24	88	6,177
Written off	-	(146)	-	-	-	-	-	(146)	-	-	-	(146)
Impairment loss for the year	-	670	-	-	-	-	-	670	-	-	-	670
At 30 June 2022	-	80,453	20,312	4,806	37,423	8,668	-	151,662	4,391	78	311	156,442
Net carrying amount	5,229	134,503	153	34	3,591	1,758	12,891	158,159	28,080	72	194	186,505

13. 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

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

13. **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 2022							
At 1 July 2021	707	1,691	1,829	563	4,790	3,797	8,587
Additions	-	-	10	-	10	107	117
At 30 June 2022	707	1,691	1,839	563	4,800	3,904	8,704
Accumulated depreciation							
At 1 July 2021	707	1,658	1,575	563	4,503	208	4,711
Depreciation charge for the year	-	8	123	-	131	342	473
At 30 June 2022	707	1,666	1,698	563	4,634	550	5,184
Net carrying amount	-	25	141	-	166	3,354	3,520
At 30 June 2021							
Cost							
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)	-	(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

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

13. 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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Purchase of property, plant and equipment	14,834	1,195	117	1,348
Financed by:				
- lease liabilities (Note 27(b))	(171)	-	(107)	(1,255)
- term loan borrowing (Note 26(c))	(10,931)	-	-	-
Cash payments on purchase of property, plant and equipment	3,732	1,195	10	93

(b) Carrying amount of the Group's property, plant and equipment pledged for borrowings as referred to in Note 26 to the financial statements are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Leasehold land and buildings	7,867	8,137

(c) The impairment loss on property, plant and equipment of RM670,000 was made on the buildings of the Group as the carrying amount exceeds its recoverable amount.

14. Investment properties

	Group	
	2022 RM'000	**2021 RM'000**
At fair value		
At beginning of the year	244,325	216,445
Transferred from inventories (Note 16)	13,093	10,057
Gain on fair value adjustments	69,027	17,943
Loss on fair value adjustments	(50)	-
Disposal	-	(120)
At end of the year	326,395	244,325
The following investment properties are held under lease terms:		
Leasehold land and buildings	326,395	244,325

14. Investment properties (cont'd.)

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

	Group	
	2022 RM'000	**2021 RM'000**
Generating rental income	413	375
Non-generating rental income	605	529

(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 2022				
Leasehold land and buildings	-	-	326,395	326,395
At 30 June 2021				
Leasehold land and buildings	-	-	244,325	244,325

(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 2022			
At the beginning of the year	239,010	5,315	244,325
Transferred from inventories (Note 16)	13,093	-	13,093
Fair value adjustments	69,027	(50)	68,977
At the end of the year	321,130	5,265	326,395
At 30 June 2021			
At the beginning of the year	211,010	5,435	216,445
Transferred from inventories (Note 16)	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

14. Investment properties (cont'd.)

(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	2022 RM	2021 RM
Leasehold land, buildings and shoplots	Comparison method	Adjusted property value	2 - 581 per sqft	2 - 581 per sqft

15. Investments in subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	1,924,055	1,924,055
Less: Impairment losses	(750)	(750)
	1,923,305	1,923,305

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 (%) 2022	Effective interest in equity (%) 2021	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
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

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries (cont'd.)

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 (%) 2022	2021	Principal activities
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	Investment property holding
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	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
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.

16. Inventories

		Group	
	Note	2022 RM'000	2021 RM'000
Non-current			
At cost:			
Land held for property development	(a)	748,872	749,878
Current			
At cost:			
Completed properties		26,589	56,217
Food, beverage, supplies and merchandise		348	317
		26,937	56,534
Property development costs	(b)	86,815	94,871
		113,752	151,405
At net realisable value:			
Completed properties		36,089	57,072
		149,841	208,477
Non-current		748,872	749,878
Current		149,841	208,477
		898,713	958,355

NOTES TO THE FINANCIAL STATEMENTS

16. Inventories (cont'd.)

(a) Land held for property development

	Group	
	2022 RM'000	2021 RM'000
At beginning of the year:		
Freehold land	11,869	11,869
Leasehold land	228,483	275,677
Development costs	509,526	519,544
	749,878	807,090
Cost incurred during the year:		
Development costs	12,711	8,270
	12,711	8,270
Transferred (to)/from:		
Investment properties (Note 14)	(13,093)	(10,057)
Property development cost (Note 16(b))	(1,787)	(3,650)
Asset held for sale (Note 24(a))	-	(51,775)
	(14,880)	(65,482)
Cost recognised in profit or loss:		
Recognised during the year	(11,930)	-
Reversal of cost of sales recognised	13,093	-
	1,163	-
At end of the year:		
Freehold land	10,461	11,869
Leasehold land	227,269	228,483
Development costs	511,142	509,526
	748,872	749,878

16. Inventories (cont'd.)

(b) Property development costs

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the year:		
Freehold land	19,338	19,338
Leasehold land	60,683	55,610
Development costs	2,245,404	2,175,375
	2,325,425	2,250,323
Development costs incurred during the year	74,255	72,169
Transferred to completed properties	-	(717)
Transferred from/(to) land held for property development (Note 16(a))	1,787	3,650
Reversal of development expenditure for completed projects	(2,015,042)	-
At end of the year	386,425	2,325,425
Cost recognised in profit or loss:		
At beginning of the year	(2,230,554)	(2,112,778)
Recognised during the year	(84,098)	(117,776)
Reversal of costs arising from completed projects	2,015,042	-
At end of the year	(299,610)	(2,230,554)
	86,815	94,871

(c) The following properties and their related development expenditure are pledged as security for borrowings granted to the Group as disclosed in Note 26 to the financial statements:

	Group 2022 RM'000	Group 2021 RM'000
Land held for property development	31,164	30,852
Property development costs	81,306	82,937
Completed properties	8,202	30,241
	120,672	144,030

(d) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM139,611,000 (2021: RM124,944,000).

(e) During the current financial year, the amount of inventories written down of the Group was RM60,000 (2021: RM12,000).

17. Other investments

	Group/Company 2022 RM'000	Group/Company 2021 RM'000
Investment in bonds, fair value through other comprehensive income		
At 1 July/30 June	-	-

During the financial year, the Group and the Company had written off the other investments as the other investments are unrecoverable.

18. Deferred tax

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	16,075	16,952	(2,685)	(4,854)
Recognised in profit or loss (Note 11)	2,498	(877)	894	2,169
At 30 June	18,573	16,075	(1,791)	(2,685)
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	(16,969)	(19,475)	(1,791)	(2,685)
Deferred tax liabilities, net	35,542	35,550	-	-
	18,573	16,075	(1,791)	(2,685)

(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 2021	4,249	30,512	789	35,550
Recognised in profit or loss	(8)	-	-	(8)
At 30 June 2022	4,241	30,512	789	35,542
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

18. Deferred tax (cont'd.)

(b) The components and movements of deferred tax liabilities and assets during the financial year are as follows (cont'd.):

Deferred tax assets of the Group:

	Provisions RM'000	Total RM'000
At 1 July 2021	(19,475)	(19,475)
Recognised in profit or loss	2,506	2,506
At 30 June 2022	(16,969)	(16,969)
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)

Deferred tax assets of the Company:

	Provisions RM'000	Total RM'000
At 1 July 2021	(2,685)	(2,685)
Recognised in profit or loss	894	894
At 30 June 2022	(1,791)	(1,791)
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)

(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	
	2022 RM'000	2021 RM'000
Unutilised tax losses		
- Expires by 30 June 2029	43,113	44,293
- Expires by 30 June 2030	10,359	10,359
- Expires by 30 June 2031	2,774	2,774
- Expires by 30 June 2032	6,823	-
Unabsorbed capital allowances	49,975	47,308
Other temporary differences	12,295	17,464
	125,339	122,198

18. Deferred tax (cont'd.)

(c) 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.

With effect from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

19. Trade receivables

	Group	
	2022	**2021**
	RM'000	**RM'000**
Third parties	44,105	70,444
Stakeholders' sum	18,580	16,137
	62,685	86,581
Less: Impairment losses	(20,564)	(43,951)
Trade receivables, net	42,121	42,630

(a) The Group's normal trade credit terms range from 14 to 90 days (2021: 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.

19. Trade receivables (cont'd.)

(c) The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Group		
	Lifetime ECL allowance RM'000	**Credit impaired RM'000**	**Total allowance RM'000**
At 1 July 2021	5,133	38,818	43,951
Charge for the year	158	-	158
Reversal of impairment losses	(1,736)	(21,809)	(23,545)
At 30 June 2022	3,555	17,009	20,564
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

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	
	2022 RM'000	**2021 RM'000**
Maximum exposure	42,121	42,630
Collateral obtained	(23,232)	(26,138)
Net exposure to credit risk	18,889	16,492

The above collaterals are letters of undertaking from financial institutions for properties sold and letter of guarantee from local authority for educational services.

19. Trade receivables (cont'd.)

(e) Ageing analysis of the trade receivables is as follows:

		2022	
Group	**Gross RM'000**	**Impaired RM'000**	**Total RM'000**
Current	22,531	(8)	22,523
1 to 30 days past due	3,814	(30)	3,784
31 to 60 days past due	5,275	(28)	5,247
More than 60 days past due	31,065	(20,498)	10,567
	40,154	(20,556)	19,598
	62,685	(20,564)	42,121

		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

(f) Trade receivables are denominated in RM.

(g) Information on financial risks of trade receivables is disclosed in Note 33 to the financial statements.

20. Other receivables

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Advances to contractors	13,503	13,503	-	-
Deposits	3,878	4,333	190	170
Due from subsidiaries	-	-	78,632	89,022
Prepayments	1,413	339	-	-
Sundry receivables	15,004	15,690	90	128
	33,798	33,865	78,912	89,320
Less: Impairment losses	(26,974)	(28,260)	(12,353)	(17,952)
Other receivables, net	6,824	5,605	66,559	71,368

20. 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 of the Group is as follows:

	Group			
	12-month ECL allowance RM'000	Lifetime ECL allowance* RM'000	Lifetime Credit impaired RM'000	Total allowance RM'000
At 1 July 2021	9,814	-	18,446	28,260
Charge for the year	1,724	-	-	1,724
Reversal of impairment losses	(3,010)	-	-	(3,010)
At 30 June 2022	8,528	-	18,446	26,974
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

** 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.

20. Other receivables (cont'd.)

(c) Movements in the impairment allowance for other receivables of the Company are as follows:

	Company			
	12-month ECL allowance RM'000	Lifetime ECL allowance* RM'000	Lifetime Credit impaired RM'000	Total allowance RM'000
At 1 July 2021	17,952	-	-	17,952
Charge for the year	112	-	-	112
Reversal of impairment loss	(5,711)	-	-	(5,711)
At 30 June 2022	12,353	-	-	12,353
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

** 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 33 to the financial statements.

21. Contract assets/liabilities

	Group	
	2022 RM'000	2021 RM'000
Contract assets		
Property development activities	37,743	65,016
Less: Impairment losses	(1,354)	(2,690)
	36,389	62,326
Contract liabilities		
Property development activities	29,734	35,560
Education services	63	164
Resort operation	160	563
	29,957	36,287

21. 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	
	2022	**2021**
	RM'000	**RM'000**
Within one (1) year	29,938	31,852
Between one (1) and four (4) years	19	4,435
	29,957	36,287

(b) The amount of RM15,556,000 (2021: RM10,583,000) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 30 June 2022.

(c) The reconciliation of movements in allowance for impairment losses in contract assets is as follows:

	Group Lifetime ECL allowance	
	2022	**2021**
	RM'000	**RM'000**
At 1 July	2,690	1,731
Charge for the year	-	1,022
Reversal of impairment losses	(1,336)	(63)
At 30 June	1,354	2,690

22. Other financial assets

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fair value through profit or loss financial assets				
Money market funds and trust funds	7,806	4,588	7,736	4,518

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.

23. Cash and bank balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash on hand and at banks	70,241	47,367	863	630
Deposits with licensed banks	6,885	6,316	-	-
Cash and bank balances	77,126	53,683	863	630
Less: Deposits with licensed banks for more than three (3) months	(1,512)	(514)	-	-
Deposits with licensed banks pledged for bank guarantee facilities	(5,373)	(2,643)	-	-
Bank overdrafts (Note 26)	(3,674)	(8,764)	-	-
Cash and cash equivalents	66,567	41,762	863	630

(a) Included in cash and bank balances of the Group are:

	Group	
	2022 RM'000	2021 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)	56,629	27,860
Deposits with licensed banks pledged for bank guarantee facilities	5,373	2,643

(b) The weighted average effective interest rates of deposits as at reporting date were as follows:

	Group	
	2022 RM'000	2021 RM'000
Licensed banks	1.9	1.7

(c) The weighted average effective maturity of deposits as at reporting date were as follows:

	Group	
	2022 RM'000	2021 RM'000
Licensed banks	73	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.

24. Asset classified as held for sale

	Group	
	2022	**2021**
	RM'000	**RM'000**
At carrying amount:		
Leasehold land	52,125	51,775

(a) Asset classified as held for sale is in relation to disposal of land held for property development in the previous financial year as disclosed in Note 16(a) to the financial statements.

(b) In the previous financial years, Medan Prestasi Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into Sales and Purchase Agreement to dispose off two (2) parcels of leasehold land for a total cash consideration of RM108,781,000. The disposal is expected to be completed in the next financial year due to the extension of time granted to the purchaser.

Accordingly, the leasehold land is classified as asset held for sale at the end of reporting period.

25. Share capital

	Group/Company			
	Number of ordinary shares		Amount	
	2021	**2020**	**2022**	**2021**
	'000	**'000**	**RM'000**	**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.

25. Share capital (cont'd.)

(a) Treasury shares

	Group/Company	
	2022	**2021**
	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 2022, 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.

(b) Merger (deficit)/reserve

(i) Merger deficit

	Group	
	2022	**2021**
	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.

(ii) Merger reserve

	Company	
	2022	**2021**
	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.

26. Borrowings

	Group 2022 RM'000	Group 2021 RM'000
Short term borrowings		
Secured:		
Term and bridging loans	8,832	16,715
Bank overdraft (Note 23)	3,674	8,764
	12,506	25,479
Long term borrowings		
Secured:		
Term and bridging loans	16,979	5,371
	16,979	5,371
Total borrowings		
Term and bridging loans	25,811	22,086
Bank overdraft (Note 23)	3,674	8,764
	29,485	30,850

(a) The weighted average interest rates of borrowings during the financial year are as follows:

	Group 2022 %	Group 2021 %
Bank overdraft	6.5	6.5
Term and bridging loans	6.2	6.5

(b) The secured borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 13 and 16 to the financial statements, respectively.

26. Borrowings (cont'd.)

(c) Reconciliation of liabilities arising from financing activities:

	Group	
	2022 RM'000	2021 RM'000
At 1 July	22,086	40,463
Cash flows:		
Drawdowns of borrowings	8,003	7,489
Repayment of borrowings	(15,209)	(25,866)
Non-cash flows:		
Acquisition of property, plant and equipment (Note 13(a))	10,931	-
At 30 June	25,811	22,086

For reconciliation of liabilities arising from financing activities purpose, the bank overdrafts had 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 33 to the financial statements.

27. Lease liabilities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current liabilities				
Lease liabilities	190	205	3,231	3,425
Current liabilities				
Lease liabilities	171	88	282	232
Total lease liabilities	361	293	3,513	3,657

(a) The weighted average interest rates of lease liabilities of the Group and of the Company during the financial year were ranging from 3.7% to 7.8% (2021: 3.7% to 7.8%) and 6.8% (2021: 6.8%) respectively.

27. 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 2021	293	3,657
Cash flows:		
Payments of lease liabilities	(122)	(494)
Non-cash flows changes:		
Additions (Note 13(a))	171	107
Interest expenses (Note 7)	19	243
At 30 June 2022	361	3,513
At 1 July 2020		
Cash flows:	683	3,985
Payments of lease liabilities	(136)	(528)
Non-cash flows changes:		
Additions (Note 13(a))	-	1,255
Termination	(279)	(1,650)
Lease modification	-	317
Interest expenses (Note 7)	25	278
At 30 June 2021	293	3,657

(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.

28. Long term payable

Long term payable relates to amount payable to the state government, 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				
2022				
Long term payable	-	19,404	21,143	40,547
2021				
Long term payable	-	16,460	22,354	38,814

(a) The long term payable is discounted at the range of rate of 6.8% to 7.0% (2021: 6.8% to 7.0%).

(b) Long term payable is denominated in RM.

(c) Information on financial risks of long term payables is disclosed in Note 33 to the financial statements.

29. Trade payables

	Group	
	2022 RM'000	2021 RM'000
Third parties	53,239	50,818
Retention sums	27,482	32,349
	80,721	83,167

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).

(b) Trade payables are denominated in RM.

(c) Information on financial risks of trade payables is disclosed in Note 33 to the financial statements.

30. Other payables

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Due to Directors	(a)	5,327	5,519	5,327	5,519
Sundry payables		27,782	29,811	93	94
Accruals		90,325	68,768	8,482	7,796
Deposits received		21,933	6,417	-	-
Due to subsidiaries	(b)	-	-	20,040	27,650
Amounts due to State Government		56,133	56,133	-	-
		201,500	166,648	33,942	41,059

(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 32 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 33 to the financial statements.

31. 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 7 February 2022, the Court instructed the parties to attend the decision and case management fixed on 11 April 2022 and 12 April 2022 respectively.

On 11 April 2022, the High Court dismissed the application to amend the Case Stated with costs in the cause and instructed the parties to attend the next hearing. On 19 August 2022, the Court fixed the hearing date for Medan Prestasi’s appeal on 29 November 2022.

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 in the previous financial year.

31. 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. On 28 October 2021, the Court instructed the parties to attend the next hearing on 16 December 2021.

On 17 December 2021, the Court dismissed the Defendant's Application. A Notice of Appeal has been filed to the Court of Appeal on 13 January 2022. Subsequent to the last case management on 19 July 2022, the next case management was fixed on 14 September 2022 to update about the grounds of judgement. On 14 September 2022, the next case management was fixed on 29 November 2022.

(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.

31. Contingent liabilities - unsecured (cont'd.)

(b) Saujana Triangle Sdn. Bhd. ("STSB") vs. Inland Revenue Board ("IRB") (cont'd.)

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.

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 10 April 2023 and 11 April 2023.

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 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.

31. Contingent liabilities - unsecured (cont'd.)

(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	
	2022	**2021**
	RM'000	**RM'000**
Unsecured corporate guarantees given to licensed banks for facilities granted to:		
- subsidiaries - limit of guarantee	154,550	107,050
Amount utilised	29,485	30,850

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.

32. 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	
	2022	**2021**
	RM'000	**RM'000**
(Income)/Expense:		
Rental of premises payable to subsidiaries	470	516
Management fees from subsidiaries	(12,962)	(17,702)
Dividend income from subsidiaries	-	(9,913)

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.

32. Significant related party transactions (cont'd.)

(b) Compensation of key management personnel

The remuneration of Directors and key management personnel during the year are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries and other emoluments	3,158	6,499	3,158	6,499
Defined contribution plan	422	378	422	378

Included in the total key management personnel compensation are:

	Group/Company	
	2022	**2021**
	RM'000	**RM'000**
Directors' remuneration		
executive	2,713	6,044
non-executive	443	346
	3,156	6,390

In the previous financial year, the remuneration of Directors and key management personnel above included the accrued gratuity of RM3,282,000.

33. 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.

33. Financial risk management objectives and policies (cont'd.)

(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
2022				
Financial liabilities:				
Trade payables	80,721	-	-	80,721
Other payables	201,500	-	-	201,500
Borrowings	13,777	11,051	9,262	34,090
Lease liabilities	184	201	-	385
Long term payables	-	30,710	28,815	59,525
Total undiscounted financial liabilities	296,182	41,962	38,077	376,221
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 payables	-	21,408	39,118	60,526
Total undiscounted financial liabilities	275,744	25,286	41,783	342,813

33. 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.)

Company	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
2022				
Financial liabilities:				
Other payables	33,942	-	-	33,942
Lease liabilities	510	1,938	2,352	4,800
Total undiscounted financial liabilities	34,452	1,938	2,352	38,742
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

(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	
Profit after tax	**2022 RM'000**	**2021 RM'000**
- Increased by 0.25% (2021: 0.25%)	(56)	(59)
- Decreased by 0.25% (2021: 0.25%)	56	59

34. 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	19
Other receivables	20
Contract assets	21
Cash and bank balances	23
Borrowings	26
Long term payable	28
Trade payables	29
Other payables	30
Contract liabilities	21

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).

34. Fair values of financial instruments

Non-financial instruments

The fair value of the investment properties as at 30 June 2022 and 30 June 2021 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.

35. Commitments

(a) Operating leases commitments

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	
	2022 RM'000	**2021 RM'000**
Not later than one (1) year	3,419	2,523
Later than one (1) year and not later than five (5) years	10,782	11,800
Later than five (5) years	38,457	43,128
	52,658	57,451

(b) Capital commitments

	Group	
	2022 RM'000	**2021 RM'000**
Contracted but not provided for:		
- Acquisition of property, plant and equipment	30,139	-

36. 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 2022 and 2021.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The gearing ratios as at 30 June 2022 and 2021 were as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Total borrowings (Note 26)	29,485	30,850
Total equity	1,229,501	1,213,372
Gearing ratio	2%	3%

The Group and the Company are not subject to any other externally imposed capital requirements.

37. 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.

37. Segment information (cont'd.)

	Property development		Leisure		Investment holding		Education		Elimination		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue												
External	178,290	175,177	17,697	9,348	-	4	763	1,267	-	-	196,750	185,796
Inter-segment	72,992	-	-	-	13,768	38,427	-	-	(86,760)	(38,427)	-	-
Total revenue	251,282	175,177	17,697	9,348	13,768	38,431	763	1,267	(86,760)	(38,427)	196,750	185,796
Results												
Interest income from deposit with licensed banks	325	269	-	-	62	64	-	-	-	-	387	333
Reversal of impairment losses on:												
- trade receivables	23,533	1,856	1	4	-	2	11	15	-	-	23,545	1,877
- other receivables	3,010	2,845	-	-	-	-	-	-	-	-	3,010	2,845
- contract assets	1,336	63	-	-	-	-	-	-	-	-	1,336	63
Reduction of payables	7,950	1,663	-	22	-	45	-	107	-	-	7,950	1,837
Depreciation of property, plant and equipment	5,529	5,446	490	534	503	494	194	201	(539)	(469)	6,177	6,206
Interest expense	4,299	3,488	23	2	693	639	6	20	(377)	(408)	4,644	3,741
Write-down of inventories	60	12	-	-	-	-	-	-	-	-	60	12
Impairment of property, plant and equipment	670	-	-	-	-	-	-	-	-	-	670	-
Fair value gain on long term payable	-	15,382	-	-	-	-	-	-	-	-	-	15,382
Fair value gain on investment properties	69,027	17,943	-	-	-	-	-	-	-	-	69,027	17,943
Fair value loss on investment properties	50	-	-	-	-	-	-	-	-	-	50	-
Loss on termination of joint development project	69,027	-	-	-	-	-	-	-	-	-	69,027	-
Impairment losses on:												
- trade receivables	158	163	-	50	-	-	-	-	-	-	158	213
- other receivables	1,663	3,946	43	-	18	45	-	-	-	-	1,724	3,991
- contract assets	-	1,022	-	-	-	-	-	-	-	-	-	1,022
Segment profit/(loss) before tax	80,351	136,065	(915)	(1,862)	6,363	17,296	(552)	(8)	(62,897)	(126,828)	22,350	24,663
Taxation	5,274	53,350	-	-	1,005	4,061	-	-	(58)	(52,163)	6,221	5,248
Assets:												
Additions of non-current assets	1,276	750	550	352	13,008	93	-	-	-	-	14,834	1,195
Segment assets	2,262,264	2,176,306	33,841	1,458	2,058,371	2,050,858	3,920	4,602	(2,704,796)	(2,617,907)	1,653,600	1,615,317
Segment liabilities	1,269,211	1,246,388	52,731	20,286	71,126	70,971	8,633	8,762	(977,602)	(944,462)	424,099	401,945

37. Segment information (cont'd.)

Additions to non-current assets consist of the following:

	Group	
	2022 **RM'000**	**2021** **RM'000**
Property, plant and equipment	14,834	1,195

38. Adoption of MFRSs and Amendments to MFRSs

38.1 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 MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - *Interest Rate Benchmark Reform - Phase 2*	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

38.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2022

Title	**Effective Date**
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 a 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
Amendment to MFRS 17 *Initial Application of MFRS 17 and* MFRS 9 - *Comparative Information*	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.

39. Significant events during the financial year

39.1 2019 Novel Coronavirus Infection ("COVID-19")

In 2020, the COVID-19 pandemic has resulted in a slowdown of the global economy including Malaysia. In relation to this, the Government of Malaysia had implemented various movement control orders throughout the year to contain the spread of the COVID-19 virus. The Group also activated its Business Continuity Plan and implemented various cost-saving measures in its business operations to mitigate the financial impact of the pandemic to its business performance, streamlined its business processes to improve productivity and at the same time, stepped up preventive measures to reduce the risks of spread and safeguard its employees and customers.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 in respect of the judgements and assumptions used in the preparation of the financial statements for the financial year ended 30 June 2022. The Group will continue to assess the impact of the COVID-19 on the financial statements of the Group for the financial year ending 30 June 2023.

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.

39.2 Development of Large Scale Solar Photovoltaic Plants

On 26 August 2021, Solar Citra Sdn. Bhd. has signed a Large Scale Solar Protolvotaic (LSS4) Power Purchase Agreement with Tenaga Nasional Berhad to develop a 10.95 MW Large Scale Solar Photovoltaic Plant ("LSSPV") in Kerian, Perak Darul Ridzuan.

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 2022 (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	253,484
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		30/6/22*	138,700
PT 50895, H.S.(D) 317775, PT 50898, H.S.(D) 317778, Mukim of Sg. Buloh, District of Petaling, State of Selangor Darul Ehsan.	Investment properties	11.68 acres	Leasehold expiring on 18/8/2102		30/6/22*	82,120
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		30/6/22*	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.	20.31 acres	Leasehold expiring on 12/9/2105		31/8/00*	11,689
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*	19,983
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		30/6/22*	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	80,071

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 2022 (RM'000)
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
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	52,125
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.	82.18 acres	Leasehold expiring on 12/6/2096		8/7/99	55,791
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		30/6/22*	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	25,985
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	6,094
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.	23.37 acres	Freehold		27/2/06	8,826
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	5,957
PT 49262, PT 49263 & PT 57408 Mukim of Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Land for proposed mixed development.	15.05 acres	Leasehold		22/5/06	5,980
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*	121,204

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 2022 (RM'000)
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 expiring on 15/8/2093 and 29/6/2096 respectively		30/6/22*	41,180
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	23	30/6/21*	1,148
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	25	30/6/21*	50,063
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	25	30/6/21*	19,622
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	23	30/6/21*	22,563
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		30/6/22*	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		30/6/22*	28,000

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 2022 (RM'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		30/6/22*	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
Geran Mukim of 1232, Lot 1922 Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman.	Kuala Melaka Inn, Langkawi.	2,129 sq. metres	Freehold	13	2/12/02	13,891
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	20	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	20	11/9/02	6,297
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	20	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	9	11/9/02	35,101

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 2022 (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	22	30/6/22*	4,850
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	22	30/6/22*	3,700
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	22	30/6/22*	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	22	30/6/22*	3,650

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 2022 (RM'000)
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	22	30/6/22*	3,650

ANALYSIS OF SHAREHOLDINGS

ANALYSIS BY SIZE OF HOLDINGS AS AT 30 SEPTEMBER 2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	346	3.282	5,606	0.000
100 - 1,000	1,573	14.922	1,097,659	0.091
1,001 - 10,000	4,207	39.910	25,459,703	2.113
10,001 - 100,000	3,722	35.309	137,059,760	11.378
100,001 - 60,229,498	690	6.545	283,401,625	23.526
60,229,499 AND ABOVE (**)	3	0.028	757,565,631	62.889
TOTAL :	10,541	100.000	1,204,589,984	100.000

REMARK : * - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES

LIST OF TOP 30 LARGEST SHAREHOLDERS

No.	Name	Holdings	%
1	MKN HOLDINGS SDN BHD	479,096,585	39.772
2	DATUK KASI A/L K L PALANIAPPAN	186,907,715	15.516
3	PB TRUSTEE SERVICES BERHAD EMKAY TRUST	91,561,331	7.601
4	TEOH CHENG HUA	7,000,000	0.581
5	SEE TIAN CHWAN	5,558,800	0.461
6	CHANG KENG ONN	5,446,000	0.452
7	WONG CHEE KONG	4,000,000	0.332
8	YONG SHU KONG	3,671,600	0.304
9	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR PHANG CHIN PING	3,500,000	0.290
10	KHO POH SING	2,700,000	0.224
11	CHAN HAI MING	2,665,800	0.221
12	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK KASI A/L K L PALANIAPPAN	2,320,000	0.192
13	WAN KOK CHEONG	2,306,000	0.191
14	FEDERLITE HOLDINGS SDN BHD	2,261,600	0.187
15	CHIN KIAN FONG	2,193,600	0.182

ANALYSIS OF SHAREHOLDINGS

No.	Name	Holdings	%
16	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	2,183,100	0.181
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HOCK LEYONG	2,117,000	0.175
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	2,062,000	0.171
19	CHIN SIN LIN	2,015,600	0.167
20	YEO EN SENG	2,010,000	0.166
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	1,916,300	0.159
22	MAH SIEW SEONG	1,880,000	0.156
23	HENRY CHEE MING PING	1,867,000	0.154
24	LIM KIAN WAT	1,851,000	0.153
25	TAN KOK HWA	1,741,000	0.144
26	SHAMEER SDN BHD	1,710,000	0.141
27	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	1,600,000	0.132
28	SIN KEK YONG	1,570,000	0.130
29	CHIN SHUK HA	1,530,000	0.127
30	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.	1,460,300	0.121

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

Name	Holdings	%
MKN HOLDINGS SDN BHD	479,096,585	39.772
DATUK KASI A/L K L PALANIAPPAN	186,907,715	15.516
PB TRUSTEE SERVICES BERHAD EMKAY TRUST	91,561,331	7.601

ANALYSIS OF SHAREHOLDINGS

INFORMATION ON DIRECTORS SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Name	Direct no. of Shares held Holdings	%	Indirect no. of Shares held Holdings	%
HJH FELINA BINTI TAN SRI DATUK (DR.) HJ MUSTAPHA KAMAL	-	-	-	-
LAU SHU CHUAN	-	-	-	-
JULIANA HEATHER BINTI ISMAIL	-	-	-	-
DATO' TAN CHOON HWA @ ESTHER TAN CHOON HWA	-	-	-	-
YEONG WENG CHEONG	-	-	-	-
TEH HENG POH	-	-	-	-

INFORMATION ON CHIEF EXECUTIVE WHO IS NOT A DIRECTOR AS AT 30 SEPTEMBER 2022

Name	Direct no. of Shares held Holdings	%	Indirect no. of Shares held Holdings	%
DATO' FARIS YAHAYA	-	-	-	-

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Third Annual General Meeting ("43rd 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 - MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Thursday, 8 December 2022 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 2022 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) Mr Lau Shu Chuan	**RESOLUTION 1**
	(b) Pn Hjh Juliana Heather binti Ismail	**RESOLUTION 2**
3.	To re-elect Mr Teh Heng Poh 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 Director's fees of Pn Hjh Juliana Heather binti Ismail amounting to RM9,000 per month for the period from 1 July 2022 until the next Annual General Meeting of the Company to be held in 2023.	**RESOLUTION 4** (Please refer to Explanatory Note 3)
5.	To approve the payment of Director's fees of Dato' Tan Choon Hwa @ Esther Tan Choon Hwa amounting to RM8,500 per month for the period from 31 August 2022 until the next Annual General Meeting of the Company to be held in 2023.	**RESOLUTION 5** (Please refer to Explanatory Note 3)
6.	To approve the payment of Director's fees of Mr Yeong Weng Cheong amounting to RM7,000 per month for the period from 9 December 2022 until the next Annual General Meeting of the Company to be held in 2023.	**RESOLUTION 6** (Please refer to Explanatory Note 3)
7.	To approve the payment of Director's fees of Mr Teh Heng Poh amounting to RM7,000 per month for the period from 1 March 2022 until the next Annual General Meeting of the Company to be held in 2023.	**RESOLUTION 7** (Please refer to Explanatory Note 3)
8.	To approve the payment of Directors' benefits up to RM250,000 for the period from 9 December 2022 until the next Annual General Meeting of the Company to be held in 2023.	**RESOLUTION 8** (Please refer to Explanatory Note 3)
9.	To re-appoint BDO PLT, the retiring auditors for the financial year ending 30 June 2023 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 special resolutions:

PROPOSED CONTINUATION IN OFFICE OF PN HJH JULIANA HEATHER BINTI ISMAIL AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

10.	"THAT authority 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 up to 31 May 2023."	**RESOLUTION 10** (Please refer to Explanatory Note 5)

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

SPECIAL RESOLUTION
WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016

11. "THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company under Section 85 of the Companies Act 2016 ("the Act"), read together with Clause 57(1) of the Constitution of the Company. THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act."

SPECIAL RESOLUTION
(Please refer to Explanatory Note 6)

ORDINARY RESOLUTION
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

12. "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 11
(Please refer to Explanatory Note 7)

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."

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

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

YEAP KOK LEONG
(SSM PC No.: 202008001750)
(MAICSA 0862549)
Company Secretary

28 October 2022

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.

   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 43rd AGM of the Company using the Remote Participation and Voting ("RPV") facilities, provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online.

   Please refer to the Procedures for registration/RPV in the Administrative Guide for the 43rd 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 43rd AGM, the Company shall be requesting the Record of Depositors as at 30 November 2022. Only a depositor whose name appears on the Record of Depositors as at 30 November 2022 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.

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

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. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, not less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on **Tuesday, 6 December 2022** or adjourned 43rd AGM at which the person named in the appointment proposes to vote:

    (a) In Hard Copy Form
    In the case of an appointment made in hard copy form, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 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 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.

    (b) By Tricor Online System (TIIH Online)
    In the case of an appointment made via email mean, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online (applicable to individual shareholders only). The website to access TIIH Online is https://tiih.online (Kindly refer to the Administrative Guide for the 43rd AGM).

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

11. Any authority pursuant to which such an appointment is made by a power of attorney 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 less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on Tuesday, 6 December 2022 or adjourned 43rd AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. 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 less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on **Tuesday, 6 December 2022**. 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.

13. It is important that you read the Administrative Guide for the conduct of the 43rd AGM.

14. 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 43rd 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.

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Business / Special Business:

1. Explanatory Note 1

   To receive the Audited Financial Statements for the financial year ended 30 June 2022

   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

   Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of the Directors who are standing for re-election as per Agenda items 2 and 3 are set out in the Board of Director's profile of the Annual Report 2022. Based on the recommendation of Nomination and Remuneration Committee, the Board supports the re-election of Mr Lau Shu Chuan, Pn Hjh Juliana Heather binti Ismail and Mr Teh Heng Poh as Directors of the Company based on the following justifications:

   - **RESOLUTION 1** To re-elect Mr Lau Shu Chuan who is retiring pursuant to Clause 93 of the Constitution of the Company and being eligible, has offered himself for re-election.

   Mr Lau Shu Chuan has vast experience in operational matters of the Group. He directs the Management in their managing of day-to-day business operations, contributed significantly to the Group by providing valuable input and steered the Group forward with notable achievements during his tenure as an Executive Director of the Company.

   - **RESOLUTION 2** To re-elect Pn Hjh Juliana Heather binti Ismail who is retiring pursuant to Clause 93 of the Constitution of the Company and being eligible, has offered herself for re-election.

   (a) Pn Hjh Juliana Heather binti Ismail has 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) She has a vast experience and knowledge on Human Resource, which will enhance the Board's diverse set of experience, expertise and independent judgement;

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

   (d) She has devoted sufficient time and attention to her professional obligations for informed and balanced decision making; and

   (e) She has exercised due care and diligence during her tenure as an Independent Non-Executive Director of the Company and carried out her professional duties in the best interest of the Company and shareholders.

   - **RESOLUTION 3** To re-elect Mr Teh Heng Poh who is retiring pursuant to Clause 97 of the Constitution of the Company and being eligible, has offered himself for re-election.

   Mr Teh Heng Poh has vast experience in the construction industry and gained much relevant hands on and practical experience in property development over the years. He is able to provide the Board with a diverse set of expertise and perspective.

   Mr Lau Shu Chuan, Pn Hjh Juliana Heather binti Ismail and Mr Teh Heng Poh do not have any interest, position or relationship might have with any parties which could influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and all of them are act in the best interest of the Company as a whole.

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

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 43rd AGM:

- **RESOLUTION 4** To approve the payment of Director's fees of Pn Hjh Juliana Heather binti Ismail amounting to RM9,000 per month for the period from 1 July 2022 until the next Annual General Meeting of the Company to be held in 2023.

- **RESOLUTION 5** To approve the payment of Director's fees of Dato' Tan Choon Hwa @ Esther Tan Choon Hwa amounting to RM8,500 per month for the period from 31 August 2022 until the next Annual General Meeting of the Company to be held in 2023.

- **RESOLUTION 6** To approve the payment of Director's fees of Mr Yeong Weng Cheong amounting to RM7,000 per month for the period from 9 December 2022 until the next Annual General Meeting of the Company to be held in 2023.

- **RESOLUTION 7** To approve the payment of Director's fees of Mr Teh Heng Poh amounting to RM7,000 per month for the period from 1 March 2022 until the next Annual General Meeting of the Company to be held in 2023.

- **RESOLUTION 8** To approve the payment of Directors' benefits up to RM250,000 for the period from 9 December 2022 until the next Annual General Meeting of the Company to be held in 2023.

Directors' Fees

The Nomination and Remuneration Committee has reviewed the Directors' fees and recommended the following Directors' fees to the Board for consideration. The Board agreed with the Nomination and Remuneration Committee'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 from the abovementioned dates until the next AGM of the Company to be held in 2023, as and when their services are rendered. The quantum of the Directors' fees remains unchanged as compared with the year 2021/2022.

Directors' Benefits

The Directors' benefit comprise allowances and other emoluments payable to the Independent Non-Executive Directors ("INED") and Non-INED (collectively referred to as "Non-Executive Directors") of the Board and the Board Committees. The current Directors' benefit are set out below:

Description	Amount
Meeting allowance for Board and Board Committees for each Non-Executive Directors	RM2,000/ per 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 INED and Non-INED involved in these meetings. The estimated amount of RM250,000 for the period from 9 December 2022 until the next AGM of the Company to be held in 2023 ("Relevant Period") is computed based on the estimated number of Audit and Risk Management Committee Meetings, Board Meetings and Nomination and Remuneration Committee Meetings scheduled to be held during the Relevant Period.

Payment of the Non-Executive Directors' benefits will be made by the Company as and when incurred after the passing of the proposed Ordinary Resolution 8 by the shareholders at the 43rd 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 up to RM250,000 for a period from 9 December 2022 until the next AGM of the Company to be held in 2023.

4. Explanatory Note 4

Re-appointment of External Auditor

The Board has through the Audit and Risk Management Committee, considered the re-appointment of BDO PLT as Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table their re-appointment at the 43rd AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report for the financial year ended 30 June 2022.

- **RESOLUTION 9** To re-appoint BDO PLT, the retiring auditors for the financial year ending 30 June 2023 and to authorise the Board of Directors to fix the remuneration of auditors.

NOTICE OF FULLY VIRTUAL ANNUAL GENERAL MEETING

5. Explanatory Note 5

   Proposed continuation in office of Pn Hjh Juliana Heather binti Ismail as Senior Independent Non-Executive Director ("INED")

   The Board, with the recommendation of Nomination and Remuneration Committee, has assessed the independence of Pn Hjh Juliana Heather binti Ismail, who has served as INED of the Company for a cumulative term of more than nine years since 21 December 2009. It is recommended for her to continue to act as INED of the Company up to 31 May 2023 as justified on the Explanatory Note 2.

6. Explanatory Note 6

   Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016

   The proposed Special Resolution is pertaining to the waiver of pre-emptive rights granted to the shareholders under Section 85 of the Companies Act 2016. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive right. The Special Resolution if passed, would allow the Directors to issue new shares to any person under the Proposed General Mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

7. Explanatory Note 7

   Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

   The proposed Ordinary Resolution 11 is proposed to seek for a renewal of the general mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"). Subject to passing the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Act, the proposed Ordinary Resolution 11, if passed, will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares in the Company up to 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being 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 at a general meeting.

   As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate to the Directors for issuance of shares pursuant to the Act, obtained at the 42nd AGM held on 7 December 2021 and which will lapse at the conclusion of the 43rd AGM. Hence, no proceeds were raised from the previous general mandate.

   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 THIRD ANNUAL GENERAL MEETING ("43rd AGM") OF M K LAND HOLDINGS BERHAD

Date : Thursday, 8 December 2022

Time : 10.30 a.m.

Venue : Fully Virtual, https://tiih.online or https://tiih.com.my

MODE OF MEETING

As a precautionary measure to maintain the safety of all, the Forty-Third Annual General Meeting ("43rd AGM") will be conducted on **a fully virtual basis through live streaming and online remote voting**. This is in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, including any amendment that may be made from time to time.

The online meeting platform in complying with Section 327(2) of the Companies Act, 2016 and the Chairman of the meeting is deemed to be present at the main venue of the meeting. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the 43rd AGM in person on the day of the meeting.

Due to the evolving nature of the COVID-19 situation in Malaysia, we may be required to change the arrangements of our 43rd AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 43rd AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 43rd 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.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate at this 43rd 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 43rd AGM is a 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.

PROCEDURE FOR RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate the 43rd AGM remotely using the RPV are to follow the requirements and procedures as summarised 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 THIRD ANNUAL GENERAL MEETING ("43rd AGM") OF M K LAND HOLDINGS BERHAD

	Procedure	Action
		BEFORE THE AGM DAY
(b)	Submit your registration for RPV	• Registration is open from Friday, 28 October 2022 until the day of 43rd AGM on Thursday, 8 December 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 43rd AGM to ascertain their eligibility to participate the 43rd AGM using the RPV. • Login with your user ID and password and select the corporate event: **"(REGISTRATION) M K LAND HOLDINGS BERHAD 43rd 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 2022, the system will send you an e-mail 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 43rd 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 43rd AGM at any time from 10.00 a.m. i.e. 30 minutes before the commencement of the AGM on Thursday, 8 December 2022 at 10.30 a.m.
(d)	Participate through Live Streaming	• Select the corporate event: **"(LIVE STREAM MEETING) M K LAND HOLDINGS BERHAD 43rd AGM"** to engage in the proceedings of the 43rd 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 endeavour to respond to questions submitted by you during the 43rd 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 Thursday, 8 December 2022 until the time when the Chairman announces the end of the session. Select the corporate event: **"(REMOTE VOTING) M K LAND HOLDINGS BERHAD 43rd 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 43rd AGM, the live streaming will end.

ADMINISTRATIVE GUIDE FOR THE FORTY THIRD ANNUAL GENERAL MEETING ("43rd AGM") 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 43rd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than **Tuesday, 6 December 2022 at 10.30 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(i) In Hard Copy Form

In the case of an appointment made in hard copy form, the proxy form 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.

(ii) By Electronic Form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online (applicable to individual shareholders only). Kindly refer to the Procedure 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 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 **Tuesday, 6 December 2022 at 10.30 a.m.** to participate via RPV in the 43rd AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

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 **Tuesday, 6 December 2022 at 10.30 a.m.** to participate via RPV in the 43rd 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 THIRD ANNUAL GENERAL MEETING ("43rd AGM") 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". 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 43rd 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 43rd AGM - "Submission of Proxy Form".** • Agree to the Terms & Conditions and 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 THIRD ANNUAL GENERAL MEETING ("43rd AGM") OF M K LAND HOLDINGS BERHAD

POLL VOTING

The voting at the 43rd 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 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 **Thursday, 8 December 2022** 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 43rd 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 43rd 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 **Tuesday, 6 December 2022 at 10.30 a.m**. The Board will endeavour to answer the questions received at the 43rd AGM.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts or food vouchers for attending the 43rd AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 43rd 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 person	:	En Mohammad Amirul Iskandar
Contact Number	:	+603 2783 9263
Email	:	Mohammad.Amirul@my.tricorglobal.com
Contact person	:	Pn Ros Sakila Binti Bahari
Contact Number	:	+603 2783 9277
Email	:	Sakila@my.tricorglobal.com

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MK 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 43rd 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 - MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd., Malaysia on Thursday, 8 December 2022 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 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		
	SPECIAL RESOLUTION		
11.	RESOLUTION 11		

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.

   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 43rd AGM of the Company using the Remote Participation and Voting ("RPV") facilities, provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online.

   Please refer to the Procedures for registration/RPV in the Administrative Guide for the 43rd 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 43rd AGM, the Company shall be requesting the Record of Depositors as at 30 November 2022. Only a depositor whose name appears on the Record of Depositors as at 30 November 2022 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. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, not less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on **Tuesday, 6 December 2022** or adjourned 43rd AGM at which the person named in the appointment proposes to vote:

   (a) In Hard Copy Form
   In the case of an appointment made in hard copy form, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 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 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.

   (b) By Tricor Online System (TIIH Online)
   In the case of an appointment made via email mean, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online (applicable to individual shareholders only). The website to access TIIH Online is https://tiih.online (Kindly refer to the Administrative Guide for the 43rd 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

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10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

11. Any authority pursuant to which such an appointment is made by a power of attorney 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 less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on **Tuesday, 6 December 2022** or adjourned 43rd AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. 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 less than forty-eight (48) hours before the time appointed for holding the 43rd AGM, i.e. by 10.30 a.m. on **Tuesday, 6 December 2022**. 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.

13. It is important that you read the Administrative Guide for the conduct of the 43rd AGM.

14. 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 43rd 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

To: The Share Registrar

Please send to me/us a printed copy of the **2022 Annual Report** of M K Land Holdings Berhad.

Name of Shareholder: ______________________________

NRIC/ Company No.: ______________________________

CDS Account No.: ______________________________

Address: ______________________________

Telephone No.: ______________________________

Date: ______________________________

____
Signature of Shareholder

Please find the contact details our Share Registrar for a printed copy of the 2022 Annual Report:

SHARE REGISTRAR

Name of Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Reg No.:197101000970) (11324-H)
Address:		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	:	Pn Ros Sakila binti Bahari
Contact Person Email	:	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 SALES OFFICE

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) SALES OFFICE

Jalan Bukit Merah,
34400 Semanggol,
Perak Darul Ridzuan.
t : +605 890 8888
f : +605 890 8000

OMBAK VILLA LANGKAWI

Lot 78 Jalan Kuala Muda,
Padang Matsirat, 07100 Langkawi,
Kedah Darul Aman.
t : +604 955 8181
f : +604 955 8881

KUALA MELAKA INN LANGKAWI

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

M K LAND HOLDINGS BERHAD (REG NO. 197801003984) (40970-H)
No. 19, Jalan PJU 8/5H, Perdana Business Centre,
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