Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2023

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member of Grant Thornton International Ltd

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

CONTENTS **PAGES**

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	Kong Chong Soon @ Chi Suim Kong Pak Lim Ang Kheng Im Fong Heng Boo Eugene Lee Chin Jin Tuan Haji Ramley Bin Alan Kong Sze Choon (alternate for Kong Chong Soon @ Chi Suim) Stephanie Kong Pei Zen (alternate for Kong Pak Lim)
SECRETARIES	Yap Kai Weng (MAICSA 74580) (SSM Practicing Certificate No. 201908003526) Wong Yoke Leng (MAICSA 7032314) (SSM Practicing Certificate No. 201908004035)
AUDITORS	Grant Thornton Malaysia PLT (Member Firm of Grant Thornton International Ltd) Chartered Accountants Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
REGISTERED OFFICE	No 9, Jalan Indah 16 Taman Cheras Indah 56100 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	Suite G-1, Vertical Corporate Tower B Avenue 10, The Vertical Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

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

DIVIDENDS

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

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

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

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

DIVIDENDS (CONT'D)

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

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

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

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

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

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

SHARE OPTIONS

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

TREASURY SHARES

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

TREASURY SHARES (CONT'D)

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

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

HOLDING COMPANIES

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

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

SUBSIDIARY COMPANIES

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

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

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

DIRECTORS

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

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

DIRECTORS (CONT'D)

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

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

DIRECTORS' INTERESTS

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

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

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

DIRECTORS' INTERESTS (CONT'D)

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

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

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Directors' interest in subsidiary companies				
Indirect interests				
Kong Chong Soon @ Chi Suim#:				
Peninsular Home Sdn. Bhd.	40	-	-	40
Scenic Point Development Sdn. Bhd.	100,000	-	-	100,000
Ceylon Hills Sdn. Bhd.	90,000	-	-	90,000
Everise Tiara (M) Sdn. Bhd.	120,000	-	-	120,000
Everise Project Sdn. Bhd.	120,000	-	-	120,000

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

DIRECTORS' BENEFITS

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

	Incurred by the Group RM	Incurred by the Company RM
Directors' fees	180,000	180,000
Directors' remunerations and other benefits*	8,105,136	8,105,136
Insurance paid for Directors' indemnity given	18,295	18,295

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

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

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

OTHER STATUTORY INFORMATION

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

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

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

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

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

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS

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

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

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

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

....	)	
KONG PAK LIM	)	
	)	DIRECTORS
....	)	
KONG CHONG SOON @ CHI SUIM		

26 March 2024

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 17 to 82 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

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

…………………………………………	……………...……………………………..
KONG PAK LIM	KONG CHONG SOON @ CHI SUIM

26 March 2024

STATUTORY DECLARATION

I, Ang Kheng Im, being the Director primarily responsible for the financial management of UOA Development Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 82 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by	)	
the abovenamed at Kuala Lumpur in	)	
the Federal Territory this day of	)	
26 March 2024	)	…………………………………………..…
		ANG KHENG IM (MIA NO.: 11954) CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UOA Development Bhd, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 17 to 82.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Registration No.: 200401015520 (654023-V)

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

Key Audit Matters

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

Fair value of investment properties

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

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

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

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

Revenue and cost of sales recognition for property development activities

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

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

Registration No.: 200401015520 (654023-V)

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

Key Audit Matters (cont'd)

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

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

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

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

GRANT THORNTON MALAYSIA PLT	LIM SOO SIM
(201906003682 & LLP0022494-LCA)	(NO: 03335/11/2025 J)
CHARTERED ACCOUNTANTS (AF 0737)	CHARTERED ACCOUNTANT

Kuala Lumpur
26 March 2024

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

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

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

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

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

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

		----------------Attributable to owners of the Company----------------							
Group	Note	Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 January 2022		2,821,766	2,252	13,224	2,793,867	(2,119)	5,628,990	175,804	5,804,794
Total comprehensive income for the financial year		-	-	(7,100)	219,937	-	212,837	2,823	215,660
Dividends to non-controlling shareholders of subsidiary companies		-	-	-	-	-	-	(2,996)	(2,996)
Dividends to shareholders of the Company	36	132,004	-	-	(232,647)	-	(100,643)	-	(100,643)
Acquisition of additional shares in existing subsidiary companies		-	-	-	-	-	-	249	249
Dilution in stake in an existing subsidiary company		-	-	-	241	-	241	(236)	5
Balance at 31 December 2022		2,953,770	2,252	6,124	2,781,398	(2,119)	5,741,425	175,644	5,917,069
Total comprehensive income for the financial year		-	-	1,363	279,551	-	280,914	6,855	287,769
Dividends to non-controlling shareholders of subsidiary companies		-	-	-	-	-	-	(4,992)	(4,992)
Dividends to shareholders of the Company	36	117,662	-	-	(726,905)	-	(609,243)	-	(609,243)
Acquisition of shares in a new subsidiary company		-	-	-	-	-	-	(1,397)	(1,397)
Acquisition of additional shares in an existing subsidiary company		-	-	-	-	-	-	5	5
Balance at 31 December 2023		3,071,432	2,252	7,487	2,334,044	(2,119)	5,413,096	176,115	5,589,211

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

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

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

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

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

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

1. GENERAL INFORMATION

UOA Development Bhd (the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 2.

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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

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

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

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

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

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

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

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

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

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

2.3 Functional and presentation currency

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

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of new standards/amendments/improvements to MFRS

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

<u>Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies</u>

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

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

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

<u>Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</u>

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

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

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective

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

<u>Amendments to MFRSs effective 1 January 2024:</u>	
Amendments to MFRS 16*	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107* and 7*	Supplier Finance Arrangements
<u>Amendments to MFRS effective 1 January 2025:</u>	
Amendments to MFRS 121*	Lack of Exchangeability
<u>Amendments to MFRSs - effective date deferred indefinitely:</u>	
Amendments to MFRS 10* and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

2.6 Significant accounting estimates and judgements

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

2.6.1 Estimation uncertainty

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

<u>Useful lives of depreciable assets</u>

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

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

<u>Deferred tax assets</u>

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

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

<u>Inventories</u>

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

<u>Fair value of investment properties</u>

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

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

<u>Property development activities and construction contracts</u>

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

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

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

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

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

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

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

Impairment of non-financial assets

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

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

Income taxes

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

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgements

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

<u>Classification between investment properties and owner-occupied properties</u>

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

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

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

<u>Deferred tax on investment properties</u>

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

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

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Business combinations

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

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

3.2 Property, plant and equipment

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

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

The principal annual depreciation rates used are as follows:-

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

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

3.3 Investment properties

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Leases

3.4.1 As a lessee

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

Short-term lease

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

Right-of-use assets

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

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

3.5 Inventories

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

3.6 Financial instruments

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

Financial assets at amortised cost

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

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

Financial liabilities at amortised cost

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

3.7 Revenue from contracts with customers

Revenue recognition

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

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

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

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

- Management fee income is recognised when the right to receive payment is established.
- Distribution income is recognised when the right to receive payment is established.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis.
- Hotel room income is recognised when services are rendered.
- Food and beverage and other related income are recognised when services are rendered.
- Sale of medicinal, pharmaceuticals, healthcare and beauty care products income are recognised when the goods are delivered.
- Healthcare, medicinal, physiotherapy and acupuncture, dental consultancy and treatment and other healthcare related services income are recognised when services are rendered.
- Course fees from provision of education, training services and consultancy services income is recognised when services are rendered.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Tax expense

Deferred tax assets

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

Deferred tax liabilities

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

4. PROPERTY, PLANT AND EQUIPMENT

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

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

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

* Reversal due to credit note received
\# Reversal due to expiry of lease term

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

Group (cont'd)

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

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

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

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

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

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

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

5. INVESTMENT PROPERTIES

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

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

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

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

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

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

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

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

The following assumptions have been applied in the valuations:

(i) The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.

(ii) Under the cost method, the value of the land is added to the replacement cost of the buildings and other site improvements. The replacement cost of the buildings is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.

(iii) The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

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

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

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

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

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

Level 3

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

5. INVESTMENT PROPERTIES (CONT'D)

Details of Level 3 fair value measurements are as follows:

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

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

Income and expenses recognised in profit or loss

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

6. INVENTORIES

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

6. INVENTORIES (CONT'D)

6.1 Land held for property development

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

6.2 Property development costs

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

6. INVENTORIES (CONT'D)

6.3 Completed properties

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

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

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

7. INVESTMENT IN SUBSIDIARY COMPANIES

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

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

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

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

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Equity interest 2023 %	2022 %	Principal activities
Ceylon Hills Sdn. Bhd.	54	54	Property development
Citra Jaya Sejahtera Sdn. Bhd.	100	100	Property development
Concord Housing Development Sdn. Bhd.	100	100	Property development
Cosmo Housing Development Sdn. Bhd.	100	100	Property development
Eureka Equity Sdn. Bhd.	60	60	Property development
Everise Project Sdn. Bhd.	60	60	Property development
Everise Tiara (M) Sdn. Bhd.	60	60	Property development
HSB Green Solutions Sdn. Bhd.	100	100	Property development
IDP Industrial Development Sdn. Bhd.	100	100	Property development
Infinite Accomplishment Sdn. Bhd.	100	100	Property development
Kumpulan Sejahtera Sdn. Bhd.	100	100	Property development
Magna Kelana Development Sdn. Bhd.	74	74	Property development
Magna Tiara Development Sdn. Bhd.	100	100	Property development
Maxim Development Sdn. Bhd.	100	100	Property development
UOA Academy Sdn. Bhd.	100	100	Provision of education, training services and consultancy
Nova Metro Development Sdn. Bhd.	85	85	Property development
Orient Housing Development Sdn. Bhd.	100	100	Property development
Paramount Hills Sdn. Bhd.	100	100	Property development
Paramount Properties Sdn. Bhd.	100	100	Property development
Peninsular Home Sdn. Bhd.	60	60	Property development
Sagaharta Sdn. Bhd.	100	100	Property development
Saujanis Sdn. Bhd.	100	100	Property development
Scenic Point Development Sdn. Bhd.	60	60	Property development
Seri Tiara Development Sdn. Bhd.	85	85	Property development
Sunny Uptown Sdn. Bhd.	100	100	Property development
Tiarawoods Sdn. Bhd.	100	100	Property development
Topview Housing Sdn. Bhd.	100	100	Property development
Windsor Triumph Sdn. Bhd.	100	100	Property development
Allied Engineering Construction Sdn. Bhd.	100	100	Civil contractor
Resodex Construction Sdn. Bhd.	100	100	Civil contractor
URC Engineering Sdn. Bhd.	100	100	Civil contractor
Pertiwi Sinarjuta Sdn. Bhd.	100	100	Civil contractor
UOA Hospitality Sdn. Bhd.	100	100	To manage and operate hotels and service apartments
UOA Komune Sdn. Bhd.	100	100	Managing co-sharing office
UOA Properties Sdn. Bhd.	100	100	Investment holding
Fabullane Development Sdn. Bhd.	100	100	Property development
Federaya Development Sdn. Bhd.	100	100	Investment holding

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Equity interest 2023 %	Equity interest 2022 %	Principal activities
Regenta Development Sdn. Bhd.	100	100	Property development
Seri Prima Development Sdn. Bhd.	100	100	Property development
Armada Hartasegar Sdn. Bhd.	100	100	Investment holding
JDIN Media Sdn. Bhd.	51	51	Managing and maintaining pedestrian bridge and commercial lifts for the purpose of advertising
Held through UOA Properties Sdn. Bhd.:-			
Bangsar South City Sdn. Bhd.	100	100	Property investment and hotel operations
Distinctive Acres Sdn. Bhd.	100	100	Property investment
Dynasty Portfolio Sdn. Bhd.	100	100	Property investment
Enchant Heritage Sdn. Bhd.	100	100	Property investment and hotel operations
Lencana Harapan Sdn. Bhd.	100	100	Property investment and hotel operations
Nasib Unggul Sdn. Bhd.	100	100	Property investment
Nova Lagenda Sdn. Bhd.	100	100	Property investment
Tunjang Idaman Sdn. Bhd.	100	100	Property investment
Full Marks Property Sdn. Bhd.	100	100	Property investment
UOA Southlink Sdn. Bhd.	100	100	Property investment
UOA Southview Sdn. Bhd.	100	100	Property investment
UOA Golden Pines Sdn. Bhd.	100	100	Property investment and hotel operations
Held through Everise Project Sdn. Bhd.:-			
Jendela Dinamik Sdn. Bhd.	51	51	Managing and maintaining pedestrian bridge for the purpose of advertising
Held through Federaya Development Sdn. Bhd.:-			
Tong Xin Tang Healthcare International Sdn. Bhd.	51	51	Operator of Chinese medical, acupuncture and physiotherapy care centre and dealer in Chinese medicine
Komune Care Centre Sdn. Bhd.	60	60	Provision of care for post hospitalisation and seniors
UMH NK Sdn. Bhd.*	60	60	Investment holding
UMH Rehabilitation Medicine Sdn. Bhd.	100	100	Dormant
Held through Tong Xin Tang Healthcare International Sdn. Bhd.:-			
Tong Xin Tang Wellness Centre Sdn. Bhd.	100	100	Dormant

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Equity interest		
	2023	2022	Principal activities
	%	%	
Held through UMH NK Sdn. Bhd.:-			
UMH NK Wellness Sdn. Bhd.*	100	100	Trading of healthcare and beauty care products and operate as aesthetics centre and other related operations
UMH NK Aesthetics Sdn. Bhd.*	100	100	Administrative health care services, specialised medical services, stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods.
UMH NK Dental Sdn. Bhd.*	100	100	Dental consultancy, dental treatments and other related activities
Held through Armada Hartasegar Sdn. Bhd.:-			
Hoteland Sdn. Bhd.	51	-	Investment holding
Held through Hoteland Sdn. Bhd.:-			
Good Fortune Foods Sdn. Bhd.	100	-	Operating restaurants
Bamboo Circle Sdn. Bhd.	100	-	Operating restaurants and night clubs
Bamboo Estate Sdn. Bhd.	100	-	Operating restaurants and night clubs

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

Newly acquired/incorporated subsidiary companies

2023

During the financial year, the Company via its wholly-owned subsidiary, Armada Hartasegar Sdn. Bhd. acquired a group of subsidiary companies namely Hoteland Sdn. Bhd. and its subsidiary companies for cash consideration of RM5,100 for 51% of equity interest in the said group of subsidiaries.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Newly acquired/incorporated subsidiary companies (cont'd)

2022

In prior year, the Company acquired two subsidiary companies namely Armada Hartasegar Sdn. Bhd. and JDIN Media Sdn. Bhd. for cash considerations of RM100 for 100% of equity interest and RM51 for 51% of equity interest in the said subsidiary companies respectively.

The purchase considerations, net liabilities assumed and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net profit for the financial year in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

The Company also via its wholly-owned subsidiary, Federaya Development Sdn. Bhd. incorporated a new wholly-owned subsidiary company namely UMH Rehabilitation Medicine Sdn. Bhd. with share capital of RM1.

Goodwill on consolidation

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

	Group	
	2023 RM'000	2022 RM'000
At net carrying amount		
At beginning of financial year	-	-
Additions	1,454	-
	1,454	-
Impairment loss	(1,454)	-
At end of financial year	-	-

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

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Additional shares subscribed in existing subsidiary companies

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

	Types of shares	Issue price per share RM	Number of shares '000	Cash consideration RM'000
2023				
Concord Housing Development Sdn. Bhd.	CRPS	10	1,400	14,000
Magna Kelana Development Sdn. Bhd.	CRPS	10	550	5,500
Regenta Development Sdn. Bhd.	CRPS	10	23	230
Federaya Development Sdn. Bhd.	CRPS	10	650	6,500
Tiarawoods Sdn. Bhd.	CRPS	10	3,500	35,000
UOA Properties Sdn. Bhd.	Ordinary	-	82,705	82,705
UOA Academy Sdn. Bhd.	Ordinary	-	1,000	1,000
				144,935

During the financial year, the subsidiary companies redeemed the CRPS subscribed by the Company as follows:-

	Number of shares '000	Redemption amount RM'000
2023		
Citra Jaya Sejahtera Sdn. Bhd.	11,300	113,000
Infinite Accomplishment Sdn. Bhd.	17,649	176,490
Topview Housing Sdn. Bhd.	1,810	18,100
		307,590

	Types of shares	Issue price per share RM	Number of shares '000	Cash consideration RM'000
2022				
Citra Jaya Sejahtera Sdn. Bhd.	CRPS	10	11,300	113,000
Concord Housing Development Sdn. Bhd.	CRPS	10	200	2,000
Fabullane Development Sdn. Bhd.	CRPS	10	80	800
HSB Green Solutions Sdn. Bhd.	CRPS	10	90	900
Federaya Development Sdn. Bhd.	CRPS	10	650	6,500
Tiarawoods Sdn. Bhd.	CRPS	10	7,830	78,300
UOA Properties Sdn. Bhd.	Ordinary	-	246,000	246,000
				447,500

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

In prior year, the Company subscribed for additional ordinary shares in Magna Kelana Development Sdn. Bhd. for a total consideration of RM177,000 by capitalising part of the interest free advances owing by the subsidiary company.

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

Name of subsidiary companies	Proportion of ownership interests held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2023	2022	2023	2022	2023	2022
	%	%	RM'000	RM'000	RM'000	RM'000
Eureka Equity Sdn. Bhd.	40	40	849	(508)	17,272	16,423
Everise Project Sdn. Bhd.	40	40	7,492	5,149	128,825	121,333
Seri Tiara Development Sdn. Bhd.	15	15	(93)	(363)	25,881	25,974

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

	Eureka Equity Sdn. Bhd.	Everise Project Sdn. Bhd.	Seri Tiara Development Sdn. Bhd.
	RM'000	RM'000	RM'000
2023			
Financial position as at reporting date			
Non-current assets	-	108,770	45
Current assets	48,461	360,935	174,664
Non-current liabilities	-	(2,373)	-
Current liabilities	(5,282)	(145,269)	(2,169)
Net assets	43,179	322,063	172,540
Summary of financial performance for the financial year			
Net profit/(loss)/total comprehensive income/(loss) for the financial year	2,122	18,730	(617)
Revenue included in the net profit/(loss)/total comprehensive income/(loss)	585	(2)	-

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Eureka Equity Sdn. Bhd. RM'000	Everise Project Sdn. Bhd. RM'000	Seri Tiara Development Sdn. Bhd. RM'000
2023 (cont'd)			
Summary of cash flows for the financial year			
Net cash inflows/(outflows) from operating activities	2,904	18,249	(154)
Net cash inflows from investing activities	103	321	15
Net cash (outflows)/inflows from financing activities	-	(18,040)	60
Net cash inflows/(outflows)	3,007	530	(79)
Other information			
Dividends paid to non-controlling interests	-	-	-
2022			
Financial position as at reporting date			
Non-current assets	-	107,130	4
Current assets	48,225	360,716	177,140
Non-current liabilities	-	(2,206)	-
Current liabilities	(7,168)	(162,307)	(3,987)
Net assets	41,057	303,333	173,157
Summary of financial performance for the financial year			
Net (loss)/profit/total comprehensive (loss)/income for the financial year	(1,270)	12,873	(2,427)
Revenue included in the net (loss)/profit/total comprehensive (loss)/income	4,736	(626)	1,772

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Eureka Equity Sdn. Bhd. RM'000	Everise Project Sdn. Bhd. RM'000	Seri Tiara Development Sdn. Bhd. RM'000
2022 (cont'd)			
Summary of cash flows for the financial year			
Net cash inflows/(outflows) from operating activities	3,585	20,126	(800)
Net cash inflows/(outflows) from investing activities	328	(794)	110
Net cash (outflows)/inflows from financing activities	(77)	(16,440)	36
Net cash inflows/(outflows)	3,836	2,892	(654)
Other information			
Dividends paid to non-controlling interests	-	-	-

8. EQUITY INVESTMENTS

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Financial assets at fair value through OCI				
Shares quoted in Malaysia	87,105	85,742	17,445	12,917
Unquoted shares in Malaysia	100	100	-	-
	87,205	85,842	17,445	12,917

The fair value hierarchies of the Group's and the Company's investments in quoted and unquoted shares in Malaysia are at Level 1 and Level 3 respectively.

The Group deems the carrying value of the unquoted shares in Malaysia as its fair value and has estimated that there would be no significant changes in the fair value as a result of any inter-relationship between significant unobservable inputs.

There is no transfer between the fair value hierarchies during the financial year.

9. DEFERRED TAX ASSETS

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	34,962	35,145
Recognised in profit or loss	(964)	(183)
At 31 December	33,998	34,962

Deferred tax assets arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

10. CONTRACT ASSETS

	Group	
	2023	2022
	RM'000	RM'000
Contract assets		
Revenue recognised to date	289,510	557,608
Progress billings issued to date	(232,849)	(536,621)
	56,661	20,987
Contract costs		
Costs to obtain contracts	9,116	3,514
	65,777	24,501

Costs to obtain contracts comprise the following costs which resulted from obtaining contracts:-

- sales commission paid to intermediaries and other costs; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries and other costs are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

During the financial year, RM3,961,000 (2022: RM9,686,000) was amortised to cost of sales and RM3,294,000 (2022: RM6,372,000) was amortised against revenue.

11. TRADE RECEIVABLES

	Group	
	2023	2022
	RM'000	RM'000
Progress billings receivable	62,456	123,677
Funds held by stakeholders	15,995	73,896
Other trade receivables	15	15
	78,466	197,588
Impairment loss	(6,682)	(7,682)
	71,784	189,906

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

	Group	
	2023	2022
	RM'000	RM'000
At beginning of financial year	7,682	8,782
Reversal during the year	(1,000)	(1,100)
At end of financial year	6,682	7,682

The progress billings receivable are due within 14 to 90 days (2022: 14 to 90 days) as stipulated in the sale and purchase agreements.

Reversal of impairment loss was due to receipts had been collected during the financial year.

12. OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Sundry receivables	32,845	76,278	2,761	1,520
Deposits and prepayments	19,336	19,441	2,326	1,630
	52,181	95,719	5,087	3,150
Impairment loss	(11,733)	(16,122)	(1,307)	(1,308)
	40,448	79,597	3,780	1,842

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	16,122	17,815	1,308	1,308
Impairment loss recognised	1,272	1,689	-	-
Reversal during the year	(5,661)	(3,382)	(1)	-
At end of financial year	11,733	16,122	1,307	1,308

12. OTHER RECEIVABLES (CONT'D)

Included in the sundry receivables of the Group and of the Company is amount owing by associate companies of the immediate holding company of RM29,490 and RM12,400 (2022: RM27,515 and RM13,141) respectively.

In prior year, included in the sundry receivables of the Group was an amount of RM4,511,956 due from a third party for the disposal of investment properties.

Reversal of impairment loss due to receipts had been collected during the financial year.

13. AMOUNTS OWING BY/TO HOLDING COMPANIES

The amount owing by ultimate holding company is interest free advances which is non-trade, unsecured and receivable on demand.

The amount owing to immediate holding company is comprises:

	Group		**Company**	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest free advances	152	88	1	18
Administrative fee payable	42	220	-	-
	194	308	1	18

The interest free advances are non-trade, unsecured and repayable on demand. The administrative fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days).

14. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by subsidiary companies is comprises:

	Company	
	2023 RM'000	2022 RM'000
Interest free advances	103,932	190,023
Management fee receivable	17,861	8,310
Rental receivable	-	3
	121,793	198,336
Impairment loss	(10,100)	-
	111,693	198,336

The interest free advances are non-trade, unsecured and receivable within 12 months (2022: 12 months). The management fee and rental receivable are expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days).

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

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

	Company	
	2023 RM'000	2022 RM'000
At beginning of financial year	-	-
Impairment loss recognised	10,100	-
At end of financial year	10,100	-

The amount owing to subsidiary companies is comprises:

	Company	
	2023 RM'000	2022 RM'000
Interest free advances	455	244
Rental payable	662	-
	1,117	244

The interest free advances are non-trade, unsecured and repayable on demand. The rental payable is expected to be settled within the normal credit terms of 30 to 60 days.

15. AMOUNTS OWING BY/TO RELATED COMPANIES

Related companies are the fellow subsidiary companies of the ultimate holding company.

The amount owing by related companies is comprises:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Progress billing receivable	53	-	-	-
Interest free advances	646	205	22	1
	699	205	22	1

The interest free advances are non-trade, unsecured and repayable on demand. The progress billing receivables is expected to be received within the normal credit terms of 30 to 60 days.

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

The amount owing to related companies comprises:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Management fee payable	148	282	148	282
Interest free advances	178	154	-	-
	326	436	148	282

The management fee payable is expected to be settled within the normal credit terms of 30 to 60 days (2022: 30 to 60 days). The interest free advances are non-trade, unsecured and repayable on demand.

16. SHORT TERM INVESTMENTS

The short term investments are managed and invested into fixed income securities and money market instruments by fund management companies. The short term investments are readily convertible to cash.

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits is an amount of RM168,930 (2022: RM164,890) of the Group and of the Company pledged to secure the Group's bank guarantee facilities.

The effective interest rates of the fixed deposits range between 1.90% to 4.25% (2022: 1.20% to 2.65%) per annum. All the fixed deposits have maturity periods of less than three months.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM107,852,974 (2022: RM417,793,536) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations, 1991.

Funds maintained in the Housing Development Accounts earn interest at 1.05% to 3.00% (2022: 0.25% to 2.75%) per annum.

19. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares ’000	RM’000	Number of shares ’000	RM’000
Share capital				
Issued and fully paid ordinary shares with no par value:				
At 1 January	2,408,583	2,953,770	2,327,599	2,821,766
Issued pursuant to the DRS	82,969	117,662	80,984	132,004
At 31 December	2,491,552	3,071,432	2,408,583	2,953,770

20. MERGER RESERVE

The merger reserve arose from the acquisition of Allied Engineering Construction Sdn. Bhd., URC Engineering Sdn. Bhd. and UOA Properties Sdn. Bhd..

21. FAIR VALUE RESERVE

The fair value reserve arose from fair value changes in equity investments.

22. TREASURY SHARES

There was no buy-back of shares nor resale or cancellation of treasury shares during the financial year ended 31 December 2023.

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

	Group and Company	
	2023/2022	
	Number of shares ’000	RM’000
At 1 January/31 December	1,134	2,119

23. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARY COMPANIES

The amount owing to non-controlling shareholders of subsidiary companies under non-current liabilities represents non-trade, unsecured, interest free advances which are not expected to be repaid within the next 12 months.

The amount owing to non-controlling shareholders of subsidiary companies under current liabilities represents non-trade, unsecured, interest free advances which are expected to be repaid within the next 12 months.

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

Included in the amount owing to non-controlling shareholders of subsidiary companies is amounts of RM792,501 and RM1,056,667 (2022: RM792,501 and RM1,056,667) owing to Directors of the Company and key management personnel of the Group respectively and an amount of RM45,500,000 (2022: RM45,500,000) owing to a company in which a Director has financial interest.

24. LEASE LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current	155	285	95	147
Non-current	276	431	164	259
	431	716	259	406

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
As at 1 January	716	999	406	246
Additions	-	355	-	355
Lease payments	(285)	(638)	(147)	(195)
Lease interest	25	46	13	18
Payment for lease interest	(25)	(46)	(13)	(18)
As at 31 December	431	716	259	406

Other than the exception of short-term leases, the Group and the Company have leases for plant, machineries and motor vehicles.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group and the Company to sublet the asset to another party, the right-of-use asset can only be used by the Group and the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group and the Company are prohibited from selling or pledging the underlying leased assets as securities.

24. LEASE LIABILITIES (CONT'D)

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use assets recognised in property, plant and equipment on the statements of financial position:

Right-of-use assets	Range of remaining term 2023	Range of remaining term 2022
Group		
Leasehold land and buildings	83 to 87 years	84 to 88 years
Plant and machineries	1 year	1 to 2 years
Motor vehicles	1 to 5 years	1 to 7 years
Company		
Motor vehicles	1 to 4 years	1 to 5 years

There is no lease with extension options, variable payment linked to an index and termination options.

The effective interest rates of the lease liabilities are between 3.72% to 5.67% (2022: 3.72% to 5.67%) per annum for the Group and 3.72% to 5.55% (2022: 3.72% to 5.55%) per annum for the Company.

25. BORROWINGS

	Group 2023 RM'000	Group 2022 RM'000
Islamic term loan:		
Non-current	166	212
Current	46	44
	212	256

The Islamic term loan is secured by:-

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

The effective profit rate of the Islamic term loan is fixed at 3.50% (2022: 3.50%) per annum and the facility is to be repaid via 84 monthly instalments inclusive of 6 months moratorium period.

26. DEFERRED TAX LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
At 1 January	45,883	42,811
Recognised in profit or loss	4,730	3,072
At 31 December	50,613	45,883
Tax effects of temporary differences arising from:		
- Property, plant and equipment	3,542	1,278
- Real Property Gains Tax ("RPGT") on fair value gain of investment properties	44,877	42,600
- Other temporary differences	2,194	2,005
	50,613	45,883

Other temporary differences arose mainly from the tax impact on temporary differences between the manner in which property development profits are recognised for tax and accounting purposes.

27. TRADE PAYABLES

	Group	
	2023 RM'000	2022 RM'000
Sub-contractors' claims	8,665	5,032
Retention sums	34,888	49,620
Accrued construction costs	125,943	149,570
Other trade payables	8,950	9,598
	178,446	213,820

The normal credit terms extended by sub-contractors and suppliers range between 30 to 60 days (2022: 30 to 60 days). The retention sums are repayable upon the expiry of the defects liability period.

28. OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sundry payables	49,105	54,680	3,908	3,761
Deposits	53,690	53,545	164	174
Accruals	105,582	114,901	6,049	7,658
	208,377	223,126	10,121	11,593

28. OTHER PAYABLES (CONT'D)

Included in the sundry payables of the Group and of the Company is amount owing to associate companies of the immediate holding company of RM415,707 and RM857 (2022: RM628,419 and RM1,834) respectively.

Included in the deposits of the Company is security and utilities deposit owing to subsidiary companies of RM161,558 (2022: RM171,708). These deposits are expected to be refunded upon the termination of the tenancies.

29. REVENUE

29.1 Disaggregated revenue information

	2023 RM'000	2022 RM'000
Types of revenue		
Group		
Sales of properties		
- Properties under construction	227,409	357,641
- Completed properties	170,474	94,012
Construction contract	1,509	-
Revenue from contracts with customers	399,392	451,653
Company		
Dividend income		
- Subsidiary companies	682,008	120,404
- Investments in quoted shares	307	358
Management fee income	49,022	41,976
Revenue from other sources of income	731,337	162,738
Timing of recognition of revenue from contracts with customers		
Group		
Performance obligations		
- satisfied over time	228,918	357,641
- satisfied at a point in time	170,474	94,012
	399,392	451,653
Company		
Performance obligations		
- satisfied over time	49,022	41,976

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

29. REVENUE (CONT'D)

29.2 Contract balances

	Group	
	2023	2022
	RM'000	RM'000
Trade receivables	71,784	189,906
Contract assets	65,777	24,501

The decrease of trade receivables was due to receipts collected during the financial year.

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

There were no contract liabilities at the reporting date and in the previous year presented and no revenue was recognised from performance obligations satisfied in previous years.

29.3 Performance obligations

Sale of properties and construction contracts

For sale of development properties under construction and construction contracts, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For the sale of completed properties, the performance obligation is satisfied upon delivery of the properties or when control of the land has been passed to the buyer.

The payment terms for progress billings made to purchasers are disclosed in Notes 11 and 15 to the Financial Statements.

The nature of the properties that the Group has promised to transfer to purchasers are residential houses and commercial units/buildings.

The Group's properties are subject to a defects liability period of generally twenty-four (24) months from the delivery of vacant possession. This requires the Group to rectify any defects which may appear and which are due to design, materials, goods, workmanship or equipment that are not in accordance with the sale and purchase agreement.

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

	Group	
	2023	2022
	RM'000	RM'000
Sale of development properties under construction	299,697	197,917

The remaining performance obligations are expected to be recognised within 1 to 3 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

30. COST OF SALES

	Group	
	2023	2022
	RM'000	RM'000
Cost of development properties under construction sold	142,155	164,947
Cost of completed properties	82,166	73,344
Cost of construction contract	1,403	-
	225,724	238,291

31. OTHER INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Rental income	165,742	140,133	400	627
Hotel and restaurant operation income	118,094	71,485	-	-
Healthcare operation income	15,373	5,443	-	-
Gain on remeasurement of short term investments	25,205	12,442	7,399	4,559
Sundry income	24,315	12,102	1,554	878
Distribution income from equity investments	5,243	5,459	-	-
Dividend income from equity investments	307	358	-	-
	354,279	247,422	9,353	6,064

32. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amortisation of financial liabilities	97	93	-	-
Lease interest	25	46	13	18
Interest on term loan	9	9	-	-
	131	148	13	18

33. PROFIT BEFORE TAX

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration				
- statutory audit	508	441	80	72
- assurance and related services	36	34	7	5
Rental expenses - short-term leases	8,356	9,819	5,255	5,640

34. TAX EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax provision	58,970	67,916	2,097	1,538
Deferred tax	5,509	2,436	-	-
	64,479	70,352	2,097	1,538
Under/(over)provision in prior years				
- Current tax	17,328	(6,718)	812	(161)
- Deferred tax	185	819	-	-
	17,513	(5,899)	812	(161)
	81,992	64,453	2,909	1,377

Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated assessable profit for the current financial year.

34. TAX EXPENSES (CONT'D)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	368,398	287,213	693,731	118,171
Tax at statutory rate	88,416	68,931	166,495	28,361
Tax effects of				
- non-deductible expenses	10,259	13,684	2,885	3,466
- non-taxable income	(25,641)	(9,713)	(167,283)	(30,289)
Movement in unrecognised deferred tax assets	(6,174)	(2,047)	-	-
Difference between income tax rate and RPGT rate applicable to fair value gain on investment properties	(2,292)	(555)	-	-
Change in RPGT rate on investment properties	(89)	52	-	-
Under/(over)provision in prior years	17,513	(5,899)	812	(161)
Tax expenses	81,992	64,453	2,909	1,377

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

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment	(87,327)	(84,918)
Inventories written down	14,511	11,988
Unabsorbed tax losses	26,350	27,633
Unutilised capital allowances	47,416	64,737
Unutilised investment tax allowances	241,946	249,179
	242,896	268,619

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiary companies can utilise these benefits. The Group's unabsorbed tax losses, unutilised capital allowances and unutilised investment tax allowances can be carried forward to offset against future taxable profits of the respective subsidiary companies.

34. TAX EXPENSES (CONT'D)

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

	Group	
	2023 RM'000	2022 RM'000
Year of assessment 2028	646	697
Year of assessment 2029	1,440	1,440
Year of assessment 2030	5,347	11,766
Year of assessment 2031	5,469	6,189
Year of assessment 2032	6,991	7,541
Year of assessment 2033	6,457	-
	26,350	27,633

35. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.

	Group	
	2023	2022
Net profit attributable to owners of the Company (RM'000)	279,551	219,937
Weighted average number of ordinary shares ('000)	2,436,945	2,362,853
Net earnings per ordinary share (RM)	0.11	0.09

(b) Diluted

Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence as at the reporting date.

36. DIVIDENDS

	Group and Company	
	2023	2022
	RM'000	RM'000
In respect of the financial year ended 31 December 2023:		
First interim single tier dividend of 20 sen per share:		
- Dividend reinvested into 59,619,700 new ordinary shares pursuant to the DRS	82,871	-
- Payment in cash	403,289	-
In respect of the financial year ended 31 December 2022:		
First and final single tier dividend of 10 sen per share:		
- Dividend reinvested into 23,349,400 new ordinary shares pursuant to the DRS	34,791	-
- Payment in cash	205,954	-
In respect of the financial year ended 31 December 2021:		
First and final single tier dividend of 10 sen per share:		
- Dividend reinvested into 80,983,900 new ordinary shares pursuant to the DRS	-	132,004
- Payment in cash	-	100,643
	726,905	232,647

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

37. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Employees benefits expenses	73,181	61,168	31,654	30,456

Included in the employee benefits expenses are EPF contributions amounting to RM5,984,962 (2022: RM5,466,814) for the Group and RM2,962,941 (2022: RM2,962,530) for the Company.

38. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

Significant related party transactions during the financial year are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Transactions with immediate holding company				
Rental charged to	322	196	-	-
Administrative fee charged by	1,320	1,320	-	-
Transactions with subsidiary companies				
Management fee charged to	-	-	49,022	41,976
Rental charged to	-	-	400	627
Rental charged by	-	-	3,231	1,856
Transactions with related companies				
Management fee charged by	1,754	1,648	1,754	1,648
Rental charged to	23,623	18,130	-	-
Rental charged by	4,422	6,594	2,024	3,784
Construction service charged to	1,509	-	-	-
Distribution income received from	5,243	5,459	-	-
Transactions with associate companies of the immediate holding company				
Management fee charged by	3,194	3,393	-	-
Rental charged to	279	277	-	-
Administrative fee charged by	661	546	-	-
Landscaping fee charged by	327	335	10	10
Security services charged by	2,174	1,289	-	3

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

38. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

	Group and Company	
	2023	2022
	RM'000	RM'000
Directors of the Company		
Fees and remunerations	7,241	7,373
Estimated monetary value of benefits-in-kind	279	147
Total short-term employees benefits	7,520	7,520
Post-employment benefits (EPF)	765	838
	8,285	8,358

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other key management personnel				
Salaries, allowances and bonuses	2,854	2,352	1,454	1,319
Estimated monetary value of benefits-in-kind	91	91	36	31
Total short-term employees benefits	2,945	2,443	1,490	1,350
Post-employment benefits (EPF)	118	198	94	78
	3,063	2,641	1,584	1,428
Total compensation	11,348	10,999	9,869	9,786

39. MATERIAL LITIGATIONS

On 31 December 2018, two of the Company's wholly-owned subsidiary companies, namely Windsor Triumph Sdn. Bhd. ("Windsor") and Sunny Uptown Sdn. Bhd. ("Sunny") were served by the Inland Revenue Board of Malaysia ("IRB") with Notices of Additional Assessment for the Year of Assessment 2013, for additional income tax totalling RM25,558,750.50 and penalties totalling RM14,057,312.78 ("Cases").

The additional assessment raised against Windsor by IRB arose from an adjustment by IRB of the market value of property that Windsor had withdrawn as an inventory to hold as investment property, whereas the additional assessment raised against Sunny by IRB arose from an adjustment by IRB of the selling price at market value of properties that Sunny had assigned to another wholly-owned subsidiary of the Group on an "as is" basis.

Both subsidiary companies relied on valuations by a professional, independent and experienced registered valuer. These valuations were adjusted by IRB by substituting them with valuations subsequently conducted by Jabatan Penilaian dan Perkhidmatan Harta.

On 1 August 2023, Windsor had entered into a Settlement Agreement with IRB to agree on the additional income tax of RM4,325,000. Windsor had on 31 August 2023 agreed to discontinue the appeal and each party shall undertake to do the necessary to give full effect to the Agreement, whereas all excess income tax paid by Windsor shall be refunded within a reasonable period of time.

On 5 February 2024, Sunny had entered into a Settlement Agreement with IRB to agree on the additional income tax of RM1,122,500 and penalty of RM617,375 totalling RM1,739,875.

The amounts of the additional income tax and penalty for both of the companies have been recognised in profit or loss during the financial year.

In view of the above, the Directors are of the opinion that the additional income taxes and penalty charge had been appropriately taken up in the financial statements and no additional provisions in respect of the tax liabilities and penalty in dispute are required to be made in the financial statements as at the reporting date.

40. MATURITY ANALYSIS OF LEASE PAYMENTS

As lessor

The Group leases out its properties and temporarily leases out its inventories under non-cancellable operating lease arrangements. These leases run typically for a period ranging from 1 to 4 years, with the option to renew. Subsequent renewals are negotiated with the lease on average renewal period of 4 years. None of the leases include contingent rentals.

The future undiscounted lease payments receivable after the reporting date are as follows:

	2023 RM'000	2022 RM'000
Within 1 year	148,176	114,726
In the second year	100,868	69,659
In the third year	22,875	26,821
In the fourth year	634	1,939
	272,553	213,145

41. CAPITAL COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	2,668
- Construction of investment properties	-	4,240

42. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

(i) Property development - development of residential and commercial properties
(ii) Construction - construction of residential and commercial properties
(iii) Others - hospitality, medical healthcare, training services, holding of investment properties to generate rental income, capital appreciation or both

The Group has aggregated certain operating segments to form a reportable segment due to their similar nature and operational characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

42. SEGMENTAL INFORMATION (CONT'D)

Group	Property development		Construction		Others		Elimination		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	397,883	451,653	1,509	-	-	-	-	-	399,392	451,653
Inter segment revenue	-	1,712	244,654	213,396	-	-	(244,654)	(215,108)	-	-
Total revenue	397,883	453,365	246,163	213,396	-	-	(244,654)	(215,108)	399,392	451,653
Depreciation	(1,376)	(1,452)	(975)	(1,575)	(15,605)	(13,428)	332	250	(17,624)	(16,205)
Rental income	136,139	111,699	96	113	43,226	35,497	(13,719)	(7,176)	165,742	140,133
Fair value adjustments	(1,225)	(11,600)	-	-	6,021	7,056	34,563	300	39,359	(4,244)
Dividend income	-	-	-	-	682,315	120,762	(682,008)	(120,404)	307	358
Distribution income	14,560	4,494	915	268	19,529	12,872	-	-	35,004	17,634
Interest income	11,080	14,521	1,573	1,890	2,852	1,293	-	-	15,505	17,704
Interest expense	(84)	(80)	(3)	(17)	(721)	(51)	677	-	(131)	(148)
Other material non-cash items	(880)	1,727	(444)	(51)	(22,240)	(5,430)	43,187	5,194	19,623	1,440
Segment results	276,308	237,494	34,589	44,776	57,501	4,943	-	-	368,398	287,213
Tax expenses									(81,992)	(64,453)
Net profit for the financial year									286,406	222,760
Segment assets	3,698,931	4,105,121	123,454	208,429	2,066,148	1,971,260	-	-	5,888,533	6,284,810
Segment liabilities	267,427	295,412	99,927	107,689	68,177	83,009	-	-	435,531	486,110
Additions to non-current assets	29,458	58,109	589	234	16,213	6,533	-	-	46,260	64,876

42. SEGMENTAL INFORMATION (CONT'D)

	Consolidated 2023 RM'000	Consolidated 2022 RM'000
Other material non-cash items consists of the following:-		
Reversal of impairment losses on financial assets	5,389	2,793
Reversal of impairment losses on non-financial assets	21,629	4,013
Bad debts written off	(4,283)	(88)
Property, plant and equipment written off	(574)	(1,320)
Inventories written down	(2,523)	(3,899)
Inventories written off	(15)	(59)
Reconciliation of segment assets to total assets		
Segment assets	5,888,533	6,284,810
Equity investments	87,205	85,842
Deferred tax assets	33,998	34,962
Current tax assets	71,338	47,973
Total assets as per statement of financial position	6,081,074	6,453,587
Reconciliation of segment liabilities to total liabilities		
Segment liabilities	435,531	486,110
Current tax liabilities	5,719	4,525
Deferred tax liabilities	50,613	45,883
Total liabilities as per statement of financial position	491,863	536,518
Additions to non-current assets consist of the following:-		
Property, plant and equipment	21,872	24,226
Investment properties	9,845	18,083
Inventories - land held for property development	14,543	22,567
	46,260	64,876

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are wholly carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

There is no significant concentration of revenue from any major customers as the Group sells its development properties to various purchasers.

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's businesses whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:

(a) <u>Credit risk</u>

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. The Group and the Company extend credit only to recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

i. Receivables and contract assets

In respect of trade receivables arising from the sale of the Group's development properties, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development properties until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

In respect of the Group's investment properties and tenanted unsold inventories, the Group customarily obtains three months' rental deposit from tenants as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating and coverage by collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

Generally, trade receivables are written off if the Directors deem them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Collateral is considered an integral part of trade receivables and considered in the calculation of impairment. At the reporting date, all of the Group's trade receivables are covered by collateral other than the trade receivables that are credit impaired. As such, no expected credit losses are required as at reporting date for trade receivables that are covered by collateral. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as trade receivables consists of a large number of customers in various backgrounds.

Group	Total gross carrying amount RM'000	Expected credit loss RM'000	Net balance RM'000
2023			
Trade receivables			
Not past due	62,039	-	62,039
Less than 44 days past due	2,062	-	2,062
Between 44 and 110 days past due	1,868	-	1,868
More than 110 days past due	5,815	-	5,815
Credit impaired	6,682	6,682	-
	78,466	6,682	71,784
Contract assets	56,661	-	56,661
2022			
Trade receivables			
Not past due	168,882	-	168,882
Less than 44 days past due	1,714	-	1,714
Between 44 and 110 days past due	432	-	432
More than 110 days past due	18,878	-	18,878
Credit impaired	7,682	7,682	-
	197,588	7,682	189,906
Contract assets	20,987	-	20,987

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and had defaulted on payments.

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

Other receivables

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

ii. Intercompanies balances

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

The Group and the Company has management fee receivable, rental receivable, progress billing receivables and also provide unsecured advances to ultimate holding, subsidiary and related companies and monitors the results of these companies regularly. As at the reporting date, there was no indication that the management fee receivable, rental receivable, progress billing receivables and the advances to these companies are not recoverable.

iii. Financial institutions and cash deposits

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

iv. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM51,566,000 (2022: RM53,251,000), represented by the bank guarantees and outstanding banking facilities utilised by the subsidiary companies as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

v. Investments and other financial assets

At the end of the reporting year, the Group and the Company have investments in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Significant investments are allowed only in liquid securities and only with counterparties that have good credit ratings.

The Group's and the Company's maximum exposure to credit risk for the components of the statements of financial position at the reporting date are their carrying amounts.

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Fixed deposits with licensed banks	206,106	232,070	33,008	30,987
Lease liabilities	431	716	259	406
Borrowings	212	256	-	-

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

(c) Market risk

The Group's and the Company's principal exposure to market risk arises from changes in value caused by movements in market prices of their quoted equity investments. The risk of loss is minimised via thorough analysis before investing and continuous monitoring of the performance of the investments.

Common to all businesses, the overall performance of the Group's and the Company's investments are also driven externally by global and domestic economies that are largely unpredictable and uncontrollable.

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as and when they fall due, due to shortage of funds.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventories, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of the businesses, the Group and the Company seek to maintain sufficient credit lines available to meet the liquidity requirements while ensuring an effective working capital management within the Group and the Company.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Less than 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Group			
2023			
Trade and other payables	386,823	-	386,823
Amount owing to immediate holding company	194	-	194
Amount owing to related companies	326	-	326
Amount owing to non-controlling shareholders of subsidiary companies	45,784	1,849	47,633
Lease liabilities	169	295	464
Borrowings	53	176	229
	433,349	2,320	435,669
2022			
Trade and other payables	436,946	-	436,946
Amount owing to immediate holding company	308	-	308
Amount owing to related companies	436	-	436
Amount owing to non-controlling shareholders of subsidiary companies	45,500	2,133	47,633
Lease liabilities	310	464	774
Borrowings	53	229	282
	483,553	2,826	486,379

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

	Less than 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Company			
2023			
Other payables	10,121	-	10,121
Amount owing to immediate holding company	1	-	1
Amount owing to subsidiary companies	1,117	-	1,117
Amount owing to related companies	148	-	148
Lease liabilities	103	171	274
Financial guarantees*	51,566	-	51,566
	63,056	171	63,227
2022			
Other payables	11,593	-	11,593
Amount owing to immediate holding company	18	-	18
Amount owing to subsidiary companies	244	-	244
Amount owing to related companies	282	-	282
Lease liabilities	159	274	433
Financial guarantees*	53,251	-	53,251
	65,547	274	65,821

* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk on fixed deposits with licensed banks that are denominated in a currency other than the functional currency of the Company. The currency giving rise to this risk is primarily Australian Dollar ("AUD").

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

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):

(e) Foreign currency risk (cont'd)

The Company's exposure to foreign currency risk, based on carrying amounts at the end of the reporting date were as follows:-

	Group and Company	
	2023	2022
	RM'000	RM'000
Denominated in AUD		
Fixed deposits with licensed banks	27,587	25,604

A 3.98% (2022: 0.70%) strengthening of the AUD against the functional currency of the Group and of the Company at the end of reporting period would increase or decrease profit for the financial year/total equity as shown in the table below, this analysis assumes that all other variables held constant.

	Group and Company	
	2023	2022
AUD/RM	RM'000	RM'000
Increase/(Decrease)		
Profit for the financial year/Total equity	1,098	179

A 3.98% (2022: 0.70%) weakening of the AUD against the functional currency of the Group at the end of reporting period would have equal but opposite effect to the amounts shown above, on the basis that all other variables held constant.

44. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

44. CAPITAL MANAGEMENT (CONT'D)

The Group's strategy is to maintain the debt-to-equity ratio between 10% to 25%. The debt-to-equity ratio at the reporting date is as follows:

	2023 RM'000	2022 RM'000
Cash and cash equivalents	1,845,952	2,163,205
Less: total borrowings	(643)	(972)
Net cash available	1,845,309	2,162,233
Equity attributable to the owners of the Company	5,413,096	5,741,425
Debt-to-equity ratio (%)	-	-

There were no changes in the Group's approach to capital management during the financial year.

45. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group has established policies and procedures in respect of the fair value measurement.

Financial assets that are measured at fair value on a recurring basis

Certain financial assets of the Group and the Company are measured at fair value at the end of the reporting year. Details of fair value measurement of those financial assets are as follows:

	Fair value		Fair value hierarchy	Valuation method and key inputs
	2023 RM'000	2022 RM'000		
Group				
Equity investments				
Quoted shares in Malaysia	87,105	85,742	Level 1	Quoted bid price in active market
Unquoted shares in Malaysia	100	100	Level 3	Carrying value deemed fair value
	87,205	85,842		
Company				
Equity investments				
Quoted shares in Malaysia	17,445	12,917	Level 1	Quoted bid price in active market

There is no transfer between the fair value hierarchies during the financial year.

The carrying amounts of other financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or immaterial discounting impact.