MALTON BERHAD

[Registration No: 199401035205 (320888-T)]

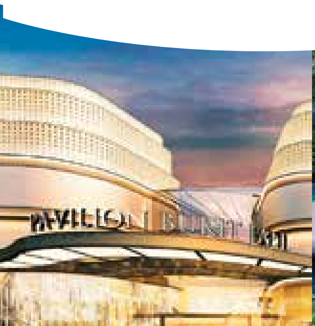
ANNUAL REPORT **2022**

VISION

- To be the leading lifestyle and innovative property developer in the region.

MISSION

- To lead through innovative designs, concepts and products.
- To create enduring value to customers through quality and creative craftmanship, good master planning and service experience.
- To be responsive to market trends and lifestyle aspirations for the future.
- To deliver sustainable returns to shareholders.



MALTON BERHAD

[Registration No: 199401035205 (320888-T)]

Annual Report 2022

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Lim Siew Choon
Non-Independent Non-Executive Chairman

Guido Paul Philip Joseph Ravelli
Deputy Chairman/
Independent Non-Executive Director

Hong Lay Chuan
Executive Director

Dato' Siew Mun Wai
Independent Non-Executive Director

Puan Sri Tan Kewi Yong
Executive Director

Chua Thian Teck
Executive Director

Hj Ahmad bin Hj Ismail, PJK
Independent Non-Executive Director

AUDIT COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman

Hj Ahmad bin Hj Ismail, PJK
Member

Dato' Siew Mun Wai
Member

NOMINATING COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman

Hj Ahmad bin Hj Ismail, PJK
Member

REMUNERATION COMMITTEE

Guido Paul Philip Joseph Ravelli
Chairman

Hj Ahmad bin Hj Ismail, PJK
Member

Chua Thian Teck
Member

COMPANY SECRETARY

Hor Shiow Jei
(MAICSA 7023954)
(SSM PC No. 202008003615)

REGISTERED OFFICE

19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur
Tel 603-2088 2888
Fax 603-2088 2999

SHARE REGISTRAR

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel 603-6201 1120
Fax 603-6201 3121

AUDITORS

Deloitte PLT (AF 0080)
Chartered Accountants
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel 603-7610 8888
Fax 603-7726 8986

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
Bangkok Bank Berhad
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

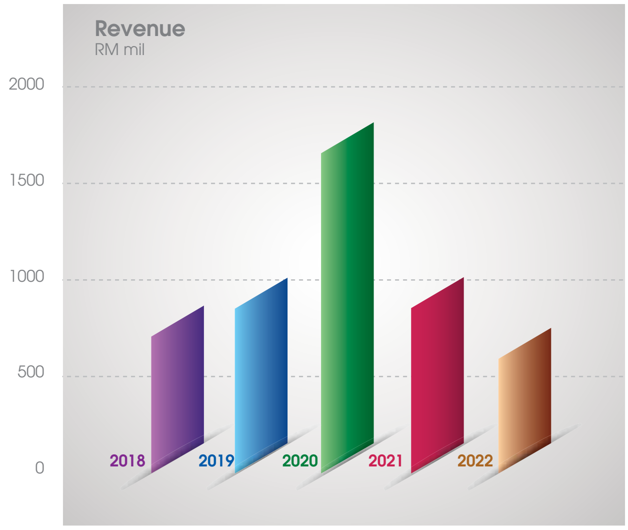
COMPANY WEBSITE

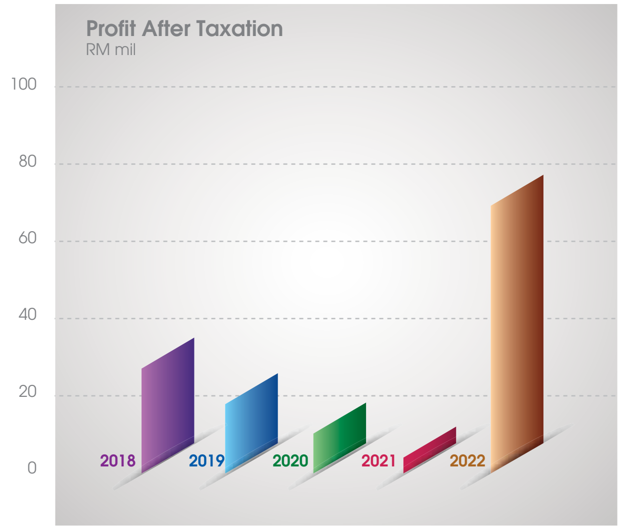
www.malton.com.my

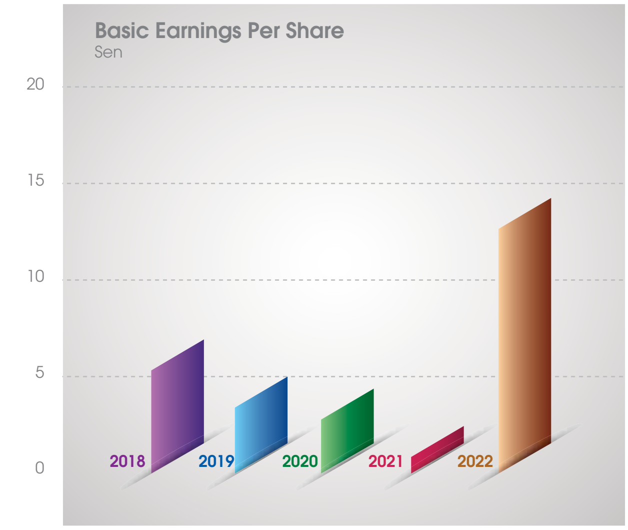
CORPORATE STRUCTURE 27 October 2022

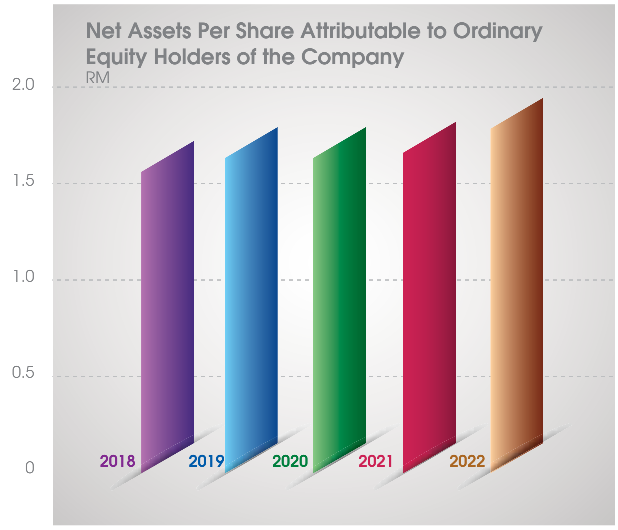
MALTON
BERHAD GROUP

GROUP FINANCIAL HIGHLIGHTS









Year Ended 30 June	2022	2021	2020	2019 (Restated)	2018 (Restated)
Revenue (RM'000)	**645,241**	999,173	1,809,022	992,124	802,866
Profit Before Taxation (RM'000)	**129,497**	22,634	51,584	62,424	61,038
Profit After Taxation (RM'000)	**75,778**	1,169	17,660	24,204	35,477
Total Comprehensive Income Attributable to Owners of the Company (RM'000)	**76,234**	2,620	18,088	24,607	36,305
Share Capital (RM'000)	**528,552**	528,552	528,552	528,552	528,552
Equity Attributable to Equity Holders of the Company (RM'000)	**1,003,555**	927,321	924,701	914,536	900,492
Total Assets (RM'000)	**2,556,145**	2,640,511	2,380,918	3,028,772	2,637,020
Basic Earnings Per Share (Sen)	**14.43**	0.50	3.42	4.67	6.88
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	**1.90**	1.76	1.75	1.73	1.72

BOARD OF DIRECTORS

TAN SRI LIM SIEW CHOON

Malaysian Male/ Non-Independent Non-Executive Chairman

Tan Sri Lim Siew Choon, age 62, received his tertiary education in the United States of America and graduated with a Degree in Business Administration and Finance from University of Central Oklahoma. He has more than 39 years of management experience in property development, construction, retail design, retail development as well as corporate management.

He was appointed the Executive Chairman of Malton Berhad on 15 February 2001. He was redesignated Non-Executive Chairman of Malton Berhad on 3 January 2017. He attended all five of the board meetings held during the financial year ended 30 June 2022. He is the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust and Executive Chairman of WCT Holdings Berhad. Both Pavilion Real Estate Investment Trust and WCT Holdings Berhad are listed on the Main Market of Bursa Malaysia Securities Berhad.

His spouse, Puan Sri Tan Kewi Yong is an Executive Director and a major shareholder of Malton Berhad. He does not have any conflict of interest with Malton Berhad other than the disclosures made under Recurrent Related Party Transactions on page 55 and Related Party Transactions and Balances in the Financial Statements on pages 147 to 150 of this Annual Report.

He is a major shareholder of Malton Berhad. His interests in the shares of Malton Berhad are set out in the Statement of Shareholders pages 178 to 180 of this Annual Report. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

GUIDO PAUL PHILIP JOSEPH RAVELLI

British Male/Deputy Chairman/Independent Non-Executive Director

Mr Paul Ravelli, age 71, studied civil engineering at King's College, University of London and graduated with a Bachelor of Science (Hons) degree in Civil Engineering. He furthered his studies at Ecole Centrale des Arts et Manufacturers, Paris and was later conferred Master of Science in Engineering. He began his career with a major building contractor in Paris and later elected to pursue an international career in the field of construction. He spent 30 years with one of the largest international construction groups, and has more than 40 years of experience in the development, implementation and management of buildings, public works and Build/Operation/Transfer projects in France, Hong Kong SAR, Malaysia, Portugal and South-East Asia. In year 2000, the President of France conferred a national honour on him by making him, a Chevalier de l'Ordre National du Merite, in recognition of his contribution to the profession and to Franco-Asian business relations. Since 2003, he has also been involved in the associated gas and power sector, in various countries.

He was appointed an Independent Non-Executive Director of Malton Berhad on 1 March 2002. He was subsequently appointed the Deputy Chairman of Malton Berhad on 6 November 2002. He is the Chairman of the Audit Committee and also chairs the Nominating Committee and Remuneration Committee. He is a member of the Institute of Internal Auditors Malaysia. He also sits on the Board of Directors of Ibraco Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all five board meetings held during the financial year ended 30 June 2022. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any securities in Malton Berhad.

He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

PUAN SRI TAN KEWI YONG

Malaysian Female/Executive Director

Puan Sri Tan Kewi Yong, age 66, pursued her tertiary education in the United Kingdom majoring in Business and Marketing Studies. She was instrumental in setting up various successful business ventures since her initial foray into trading and distribution businesses. Having acquired knowledge in diverse range of business and industry sectors, she possesses experience and expertise ranging from retail, marketing, finance and strategic management. She continues to extend her scope of experience, having been involved actively in the property development and real estate investment sectors.

She was appointed an Executive Director of Malton Berhad on 19 February 2002. She attended all five board meetings held during the financial year ended 30 June 2022. She is a Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust, also listed on the Main Market of Bursa Malaysia Securities Berhad.

Her spouse, Tan Sri Lim Siew Choon is the Non-Independent Non-Executive Chairman and a major shareholder of Malton Berhad. She does not have any conflict of interest with Malton Berhad other than the disclosures made under Recurrent Related Party Transactions on page 55 and Related Party Transactions and Balances in the Financial Statements on pages 147 to 150 of this Annual Report. She does not hold any shares in Malton Berhad other than the disclosures made in the Statement of Shareholders on pages 178 to 180 of this Annual Report. She has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

CHUA THIAN TECK

Malaysian Male/Executive Director

Mr Chua Thian Teck, age 63, is a Fellow Member of the Association of Chartered Certified Accountants. He has more than 32 years of experience in accounting and financial services and in the course of his career, has acquired valuable knowledge particularly in corporate planning and finance.

He was appointed an Executive Director of Malton Berhad on 25 September 2002. He is a member of the Remuneration Committee.

He attended all five board meetings held during the financial year ended 30 June 2022. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad other than the disclosures made under Related Party Transactions and Balances in the Financial Statements on pages 147 to 150 of this Annual Report. He does not hold any shares in Malton Berhad. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

HONG LAY CHUAN

Malaysian Male/Executive Director

Mr Hong Lay Chuan, age 64, holds a Bachelor of Science degree in Housing, Building & Planning. His 38 years of working experience covers several business sectors including Banking & Finance, Trading, Retail & Property Management, Property Development and Construction.

He had 15 years of experience in the retail banking industry before joining the group as General Manager in charge of banking and project financing. He was seconded to a Trading, Retail & Property Development company as an Executive Director for several years before rejoining Malton Group in 2003 as an Executive Director of Bukit Rimau Development Sdn Bhd, a wholly-owned subsidiary of Malton Berhad.

He was appointed an Executive Director of Malton Berhad on 19 February 2009. He attended all five board meetings held during the financial year ended 30 June 2022. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

BOARD OF DIRECTORS
(cont'd)

HJ AHMAD BIN HJ ISMAIL, PJK
Malaysian Male/Independent Non-Executive Director

Hj Ahmad bin Hj Ismail, PJK, age 80, graduated with an Honours Degree in Malay Studies from Universiti Malaya in 1974. Upon graduation, he served as a lecturer of Malay Studies at Universiti Putra Malaysia until his retirement in 1997. During his tenure at the university, he played a prominent role in the development of the Malay Language.

He was appointed an Independent Non-Executive Director of Malton Berhad on 25 September 2002. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee. He is a member of the Institute of Internal Auditors Malaysia.

He attended all five board meetings held during the financial year ended 30 June 2022. He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

DATO' EDWARD SIEW MUN WAI
Malaysian Male/Independent Non-Executive Director

Dato' Edward Siew Mun Wai, age 65, was appointed to the Board on 1st August 2018 as our Independent Non-Executive Director and member of the Audit Committee.

He is a Fellow Member of the Institute of Chartered Accountants in England & Wales (ICAEW), Business Finance Professional and a Chartered Accountant of the Malaysian Institute of Accountants.

After completing his ICAEW with over 8 years public practice in London, he returned to Malaysia and worked briefly for a local bank until recruited to join HSBC in its Hong Kong headquarters. This was followed by over 26 years of international expatriation in C-suite roles at the L'Oreal Group and the Ciba-Geigy (now Novartis) Group, managing their subsidiaries in Melbourne, Seoul, Paris, Bangkok, Singapore, Jakarta, Taipei and Hong Kong. He was on the Boards of these subsidiaries representing the public listed parent company's interests.

Following his repatriation to Malaysia on the Talent Corp program, he was the Acting Global CEO/Global CFO of Crabtree & Evelyn London until its divestment. From 2011-2014, he was an Independent Director and Audit Committee Chairman of an ASX-listed junior mining company. He was Vice-Chairman of the Taipei English School and Board member of the Taipei European Schools, Associate Faculty Member of the Othman Yeop Abdullah Graduate School of Business at Universiti Utara Malaysia, current member of the Sunway University Business School Industry Advisory Board and a pro-bono guest speaker at various local Universities and the Malaysian Institute of Corporate Governance.

Presently, Dato' Edward Siew Mun Wai also sits on the board of directors of Karex Berhad and Prestar Resources Berhad as an Independent Non-Executive Director. He is the Chairman of Karex Berhad's Audit Committee and Remuneration Committee and a member of its Nomination Committee and Risk Committee, Chairman of Prestar Resources Berhad's Audit Committee and a member of its Remuneration Committee and an Executive Director of a private company operating a premium grocery brand.

He has attended all the Board Meetings held during the financial year ended 30 June 2022.He does not have any family relationship with any Director and/or Major Shareholder of the Company and has no conflict of interest with the Company. He does not hold any shares in Malton Berhad. He has not been convicted of any offences within the past 5 years other than traffic offences, if any. There were no sanctions and/or penalties imposed on him by any relevant regulatory bodies, which were material and made public during the financial year ended 30 June 2022.

KEY SENIOR MANAGEMENT

KELVIN CHOO YUNG YAU

Malaysian Male/Chief Executive Officer, Property Development

Mr Kelvin Choo, age 57, a civil engineer by profession, graduated with Bachelor of Civil Engineering at University of Newcastle, Australia. He is a registered engineer with Board of Engineers and Institute of Engineers Malaysia. He has 32 years of experience in the property and construction industries. He started his career in engineering consultancy services at J.K (SEA) Sdn Bhd, followed by HS Liao Sdn Bhd. He started his property development experience at Sunway City Berhad where he rose to general management position as Unit Profit Centre Manager (UPCM) in charge of a few townships' development within Klang Valley. Subsequently, he joined Tropicana Corporation Berhad where he served as Project Managing Director for townships development.

He also served in Real Estate & Housing Developer Association, Selangor Branch (REHDA-Selangor) holding several portfolios, ranging from Committee, Zone Chairman for Petaling Jaya, infrastructure & utilities and planning committee. He is also involved with REHDA Malaysia and served as guest speaker for students enrolled for Master of Real Estates Development (MRED) master's degree programme at University TAR.

He joined Malton Berhad as Chief Executive Officer of Property Development Division on 15 December 2020. He leads the overall operation and management of the Property Development division including assisting the Board in setting strategic goals objectives, budgets, policies and procedures, growth and profitability.

He has no family relationship with any of the Directors and/or major shareholders of Malton Berhad. He does not have any conflict of interest with Malton Berhad. He does not hold any shares in Malton Berhad. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

LIM WING KHONG

Malaysian Male/Chief Operating Officer, Construction

Mr Lim Wing Khong, age 55, graduated from Tunku Abdul Rahman College in Material Science and holds a Bachelor of Science in Construction Management from Heriot Watt University. He has more than 30 years of experience in the construction industry with extensive knowledge and expertise in construction planning and implementation, developing and mentoring staff and has led the operation of a construction business which successfully delivered township and high rise residential projects.

He was appointed Chief Operating Officer of Domain Resources Sdn Bhd, a wholly-owned subsidiary of Malton Berhad and the construction arm of Malton Group on 1 December 2021 and presently manages the operations of the construction projects. He is a brother of Tan Sri Lim Siew Choon, Non-Independent Non-Executive Chairman and major shareholder of Malton Berhad. He does not have any conflict of interest with Malton Berhad other than the disclosures made under Related Party Transactions and Balances in the Financial Statements on pages 147 to 150 of this Annual Report. He has no conviction for offences other than traffic offences within the past 5 years and has not been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Financial Statements of Malton Berhad (Malton) and its subsidiaries (Group) for the financial year ended 30 June 2022 (FY2022).

MARKET LANDSCAPE

As we reflect on the year under review, we began to emerge from these unprecedented and difficult times since the start of the global COVID-19 pandemic. The last two years have been trying times which resulted in the imposition of various Movement Control Orders (MCO) restriction periods that have severely affected our day-to-day business and the economy.

Malaysia began transitioning from the pandemic to endemic stage of COVID-19 on 1 April 2022 as restrictions were progressively lifted since October 2021. Following the easing of pandemic movements, the property market showed signs of improvement in 2021 fuelled by the Home Ownership Campaign (HOC), Real Property Gain Tax exemption, and low Overnight Policy Rate (OPR) at 1.75% alongside various stimulus programmes provided by the Government, amongst others. In tandem, the construction industry showed improvement with a higher value of completed construction work compared to earlier construction delays with a double-digit decline in 2020 due to the pandemic.

Although businesses showed promising signs of normalcy, the effects of the pandemic still remain. The business landscape remains challenging compounded by the formidable economic and social headwinds from geopolitical tensions specifically the prolonged Russia-Ukraine war, supply-chain disruptions, escalating inflationary pressures, and rising cost of construction materials and commodity prices exacerbated by China lockdowns due to the zero-COVID-19 policy.

While optimism remains on the horizon, the overall market sentiment remained subdued. Property market performance remained below pre-pandemic levels with the issue of overhang and unsold units elevated, coupled with the rising cost of living that put property purchase plans on the back burner. While the global economy expanded by 5.7% in 2021, the extended effects of supply issues and rising inflation on a global scale weighed heavily on Malaysia's performance. Malaysia registered a mere gross domestic product (GDP) of 3.1% in 2021 compared to a contraction of 5.6% in 2020.

DELIVERING VALUE THROUGH AGILITY

During the year, the Group constantly reassessed its operating mode and adopted innovative approaches while preparing itself adequately for seamless entry into the endemic phase. Although the Government has allowed all business operations to return to normalcy, we remained vigilant and adhered to the COVID-19 standard operating procedures (SOPs) in managing risks associated with operational disruptions due to periodic outbreaks. As the effect of the pandemic has been far-reaching, Malton continued on to strengthen its business resilience by preserving asset quality, maintaining cost discipline, and developing its talent pool while ensuring quality product. In the meantime, we accelerated the use of digital platform to improve customer experience, employee engagement and operational efficiency.

Given the prevailing disruptions in the supply chains and labour shortages, Malton team redoubled their efforts to complete and successfully delivered Villa 22, a luxury semi-detached and bungalows development at Bukit Rimau and The Park 2 Pavilion Bukit Jalil (The Park 2), an integrated serviced apartment at Bukit Jalil City, in October and November 2021 respectively. Malton's relentless commitment to consistently deliver innovative and high-quality products are reflected in The Park 2 attaining a score of 81% for Quality Assessment System in Construction (QLASSIC) and 97% for Customer satisfaction survey. Meanwhile, Villa 22 attained 84% and 91% scores for each category. This has become a new quality and service benchmark for the future projects of Malton.

DELIVERING VALUE THROUGH AGILITY (cont'd)

Pavilion Bukit Jalil mall and The Park 2 are the newest additions to redefine the 50-acre Bukit Jalil City skyline. Following the successful opening of Pavilion Bukit Jalil mall to shoppers on 3 December 2021, privileged owners of The Park 2 have embarked on a new home that offers urban cosmopolitan living with direct access to world-class retail and lush green parkland via exclusive link bridges.

Apart from the best-in-class shopping and dining, The Park 2 owners can also enjoy nature and a healthy lifestyle with easy access to the 80-acre Bukit Jalil Recreational Park at their doorstep. Integrated with exclusive Pavilion privileges, The Park 2 residents receive premium services and a host of rewards including an instant upgrade to 'Priority' membership tier to shop at Pavilion Bukit Jalil mall. In the meantime, residents can enjoy the ready amenities at our fully tenanted commercial Signature Shop Offices with its exquisite F&B options and essential services. Everything is within walking distance from residential, shopping, entertainment hub, offices and commercial shops to lush green.

Built by Malton, Pavilion Bukit Jalil mall spanning a net lettable area of 1.8 million sq ft offers shoppers exciting activities and shopping rewards through a wide selection of international flagship stores and well-known retail brand outlets. Anchored by Pavilion Bukit Jalil mall as the major catalyst for the suburb's rejuvenation, Bukit Jalil neighbourhood's stature is now elevated with improved economic growth, job opportunities and enhanced infrastructure. The growing community with a catchment population of 1.9 million in and around Bukit Jalil enjoys high accessibility to various parts of Klang Valley via the enhanced road systems by Malton along with a synergy of major highways such as KESAS, Maju Expressway, Bukit Jalil Highway and other major roads. The accessibility, convenience and lifestyle have made the Bukit Jalil City a popular residential destination.

The Group's strong fundamentals, prudent management and swift response to market changes enabled the Group to maintain its operational efficiency and customer centricity throughout the year. Despite operating in a challenging period, the Group remained resilient by registering higher pre-tax profits of RM129.5 million on the back of a revenue of RM645.2 million, while improving its net gearing.

Further details of the Group's financial performance are covered in the Management Discussion and Analysis section within this Annual Report.

STRENGTHENING CORPORATE GOVERNANCE

Besides adopting risk management practices, the Board continues to implement good corporate governance and ethical business conduct to support long-term value creation for all our stakeholders. Our policies have cascaded throughout our supply chain to encourage commitment towards upholding corporate integrity and good business practices. The Board is committed to ensure alignment in line with the spirit and practices of the Malaysian Code on Corporate Governance 2017.

During the year under review, all Directors were duly briefed and updated on developments and changes related to relevant laws and regulatory requirements. The Group has further enhanced its Whistleblowing Policy and reporting framework to report any irregularities or non-compliance. Staff training on Anti-Bribery and Anti-Corruption Policy to address the requirements of Malaysian Anti-Corruption Commission (MACC) Section 17A provision was carried out progressively throughout the Group.

Further details on the Group's corporate governance practices are disclosed in the subsequent sections of this annual report.

CHAIRMAN'S STATEMENT
(cont'd)

SUSTAINABILITY

The COVID-19 pandemic is a wake-up call and has underscored the importance of embracing sustainable practices in all sectors. Sustainability has been prevalent as seen in recent Government's initiatives to ramp up the implementation of various Environmental, Social and Governance (ESG) strategies and measures under the 12th Malaysia Plan.

In building a more sustainable future, the Group will align its corporate responsibility and business performance with Bursa Securities Main Market Listing Requirements for sustainability reporting with reference to the Global Reporting Initiative. As we continue to keep the interests of our homebuyers and tenants in mind, the Group strives to deliver the utmost living experience from our developments by infusing key ESG principles progressively in the overall planning of three broad areas. These encompass our design approach; using innovative and green technologies and investing in the environment as well as through strategic partnerships.

Guided by a set of key performance indicator to benchmark our sustainability initiatives, Malton will increase the use of more eco-friendly methods of construction and materials. In doing so, Malton has contributed positively by producing a green building as reflected in Menara BAC being awarded a "Gold" GreenRE certification. Following Menara BAC's success, we will replicate it in our future developments.

In line with the Government's initiative to encourage the use of more environment-friendly Electrical Vehicle (EV), we will be introducing EV charging stations at our ongoing projects under construction and future property developments. This will encourage green mobility and sustainable living among residents, thus marking a great step towards our environmental commitments to propel Malaysia in becoming a carbon-neutral nation by 2050.

Other best practices of sustainability in social equity and economy include our investment efforts in infrastructure enhancements for greater accessibility as well as social housing and financial support for the needy community. These contributions affirm Malton's thrust and focus on ESG compliance.

Moving forward, Malton endeavours to create a culture where sustainability is embedded throughout the organisation to drive its business direction and operations for long-term value creation. Details on our sustainability activities are available in the Sustainability Statement section on pages 27 to 47 of this Annual Report.

DIVIDENDS

Unfavourable market conditions and another tumultuous year has resulted in the Board not recommending any dividend payments for FY2022.

CHAIRMAN'S STATEMENT
(cont'd)

OUTLOOK FOR THE FINANCIAL YEAR 2023 (FY 2023)

The country's transition to the endemic phase with the reopening of Malaysia's international borders since April 2022 bodes well for the economic recovery. Although we are seeing a gradual improvement in the property and construction industry, an absolute return to a pre-pandemic era is not to be expected immediately given the lasting effects of COVID-19 globally. While there is a surge in growth, external headwinds and global uncertainties continue to pose a challenge to the global economy and add to the country's downside risks heading into 2023.

The rising inflationary pressure, labour shortage, steep rise in raw building materials, recent OPR hikes to 2.5%, and the implementation of a new minimum wage will likely affect Malaysia's property growth. The market volatility arising from the Russia-Ukraine war, supply-demand imbalances as well as the upcoming general election (GE15) in November 2022 further exacerbate buyer sentiments.

Amid an increasingly uncertain outlook, the World Bank forecasts global GDP growth to slow down to 3.2% and 2.9% in 2022 and 2023 respectively. Many of the downside risks flagged in such as rising inflation and tightening of global conditions, all pointing to increased risk of a global recession. China's slowdown has been worse than anticipated with prolonged COVID-19 lockdowns, coupled with the economic costs of war and rising fuel and food prices.

Nonetheless, given the strength in the first half of 2022 which grew by 6.9%, Bank Negara Malaysia expects Malaysia's GDP growth for 2022 to be at the upper end of the range of 5.3% to 6.3%. The country's economy is on an upwards track to recovery from the pandemic following a successful vaccination drive and the full withdrawal of movement restrictions, underpinned by stronger domestic demand and improvements in the labour market.

The anticipation of Government prioritising ESG by issuing up to RM10 billion in sustainability sukuks to fund eligible social and environmental-friendly projects is highly welcomed. This green procurement policy will certainly encourage more adoption of ESG practises by property developers as we struggle to strike a balance between the demand for affordability and integrating green initiatives in its developments due to costly sustainable technologies or materials. We also hope to see more incentives from the Government to increase homeownership by continuing HOC campaign which ended in December 2021 and full stamp duty exemption for all homebuyers under the new Budget 2023. Given the myriad of issues facing the construction and property industry, we also hope other measures will be introduced to alleviate the hike in building material prices and labour shortage issues which are now adversely affecting the industry. With the Government steering the direction, we hope new incentives under the Budget 2023 will benefit homebuyers and propel the Malaysian property market to better recovery.

Whilst the world and Malaysia are still reeling from post-pandemic effects, we remain cautiously optimistic on our outlook. As we move forward with renewed optimism, the Group strives to build on its competitive positioning to maximise shareholders' value. We stay committed to strengthen our ESG goals by enhancing our digital technology, engagement with financial institutions and regulatory bodies, while upholding good corporate governance for long-term growth.

ACKNOWLEDGMENT

On behalf of the Board, I would like to thank my fellow Board members, our Management and employees for their continued dedication, exemplary team spirit and coordinated response in addressing the COVID-19 pandemic in the past year. Everyone in the Group displayed qualities of resilience and perseverance in adapting to new ways of working to ensure business continuity. I am confident that we will see brighter prospects ahead and achieve our shared goal as we leverage our collective strengths.

The Board also extends its appreciation to the Group's business partners, bankers, regulators, media and loyal customers for their unwavering support. I would also like to thank our valued shareholders for their continued trust in the Group.

To my fellow Board members, I take this opportunity to extend my heartfelt appreciation for your dedicated leadership and astute business acumen in guiding the company progressively forward throughout the trying times.

On behalf of the Board,
Malton Berhad

Tan Sri Lim Siew Choon
Non-Executive Chairman
27 October 2022

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis of Malton and its subsidiaries serves to provide a comprehensive view of the Group's operating environment in the year under review. For FY2022, although the property market environment remained challenging, we saw momentum to improve on the back of the transition to the endemic phase of COVID-19.

The Group's approach in adopting financial prudence and operational sustainability is reflected in its stable financial position and cash flow management in FY2022.

OPERATING ENVIRONMENT REVIEW

For the year under review, the business environment continued to be affected by the emergence of new COVID-19 variants. During MCO, our business activities were affected by the closure and workforce limitation at offices, construction sites and sales galleries following the strict adherence to COVID-19 SOPs. For the safety of the employees, work from home policy was implemented from June 2021 to September 2021. While continuously challenged by new and more potent variants of COVID-19, high vaccination rates immunised most of the population and paved the way to the gradual reopening of economic activities towards the end of 2021.

As the return to pre-pandemic era is compounded by uncertainties on the local and global front, both the property and construction sectors were not spared from the spiralling effect. The property sector remains challenging and clouded by oversupply and labour shortages, while housing affordability is eroding on the back of rising interest rates and soaring construction costs.

According to the National Property Information Centre, the Malaysian property market improved year-on-year (y-o-y) in 2021 but total transactions remain below pre-pandemic levels recorded in 2019. The year saw 300,497 property transactions worth RM144.87 billion recorded, up 1.5% and 21.7% y-o-y respectively. Across the board, the residential, commercial and industrial sub-sectors saw an increase in transaction volume by 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively.

The residential overhang situation saw volume rising up to 20.5% from the year before. Selangor retained the highest number and value of overhang in the country, followed by Johor, Pulau Pinang and Kuala Lumpur. Although the volume of property transaction in the first quarter of 2022 had rebounded 17% y-o-y, residential overhang units increased by 29% y-o-y to 35,592 units. The increase in overhang units could be attributed to the disruption to economic activity from several lockdowns in Malaysia and implies lingering concern of oversupply in the property market.

Similarly, the Malaysia's construction industry has faced two consecutive years of contraction, primarily due to the COVID-19 pandemic that halted project activities for prolonged periods. The construction industry grew by an estimated 1.5% in real terms in 2021, following an annual decline of 19.4% in 2020 according to Department of Statistics Malaysia. Supported by an improvement in wider economic activity, the construction activity rose 6.1% y-o-y in the June quarter of 2022, indicating the first increase in a year, as the economy fully emerged from coronavirus curbs. As construction activities resumed during the year, the sector faced acute worker shortages and rising material costs.

STRATEGIC MEASURES FOR RESILIENCE AND GROWTH

During the year, Malton settled in with the new ways of working to move from a typically defensive strategy to a more progressive stance. The Group recalibrated its operational sustainability to drive greater efficiency to eliminate redundancies and prepare for the eventual step forward into a post-pandemic era. We continued to focus on our Business Continuity Plan while strengthening our balance sheet, building growth drivers for core businesses, as well as revitalising key management teams to forge ahead.

The decline in previous years was rather steep, hence precautionary measures have been adopted as we manage the lessons learned during the pandemic while resuming our growth journey. Throughout FY2022, we managed to navigate our way through persistent implementation of Group's wide strategic measures of cost optimisation, operational efficiencies and financial management for business sustainability.

On our green initiatives, we set clearer targets to pursue sustainable urban planning with a structured plan prioritising the preservation of natural environments and digitalisation. Operationally, our ongoing and pipeline projects are redesigned with value engineering in mind to address the supply chain and workforce challenges faced. By utilising Industrialised Building System (IBS) more extensively, we were able to shorten construction timeframes and manhours, reduced material wastage and cost, while ensuring building efficiency and quality. On design optimisation, we deployed smart technologies such as eco-friendly and energy-efficient appliances, fixtures and fittings to further enhance the sustainability elements in our journey towards a carbon-neutral Malaysia.

To enhance group-wide efforts and minimise business interruptions, we intensified technology and data management adoption. Keeping in mind employees' and customers' safety and well-being, various initiatives were rolled out including targeted marketing campaigns via social media platforms, launch of new 'MyMalton' app to engage with homeowners as well as nurturing stakeholder relationships with a hybrid approach of online and face-to-face engagements.

Designed to ease homeownership journey, MyMalton app was successfully launched in December 2021 with an aim to provide ultimate convenience for Malton homeowners through a one-stop platform of Residence Management System (RMS). Bringing Malton closer to them at their fingertips, homeowners are instantly and seamlessly connected to property management information anytime, anywhere from pre-sale to completion and down to facilities booking activity, visitor and tenant management as well as billings. Integrated with Pavilion privileges, the comprehensive RMS also offers lifestyle features including exclusive rebates and promotions when shopping at Pavilion malls while staying informed of new property launches, notices, promotions and community news. The user-friendly lifestyle app with real-time data is accessible to both property owners and non-owners where app users can capitalise on substantial savings.

In response to the property market conditions, we maintained lower inventory by clearing existing unsold units and focusing on construction of ongoing projects while deferring some planned launches. We took a pragmatic approach and selectively rolled out new launches that would capture the immediate demand for affordable housing at key hotspots. During the year, we successfully launched two high-rise residentials, namely River Park (Bangsar South) and Mutiara Hilltop (Puchong), designed for convenient urban living at affordable price points. Each project carries a gross development value (GDV) of RM1 billion and RM304 million respectively.

While at the construction sites, the Group mobilised its construction teams to speed up construction works of all existing projects through the deployment of greater resources. We focused on completing under-construction projects while leveraging on our longstanding relationship within the supply chains to manage costs without compromising on health protection measures on sites. The Construction division implemented various measures to ensure the safety and well-being of its workforce and third parties to mitigate the risk of the COVID-19 virus.

In light of the declining purchasing power after the end of the HOC in December 2021, we restructured by rolling out attractive campaigns, sales packages and innovative financing schemes through collaboration with banks to meet buyers' expectations. Coupled with the Group's strategic measures adopted, these have helped Malton to attain higher property sales of RM511.5 million in FY2022 compared to RM347.8 million recorded a year ago. Sales generated for the Group were derived from key projects including Duta Park Residences (Kuala Lumpur), Mutiara Hilltop (Puchong), Rapid City Centre (Johor) and Block G retail office en-bloc (Bukit Jalil City).

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

STRATEGIC MEASURES FOR RESILIENCE AND GROWTH (cont'd)

Malton's unbilled sales stood at a healthy RM753.0 million as at 30 June 2022, anchored by the ongoing development projects namely, Duta Park Residences, Rapid City Centre, Mutiara Hilltop and Menara BAC. Meanwhile, the Construction division secured approximately RM957.9 million worth of contracts in hand with RM382.3 million of outstanding book order.

GROUP FINANCIAL REVIEW

The Group recorded a higher profit before tax (PBT) of RM129.5 million for the current financial year compared to a year ago (FY2021: RM22.6 million) despite a lower revenue of RM645.2 million (FY2021: RM999.2 million). The decrease of 35.4% in revenue was attributed mainly to a weaker financial performance in the first half of FY2022 due to spiralling effects of MCO, completion of some property development and construction projects as well as deferment of new launches. Villa 22, The Park 2, Pavilion Bukit Jalil mall and Pavilion Damansara Heights (Phase 1) were among some of the completed projects during the period. Nonetheless, higher billings were achieved from the ongoing projects.

For Property Development division, PBT increased to RM25.1 million (FY2021: RM5.2 million) due to higher billings and profit margin recognised from Duta Park Residences and cost savings from Pavilion Bukit Jalil mall as well as recognition of a one-off government grant of RM15.9 million. In tandem, the Construction division registered a higher PBT of RM55.4 million (FY2021: RM21.8 million) due to cost-saving measures from Pavilion Bukit Jalil mall coupled with a reversal of allowance for impairment loss of RM16.7 million recognised from the receivable accounts.

In FY2022, the Group recognised a share of results of Joint Ventures of RM29.7 million due to the recognition of fair value gain on investment properties. It also recorded a gain on fair valuation of investment of redeemable preference shares of RM33.0 million (FY 2021: RM19.9 million) plus a write-back on impairment of preference shares of RM4.0 million provided in the previous financial year. Finances charges however, increased to RM61.2 million (FY2021:RM33.6 million) due to higher interest rates and an accrual of interest of RM28.6 million for the Redeemable Preference Shares (FY2021: RM4.6 million). To reflect market conditions, the Group wrote off and provided for impairment losses on its lands held for development amounting to RM11.5 million (FY2021: RM1.3 million).

Correspondingly, the Group registered a higher profit after tax of RM75.8 million compared to a year ago (FY2021: RM1.2 million).

During the pandemic, the Group was able to steer through and continued to demonstrate its financial resilience with continued sound management of its balance sheet. Total assets were maintained at about RM2.6 billion with reserves at RM475.0 million (FY 2021: RM398.8 million). Shareholder's equity continued to increase to RM1,003.6 million in the current financial year (FY2021: RM927.3 million) with a corresponding increase in net asset per share from RM1.76 to RM1.90 respectively.

Following the completion of Pavilion Bukit Jalil mall, the Group's gearing ratio improved to 0.43 times from 0.56 times recorded in the preceding year mainly due to a reduction in bank borrowings and an increase in bank balances.

OPERATIONAL STRATEGIES FOR FY2023

Overall, the market looks to be stabilising as we move into 2023 with the reopening of the economy. This augurs well for both our Property and Construction divisions which will support the return of migrant labour force to the construction sector and improve customers' disposable income. Moving ahead, Bank Negara Malaysia notes that while there have been visible improvements in the overall economy and financial sector, the high number of unsold properties remains a key issue the housing industry must deal with.

While the year started off on a positive note with the property sector poised for a long overdue rebound in tandem with post-pandemic economic recovery, buyer's sentiment has nevertheless weakened in recent times due to ongoing macroeconomic and geopolitical headwinds. For developers, cost of construction remains a big concern as we grapple with rising material costs of steel and cement as well as the acute labour shortage, thus facing margin compression in the near term.

OPERATIONAL STRATEGIES FOR FY2023 (cont'd)

Given the uncertainties ahead, Malton will continue to take proactive measures to remain resilient as we move into FY2023. These efforts will be balanced by a disciplined approach in cost management and operational efficiencies. Following the increased emphasis on sustainability and climate change mitigation, we will solidify our commitment to step up ESG efforts across our business operations. Eventually, we target to seamlessly integrate sustainable processes within every point of our future projects' life cycle from conceptualisation, design and construction stages as well as to other ancillary business procedures. In doing so, we will not only offer state-of-the-art amenities for luxurious and convenient living, but cutting-edge solutions for a greener lifestyle.

As part of our sustainability journey, we will continue to increase the use of environmentally friendly materials and products that have a lower environmental impact while increasing the utilisation of IBS more extensively. To accelerate the adoption of green lifestyles and mobility amongst our communities, we plan to integrate EV charging stations during our initial build at our new high-rise residential projects, notably Duta Park Residences, Mutiara Hilltop and River Park. Ultimately, we want our residents to enjoy the comfort and convenience of sustainable urban living as they get to capitalise on the easy availability of EV charging stations at their doorstep as well.

Coupled with the support of the Government's friendly policies and financial incentives to adopt ESG practices, Malton will be empowered to expand its sustainability measures to its future developments. Details on our sustainability activities are available in the Sustainability Statement section on pages 27 to 47 of this Annual Report.

On Property Development division, we will continue to offer compelling products that meet market pent-up demands for affordable housing and mid-market segment at strategic locations. As Management keeps a keen eye on the market horizon for launch opportunities, our new property launches for FY2023 include affordable apartments at RIO (Bangsar South) and apartments in Mutiara Puchong (Puchong) with estimated GDV of RM453 million in total. Each development focuses on location, accessibility, affordable price points and the conveniences it brings with different lifestyle choices.

In the meantime, the Group will accelerate and convert sales from its ongoing development projects within the Klang Valley and Johor to improve progress billing for FY2023. Ongoing projects include River Park, Mutiara Hilltop, Duta Park Residences and Rapid City Centre (Phase 2). Realigning its go-to-market strategies, the Group will continue to incentivise homebuyers with attractive packages and financial schemes through collaborations with banks.

As part of our digital transformation, we will continue to leverage technology for speed and accuracy to ensure product and service excellence across all customer touchpoints. These include increased engagement with customers and stakeholders, real-time process tracking and monitoring, as well as assessment and improvement through data analytics. Further enhancement is underway with the integration of Defect Management feature into our RMS via MyMalton app to enhance homeowners' experience.

Meanwhile, the Construction division will remain vigilant on the operating cost and margins impact, while ensuring occupational health and safety as well as timely completion of its existing and new projects.

On financial management, Malton will continue to pursue its cost optimisation strategy while monitoring and assessing its debt position to maintain a healthy gearing level. While the Management continues to adopt austerity measures to rein in, we will remain strategic in determining capital expenditure allocation on projects that will deliver the greatest value for the Group. Our cash preservation is important to capitalise on any opportunities that may arise and weather economic challenges.

Barring any unforeseen circumstances, the Group is cautiously optimistic that the Property Development and Construction divisions will continue to contribute positively to its earnings. Moving forward, the Group is well-positioned into the near to medium-term future given its healthy unbilled property sales of RM753.0 million in hand and RM382.3 million of outstanding book order from construction projects as at 30 June 2022, underpinned by its strategic landbanks.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

QUALITY ASSURANCE

Quality excellence has always remained the core focus of Malton's business operations and customer satisfaction. Adhering to quality standards ensures continuous improvements and propels the Group in maintaining a high "Built-In-Quality" culture. We aspire to reward all homeowners with quality as we build trust and deliver value, a fundamental right to every homeowner across the board including affordable homes.

QUALITY MANAGEMENT SYSTEM

Malton's Quality Management System (QMS) adheres to the internationally recognised standards, ISO 9001:2015. This strong foundation of well-developed processes demonstrates the best practices, corrective measures, performances, management involvement and customer satisfaction. Annual evaluations are conducted with the objective to promote consistent product quality, compliance, transparency, quality-conscious culture and corporate governance at every stage of production while sharing best practices across the organisation.

With accreditation by SIRIM Malaysia, it is a testament to Malton's "Built-in-Quality" culture and uncompromising adherence to the highest quality standards. Various internal training programmes, technical debriefs and town hall sessions were held constantly with the senior management team for continuous improvement throughout the quality journey.

Constant trainings provided at project sites to ensure strict adherence to QMS

Regular discussion with SIRIM auditors for continuous improvement

Annual risk assessment reviews with senior management and departmental heads

Regular compliance audit at project sites to ensure high conformity

PRODUCT QUALITY BENCHMARK

Malton adopts the QLASSIC system across all its projects, based on the Construction Industry Standard CIS 7: 2021. We place utmost priority on risk controls to ensure our deliverables are in line with regulatory quality standards, meeting both internal and external customers' requirements and expectations.

QUALITY ASSURANCE (cont'd)

PRODUCT QUALITY BENCHMARK (cont'd)

Consistent with Malton's steadfast commitment to deliver quality homes, we managed to surpass 80% QLASSIC score for our recently completed projects, namely The Park 2 and Villa 22. This new benchmark achievement marks a significant milestone for the Group to consistently craft high-quality of workmanship across all its project developments.

Villa 22 (22 units of semi-D and bungalows at Bukit Rimau)

The Park 2 (709 units of serviced apartment at Bukit Jalil City)

CUSTOMER SATISFACTION

As Malton strives to exceed customer expectations at all times, a pre-delivery inspection is conducted on every unit instead of random selection. Hence, Malton is able to minimise defects, while ensuring a smoother key handover to homeowners.

A systematic approach has been designed to gather information on the customer experience of our products, services and brand for better understanding and improvement. Feedback, enquiries, complaints and grievances across all touchpoints are monitored and studied through multiple platforms to accommodate various stakeholder groups. Every feedback will be analysed and channelled to relevant departments for urgent action and prompt solutions.

With this consistent practice, we are pleased to sustain a high customer satisfaction score of above 90% for The Park 2 and Villa 22 respectively. This achievement is made possible through the relentless efforts and support of every employee in nurturing the 'Build-in-Quality' culture across the organisation.

Projects	Type	Customer Satisfaction Score
The Park 2	**High-rise residential**	**97%**
Villa 22	**Semi-detached houses**	**91%**
Pangsapuri Kenangan	Affordable Housing	96%
Rapid City Centre Phase 1	Shop Offices	90%
The Park Sky Residence	High-rise residential	87%
SK One Residence	High-rise residential	82%

PERFORMANCE OF OUTSOURCED SERVICES

In the pursuit of delivering quality homes, Malton has developed a series of control measures to monitor the quality of outsourced consultants, contractors and vendors. Annual evaluations and training are conducted to monitor and maintain the quality of services. Following the annual Consultant/Contractor/Vendor Performance Evaluation, regular meetings are held to garner feedback and immediate proactive actions for improvement.

PROPERTY DEVELOPMENT

The Group's vast property portfolios include residential townships, luxury homes, integrated developments, offices and commercial properties strategically located across Greater Klang Valley, Johor and Kelantan. We will continue to leverage on our core strengths to deliver high-value creation products for our buyers.

Ongoing property developments and upcoming launches undertaken by the Property Development division during the current financial year are set out below.

BUKIT JALIL CITY

Bukit Jalil City – The sustainable flagship development is making the once-buzzing Bukit Jalil alive again. Serving as a catalyst for the suburb's rejuvenation, Bukit Jalil is now transformed into the epicentre of style and living, drawing in a fresh population signifying a solid growth for the neighbourhood.

Pavilion Bukit Jalil mall (Aug 2021) - Sitting on a 28-acre freehold land, Pavilion Bukit Jalil mall spectacular 560 metres long façade along Bukit Jalil highway gives high visibility and exposure of retail branding.

The Park 2 (Nov 2021) – A pair of tallest sleek towers standing at 52 and 50-storey are flanked by Pavilion Bukit Jalil mall and the 80-acre Bukit Jalil Recreational Park. Residents enjoy the best of both worlds with direct access via exclusive link bridges.

3-storey retail office Block G (Mar 2022) - Inspired by Apple Cube Fifth Avenue and Tokyo Plaza, the visible 26,000 sq ft retail space is fronting the Pavilion Bukit Jalil mall.

PROPERTY DEVELOPMENT (cont'd)

Emerging as an iconic landmark in Malaysia that boosts strong population catchment and excellent infrastructure, the fast-growing Bukit Jalil City is now the most sought-after address in Bukit Jalil. Designed for sustainable urban living, the 50-acre freehold integrated development creates a thriving metropolis offering a great deal of convenience and accessibility to world-class retail at the doorstep in sync with nature; the 80-acre Bukit Jalil Recreational Park.

Launched in 2015 with a GDV of approximately RM4 billion, the flagship development comprises retail, residential, commercial and hospitality components. Anchored by the Pavilion Bukit Jalil mall which opened its doors to shoppers last December, the Bukit Jalil City lifestyle integrated development is poised to be the catalyst for the suburb's rejuvenation, transforming Bukit Jalil into a new commercial hub in the south of Kuala Lumpur city centre.

Being the newest additions to redefine Bukit Jalil City's skyline, the 3-storey retail office (Block G), The Park 2 serviced apartments (709 units) and Pavilion Bukit Jalil mall were successfully completed in March 2022, November 2021 and August 2021 respectively. Previously completed phases include Signature Shop Offices (112 units), The Park Signature Shop (44 units) and The Park Sky Residence (1,098 units).

Set to open its doors in the middle of 2023, Hyatt Place Kuala Lumpur, a 4-star business hotel, is on track for completion as it celebrated a major milestone with a Topping-Out ceremony in August 2022. Being the final residential development on the 50-acre Bukit Jalil City integrated township, The Park 3, a block of luxury serviced apartments is slated for launch by end-2023.

In synergy with the enhanced road systems by Malton, Bukit Jalil City is well connected to various parts of Klang Valley via major highways such as MEX, MRR2, KESAS, Bukit Jalil Highway, Sg Besi Highway, KL-Seremban Highway and Damansara-Puchong Highway. It is also within easy reach of the two light rail transit (LRT) stations, namely Awan Besar LRT station and Sri Petaling LRT station, attracting a combined ridership of 6.5 million. Bukit Jalil City is highly accessible for the growing community and catchment of 1.9 million population to the regional shopping mall.

There is certainly no shortage of facilities with Bukit Jalil's education hub and notable establishments nearby such as Bukit Jalil National Stadium, Calvary Convention Centre and Bukit Jalil Golf and Country Resort. Being surrounded by well-planned international standard amenities, population catchment is strong and businesses are flourishing within this self-sustaining city with a vibrant retail mix.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

PROPERTY DEVELOPMENT (cont'd)

RIVER PARK

Nestled within a dynamic Bangsar South hub along Federal Highway, River Park is a prime development for urban living. Sitting on a 5.1-acre land, River Park is a high-rise residential development comprising 1,332 units of serviced apartment with an estimated GDV of RM1 billion. Facing the city skyline view, owners can enjoy an unobstructed panoramic view of Kuala Lumpur city skyline. Strategically located with ready amenities and infrastructure, River Park promises to redefine a new standard of living within the Bangsar South neighbourhood.

River Park consists of 3 tower blocks; Tower A (440 units), B (452 units) and C (440 units). Designed with practical layouts and built-ups ranging from 812 sq ft to 1,180 sq ft, the 2 to 3-bedroom apartments are ideal for young executives, couples or growing families who prefer to live and work near the city.

Launched in April 2022, Tower A and C recorded a healthy take-up rate of 38.0% with a total sales value of RM250.0 million. Meanwhile, Tower B will be launched by Q3 of 2023.

DUTA PARK RESIDENCES

Strategically located within proximity to Kuala Lumpur City Center, Duta Park Residences is a high-rise residential development comprising 1,376 units of serviced apartment with an estimated GDV of RM1 billion. Built on a 4.2-acre land adjacent to Bukit Tunku, Duta Park Residences is easily accessible via Jalan Kuching highway, making it a centre of connectivity and convenience to the best city living has to offer.

The contemporary façade overlooking the spectacular city skyline and beautiful lush greens of Bukit Tunku consists of 3 tower blocks; Tower A (536 units), Tower B (572 units) and Tower C (268 units) respectively. Every unit is thoughtfully designed with built-ups from 858 sq ft to 1,618 sq ft, offering 4 flexible layouts from 2+1 bedrooms to dual key units. The service apartments come with a comprehensive 3-tier security system to ensure residents' peace of mind.

Being one of Malton's notable projects, Duta Park Residences received favourable response from buyers and enjoyed a healthy overall take-up rate of 85.0% with a total sales value of RM900.0 million. The project is slated for completion by Q4 2023.

PROPERTY DEVELOPMENT (cont'd)

MUTIARA HILLTOP

Sitting on an 8.3-acre land, Mutiara Hilltop is the final residential development within the dynamic township of 82.5-acre Mutiara Indah, Puchong. With an estimated GDV of RM304 million, Mutiara Hilltop offers a low-density luxury hilltop living at an affordable price point. It offers residents a spectacular hilltop view of Puchong while being surrounded by the abundant lush greenery from the Bukit Ayer Hitam Forest Reserve.

Exclusively limited to 496 units with spacious designs and sizes ranging from 1,040 sq ft to 1,355 sq ft, Mutiara Hilltop is suited for growing families or first-time homebuyers who seek serenity from the hustle and bustle of city life.

Since its launch in July 2021, Mutiara Hilltop saw an overwhelming take-up rate of 94% with a total sales value of RM283.0 million. The development is slated for completion by Q4 2024.

RAPID CITY CENTRE (PHASE 2)

Sitting on a 196-acre township development in Sungai Rengit, Pengerang Johor, Rapid City Center (RCC) is located close to Petronas' Refinery and Petrochemical Integrated Development project, as well as the Pengerang Independent Deepwater Petroleum Terminal.

Nearby is Desaru Coast, a famous tourist destination with luxury hotels and resorts. This perfect township development is poised to redefine and revitalise the entire region, transforming it into a vibrant modern city.

Completed in January 2022, RCC phase 2 comprises 68 units of 2-storey shop offices with an estimated GDV of RM87 million. In tandem with the pandemic recovery and opening of international borders, the Group expects better sales momentum from current take-up rate of 22% with a total sales value of RM21.0 million.

MENARA BAC

Menara BAC was specially designed and constructed for Brickfields Asia College with green and sustainable features. This is a dominant feature throughout the building's design encompassing multiple areas such as external design, energy and water efficiency workspaces, and an emphasis on a greener indoor environment. In recognition of its low environmental impact, this led to the building receiving a GreenRE Index 'Gold' rating.

Located on a 0.7-acre land in Petaling Jaya, this 19-storey college cum hostel facilities holds a GDV of RM115 million. The green building is slated for completion in October 2022.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

UPCOMING PROJECTS

MUTIARA PUCHONG

Located in the ever-growing and popular suburb of Puchong, Mutiara Puchong condominium enjoys a beautiful lakeside view. A hidden jewel in Puchong, the low-density condominium consists of 526 units featuring 3 bedrooms with built-ups of 900 sq ft and 1,250 sq ft each.

Designed with senior-friendly layout and facilities, Mutiara Puchong is a perfect home for families who desire multi-generational living together under one roof and healthy lifestyle.

With close proximity to the IOI Puchong mall and direct access to Damansara-Puchong Highway and LRT station, Mutiara Puchong puts you close to comfort and convenience apart from serene nature.

Carrying an estimated GDV of RM352 million, this project is slated for launch in Q2 2023.

RIO

RIO is an affordable housing development (RUMAWIP) in Bangsar South, a perfect starter home for discerning millennials. Sitting on a 1.6-acre land, the 336 apartment units with 854 sq ft built-up area are designed to provide comfort and ease for young executives. This desirable residential address where quality living meets inspiring affordability is connected to major landmarks and shopping destinations nearby.

Slated for preview by Q2 2023, this affordable high-rise development carries an estimated GDV of RM101 million.

UKAY SPRING AMPANG

Ukay Spring is a highly exclusive enclave of gated and guarded mixed-development on 55-acre land, carrying an estimated GDV of RM2 billion. Surrounded by beautiful lush greenery for tranquil living, Ukay Spring comprises semi-detached and linked villas, high-rise condominiums and a dedicated commercial centre.

Comprising 115 units of linked villas and 28 units of semi-detached, Phase 1 with GDV of approximately RM307 million is slated for launch by Q3 2023.

UPCOMING PROJECTS (cont'd)

RAPID CITY CENTRE (PHASE 3A)

Rapid City Centre (Phase 3A) is a well-planned 17.9-acre Light Industrial Park to support the growth of the Pengerang Integrated Petroleum Complex (PIPC) / RAPID project.

With an estimated GDV of RM106 million, Phase 3A comprises 64 industrial lots featuring a wide range of choices from cluster, semi-D to detached types. This project is slated for launch by Q3 2023.

CONSTRUCTION AND PROJECT MANAGEMENT DIVISION

Through the construction arm and wholly owned subsidiary, Domain Resources Sdn Bhd (Domain), offers professional construction expertise and comprehensive project management capabilities from planning, design to construction of a project. Being an ISO 9001:2015 certified company, Domain has undertaken and successfully completed large-scale projects on time at greater cost efficiency and quality.

Leveraging on its strong and wide technical expertise, Domain will continue to bid and secure new contracts to enhance its order book. Ongoing construction projects undertaken by the division during the current financial year are set below.

PAVILION DAMANSARA HEIGHTS
(Total Contract Value: RM507.5 million)

Located right at the heart of Damansara Heights, this prestigious integrated project comprises the re-development of the existing site of Damansara Town Centre into nine new corporate towers, five blocks of luxury serviced residences and a hotel as well as an office tower on top of the five-level retail space. The development includes direct access to the Pusat Bandar Damansara MRT with eight levels of the basement car park to cater the bustling town center.

Domain has been appointed as the Management Contractor for the sub-structure and superstructure works in Phase 1 and Phase 2. Following the completion of the works last year, Domain has started works for the super-structure of three blocks of serviced residences (R1, R2, R3) in March 2022, with work progressing at 30% to date. The completion of super-structure works for three residential blocks is scheduled between Q4 of 2023 to Q2 of 2024.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

CONSTRUCTION AND PROJECT MANAGEMENT DIVISION (cont'd)

PAVILION CEYLON HILL
(Total Contract Value: RM303.3 million)

Nestled between Jalan Changkat Raja Chulan and Jalan Ceylon in Kuala Lumpur, Pavilion Ceylon Hill sits on 1.7-acre of prime land in the heart of the city center. This project comprises 629 units of a premium serviced apartment, including a strata bungalow and retail shops.

Domain has been appointed as the contractor for the main building works. Slated for completion by Q1 2023, the construction work progress has reached 80.0% completion to date.

THE MAPLE RESIDENCES
(Total Contract Value: RM391.7 million)

Located in Taman OUG, The Maple Residences is a freehold high-rise residential project occupying 4.9-acre land within an integrated development, W City OUG, Kuala Lumpur. This project comprises 940 freehold serviced apartment units.

Domain has been appointed as the contractor for the main building works. As soon as pandemic restrictions were lifted, Domain started operating at full capacity with construction work progressing at 33.0% to date. The project is slated for completion by Q2 2024.

1. ABOUT THE STATEMENT

Introduction

Malton presents its Sustainability Statement covering its ESG performance with an aim to highlight the Group's sustainability journey for FY2022. Over the years, the Group has taken a progressive approach in integrating sustainability into our businesses, towards a stronger, more resilient group. We are committed to:

1. growing our businesses responsibly and with good governance
2. balancing environmental with economic considerations
3. creating a positive impact for our stakeholders
4. contributing to our communities

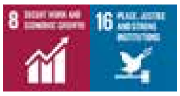
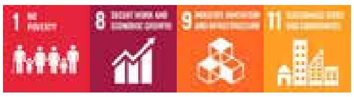
We embrace our duty to adopt, adapt and uphold the environmental agenda in meaningful ways that transfer savings, ease of living and innovative lifestyles to our customers. To this end, we are committed to maintaining a high standard of governance while integrating ESG factors into our business operations to create sustainable value for all our stakeholders.

Reporting Framework

While we aspire to achieve compliance with the Global Reporting Initiative (GRI) and UN Sustainable Development Goals (SDGs), our sustainability framework and standards are in accordance with the following guidance and frameworks:

- Bursa Securities Sustainability Listing Requirements;
- Bursa Securities' Sustainability Reporting Guide (2nd edition); and
- Malaysian Code on Corporate Governance (Revised April 2021)

Supporting SDGs Through Our Sustainability Practices and Performance

GOVERNANCE	• Legal and Regulatory Compliance • Code Of Conducts and Business Ethics • Anti-Bribery and Anti-Corruption Policy • Mandatory Tender Process for Awarding of Contracts • Data Privacy	
ECONOMIC	• Economic Performance • Infrastructure Investment • Product Safety and Quality • Support Local Procurement and Local Supply Chain	
ENVIRONMENTAL	• Compliance with Environmental Laws • Committed to Green Buildings • IBS Technology • Energy Efficiency and Renewable Energy • Water Efficiency • Waste Management	
SOCIAL	• Labour Practices • Human Capital • Affordable Housing • Occupational Safety and Health • Community Engagement	

1. ABOUT THE STATEMENT (cont'd)

Reporting Scope and Boundaries

The scope of our disclosure covers the Group's core business operations and activities of our corporate headquarters including our key projects. The full description of these projects can be found in the Management Discussion and Analysis section of this Annual Report. Our boundaries are based on the prioritisation of the Group's materiality matters.

Core business operations and activities:
- Property Development
- Construction
- Property Investment

2. OUR ESG JOURNEY – MILESTONES & ACHIEVEMENTS

ECONOMIC

Infrastructure Enhancement
1. Bukit Jalil City
2. Duta Park Residences
3. River Park

Job Creations
1. Pavilion Bukit Jalil mall

Customer Satisfaction
1. High Customer Satisfaction Score (> 90%)
   - The Park 2
   - Villa 22
   - Pangsapuri Kenangan
   - Rapid City Center Phase 1

Quality Product
1. High QLASSIC Score (> 80%)
   - The Park 2
   - Villa 22

ENVIROMENTAL

Green Building Certification
1. Menara BAC - GreenRE certification (GOLD Standard)

Aim for Green Building Certification
1. River Park
2. Mutiara Puchong

EV Charging Facilities
1. Duta Park Residences
2. River Park
3. Mutiara Hilltop

IBS Technology
1. Menara BAC
2. The Park 2
3. The Park Sky Residence
4. Duta Park Residences
5. River Park
6. RIO
7. Menara Khuan Choo
8. Pavilion Damansara Heights
9. Pavilion Ceylon Hill
10. The Maple Residences

Solar Panel
1. Menara BAC

SOCIAL

Labour Practices
1. Compliance with Malaysia's Employment Act
2. Human Capital
3. Safety & Health

COVID-19 Response
1. Mass vaccination for employees and immediate families

Affordable Housing
1. Pangsapuri Kenangan
2. RIO

Reaching Out to Needy
1. Flood victims
2. Orphanage and elderly homes, spastic children
3. Schools and other non-governmental organisation associations (NGOs)

Community Event
1. Lantern Parade for Bukit Jalil City community

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK

The Group believes in adopting high standards of corporate governance to safeguard stakeholders' interests. With the leadership of the Board of Directors and support of Management, sustainability principles are ingrained in our Group's policies and procedures encompassing our business conducts, product design and development, construction and project management activities, talent management and bonding with the communities as well as the broader society.

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

An overview of the Group's current governance structure for considering and managing sustainability in the Group is presented as follows:

BOARD OF DIRECTORS	• Endorse proposed sustainable strategies and initiatives • Oversees overall implementation of sustainability initiatives • Final approval for the Group's sustainability initiatives
BOARD OF DIRECTORS	• Set the strategic business direction and goals of the Group • Set the sustainability direction of the Group • Embed the culture of sustainability in the Group • Monitor the implementation of the sustainability initiatives
MANAGEMENT Finance; Property Development; Sales & Marketing; Quality Assurance / Customer Service; Company Secretary / Legal / Corporate Communication; Human Resources & Administration	• Identifies potential sustainability related risks and determines the priority of each material matter • Undertakes sustainability projects that have been approved by the Board • Records and manages sustainability data

Code of Conduct and Business Ethics

Malton has developed a Code of Conduct and Business Ethics (Code) for employees as well as for the Board of Directors and Management. The Code details rules and norms for corporate behaviour and for the manner in which representatives of Malton should conduct their professional engagements with stakeholders, especially vendors, contractors, business partners and others.

The Code provides clarity on conflicts of interest, rules of engagement between employees and superiors on corrupt or unethical practices and more. Published in English, the Code is available on Malton's intranet drive and corporate website allowing employees easy access to information.

Corporate Governance Policies

To support the Code, we are governed by robust Group policies that support good business ethics and uphold high standards of organisational integrity. These include Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Data Privacy Policy which collectively provide specific guidance to employees at all levels of our organisation.

SUSTAINABILITY STATEMENT (cont'd)

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

Corporate Governance Policies (cont'd)

Besides employees, all relevant external stakeholders i.e., vendors, and contractors, must abide by these policies. Through such compliance, corporate governance is strengthened throughout the Group's value chain. Our policies are available at our corporate website: www.malton.com.my/corporate-governance

- **Anti-Bribery and Anti-Corruption Policy (ABAC)**

  Malton prohibits all acts of bribery, corruption and malpractices in its business dealings. In line with Section 17A of the MACC (Amendment) Act 2018, the Board implemented ABAC Policy in FY2020.

  Our ABAC Policy defines the Group's overall position on bribery and corruption, providing guidance to employees of the Group with regard to improprieties in relation to bribery and other corrupt activities that may arise in the course of undertaking their professional duties, obligations and responsibilities. The policy is aligned with the MACC.

  To inculcate high integrity values, we provided Corporate Liability Awareness training to management staff in July 2021.

- **Whistleblowing Policy**

  Our Whistleblowing Policy provides a formal avenue for any person to raise genuine concerns and report in good faith any misconduct, malpractice, or improper conduct, including breaches of the Code and ABAC Policy. The objectivity and reliability of the reporting mechanism are further strengthened by the role of the Audit Committee.

  Subject to the severity of the alleged misconduct, the Audit Committee may submit its recommendation to the Board of Directors for appropriate corrective action. Crimes against persons or property, such as assault, rape, burglary etc will be immediately reported to law enforcement.

  For FY2022, zero cases of corruption were reported.

- **Mandatory Tender Process for Awarding of Contracts**

  In line with the Code, we have established transparent procurement practices. Appointments of consultants, vendors and contractors are evaluated through an open tender process. To ensure the delivery of high-quality products, we have established a stringent tender procedure in the selection of vendors and contractors.

  Exceptions are only permitted for specific situations where the job requires specialists, critical trades, or works that were granted approval by the Executive Directors for direct negotiation. In this regard, Malton is guided by the best practices provided in its management system procedures.

  Any individual found to be in violation of our ABAC Policy or have been involved in other acts of bribery and corruption will be subjected to stringent disciplinary action, including employment suspension or termination and legal proceedings.

- **Malton Employee Handbook**

  Handbooks are distributed to all staff including new staff to share awareness of Malton's corporate governance standards and its policies. The handbook is available for download on the Company's intranet drive.

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

Corporate Governance Policies (cont'd)

- **Data Privacy and Protection**

The Group ensures that the confidentiality of our stakeholders' personal information is handled with the highest level of respect in line with the Personal Data Protection Act 2010. We protect customer privacy through the implementation of several cybersecurity measures and have invested in optimum data protection systems, which are enabled by a robust firewall and several cybersecurity measures.

Cybersecurity related Policies and Procedures	
Windows and Application Systems and Passwords Policy	To manage application systems passwords and to provide guidelines for information and system access
Network System and Access Control Policy	To protect network system from unauthorised access and to prevent damage to the Group's network system
Email and Internet Acceptable Use Policy	To define the acceptable use of the Internet and email for the Group
Server and Network Equipment Password Management Policy	To establish guidelines for managing servers and network password
File Server Policy	To control the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity and availability

Stakeholder Engagement

As we map out our sustainability agenda and approach, we will continuously engage and build strong relationships with our stakeholders to better understand how we can address their concerns and needs while carrying out our corporate mission. We believe in actively working with our stakeholders to improve our ability to address priorities and allow us to create long-term positive impacts on the economy, environment and society.

Our approach in engaging and responding to our key stakeholder groups includes, but are not limited to the following:

EMPLOYEES		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Annual performance appraisal • Internal communication channels such as emails & group chats • Virtual meetings • Safety & Health briefings • Voluntary programmes • Festive celebrations	• Business strategy & direction • Succession planning • Career development opportunities • Job satisfaction & retention • Training & development • Employee benefits & welfare • Workplace safety & health • Fair treatment of employees according to legal requirements & labour standards	• Revised remuneration based on market rate • Fair & safe workplace practices • Transparent performance appraisal process & reward scheme • Provision of career development programmes • Regular updates on Group's strategy & performance • Looking after employee welfare

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

CUSTOMERS		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Online & offline communication • Customer feedback management • Outreach events & roadshows • Customer satisfaction survey • Build sustainable CSR programmes	• Innovative design • Product quality • Customer service & experience • Environment, Social & Governance practices & commitment • Safety & security of developments • Loyalty & rewards programme • Fair product pricing • Products that meet customers' needs • Conducive environment to conduct business	• Upholding brand promise & adherence to quality standards • Digitalisation of customer engagement platforms • Leveraging of technology to enhance safety & efficiency • Improving construction process & methods

GOVERNMENT & REGULATORY AUTHORITY		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Report submission • Meetings • Site visits & inspections • Industry events & seminars	• Compliance with regulations • Support government policies & initiatives in the industry • Social contributions • Timely & responsive communication & actions • Information sharing	• Compliance with laws & regulations • Support of HOC • Adopt eco-friendly development features • Contribute to local communities

FINANCIERS/BANKS		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Meetings & formal correspondence • Project reports • Corporate disclosures through Bursa Malaysia • Media announcements	• Project launches & sales • Financial performance • Payment schedules • Managing risks to ensure financial soundness (physical & reputational risks) • Honouring borrowing terms & conditions • Timely & responsive communication & actions	• Periodic meetings • Timely updates on projects • Site visits • Corporate website

3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

CONSULTANTS, VENDORS & CONTRACTORS		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Tender & bidding • Vendor assessment system • Meetings & site visits • Workshops & Trainings • Annual performance evaluation	• Clear contract specifications • Transparent procurement practices • Payment schedule • Safety, Health & Environment practices • New technology reliability & performance • Honouring contractual agreements • Fair price • Timely & responsive communication & action • Continued business • Support for enhancing resource capacity	• Open tender process for procurement • Timely payment • Systematic appointment & evaluation process

MEDIA		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Press releases • Conferences & media briefings • Product launches & corporate events • Networking sessions	• Trustworthy & timely communication • Transparent business reporting	• Timely engagements with the media

LOCAL COMMUNITIES/NGOS		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Formal & informal meetings & dialogues • Social media & corporate website • Strategic partnership • Build sustainable Corporate Social Responsibility (CSR) programme	• Environmental impact • Social issues • Infrastructure enhancement • Security & facilities management • Job & business opportunities • Community development • Supporting NGOs' objectives • Participate in NGOs' programmes	• Adherence to quality standards • Adherence to local authority & regulations • Infrastructure improvements around development vicinity • Collaboration with NGOs to establish community enrichment initiatives

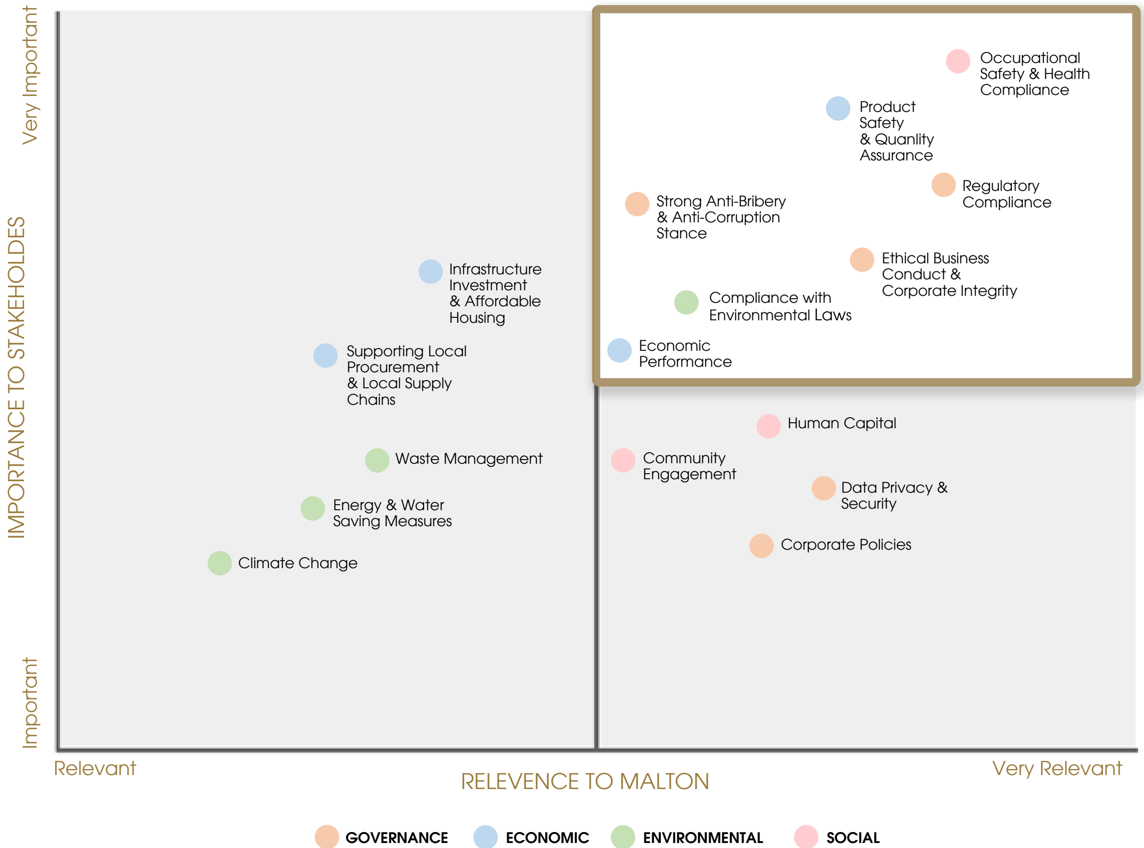
JV & BUSINESS PARTNERS		
Engagement Methods	**Key Objectives**	**Malton's Approach**
• Virtual/Face-to-face meetings	• Honoring terms & conditions • Continued business opportunities	• Maintain high ethical business conduct • Proactive prospecting of business partners for existing & pipeline projects • Active sales & marketing initiatives

SUSTAINABILITY STATEMENT (cont'd)

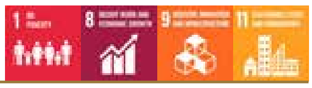
3. SUSTAINABILITY GOVERNANCE & FRAMEWORK (cont'd)

Material Sustainability Matters

Malton conducted its first materiality assessment to identify and prioritise list of ESG matters. This assessment will enable the Group to identify its most pertinent issues and manage them accordingly, which in turn guide our sustainable strategies and initiatives.



4. ECONOMIC SUSTAINABILITY



Malton has successfully generated direct and indirect economic values, both for the organisation and for its stakeholders. Sustained economic or financial performance is essential for driving the Group's ESG agenda while enhancing shareholder value. It also facilitates the continued creation and distribution of economic value to a wide range of stakeholders such as shareholders, investors, employees, social enterprises, NGOs and others.

Malton's continued economic growth fuels a socio-economic multiplier effect comprising job creation, entrepreneurial opportunities, and support for the local supply chain development.

Economic Performance

The COVID-19 pandemic that lasted for two years has severely disrupted the property and construction industries, resulting in labour shortages and supply chain bottlenecks. However, Malton managed to stay resilient through healthy sales performance of new launches and clearing of unsold stocks in FY2022. The pre-emptive cost-cutting measures along with Groups' wide strategic measures undertaken during the height of the pandemic had enabled us to weather the adverse effects of the downturn and maintain our business continuity with sustainable operational resilience.

* *Specific details of the Group's financial performance and direct economic values created are provided in the Management Discussion and Analysis section of this annual report.*

4. ECONOMIC SUSTAINABILITY (cont'd)

Infrastructure Investment

In supporting our nation's growth, we continue to house our communities through the development of infrastructure for the community. The Group leverages its inherent construction expertise to develop much-needed infrastructure for the community. These include elevated flyovers, underpasses and pedestrian bridges at our cost to improve safety, traffic flow and connectivity of the surrounding community.

Bukit Jalil City

Pedestrian bridge – linking the surrounding community to Pavilion Bukit Jalil mall

Flyover - New access linking Bukit Jalil City to Puchong via Bukit Jalil Highway

U-turn – easy merging to Bukit Jalil Highway

50 acres Self- Sustainable Integrated Township

Pedestrian bridge – connecting residents safely to the 80-acre Bukit Jalil Recreational Park

Pedestrian bridges – improving pedestrian safety for the community

GDV
RM4 billion

Job Creation
273,121 (approx.)

Population Catchment
1.9 million

Public Transport
6.5 million riders via
LRT Awan Besar, LRT Muhibbah, LRT Bukit Jalil, LRT Sri Petaling

Connectivity
Bukit Jalil Highway, KESAS, MEX Highway, MRR2, Sg Besi Highway, KL-Seremban Highway, Damansara-Puchong Highway

Educational Institute
International Medical University, Asia Pacific University, Bukit Jalil Sports School, SJK(c) Lai Meng

SUSTAINABILITY STATEMENT (cont'd)

4. ECONOMIC SUSTAINABILITY (cont'd)

Other Developments	Infrastructure Enhancement
 *Duta Park Residences (Jalan Kuching)*	A bridge from Jalan Ipoh is well underway to help ease the traffic and increase connectivity of the surrounding area.
 *River Park (Bangsar South)*	A direct access from Federal Highway/NPE Link and a new egress link to Old Klang Road to improve accessibility and connectivity is well underway.

Product Safety and Quality

Malton prioritises product and service quality right from the beginning till delivery to customers. The various safety and quality measures for product and services implemented across the Group include:

Product Safety & Quality

- Market feasibility study to ascertain opportunities and risks of a proposal on viability of the location, product type, pricing and demand.
- Assessing products viability, sustainable features, market demand and regulatory requirements from conceptualisation to development and construction stage.
- Conformance to ISO quality standards as well as regulatory compliance.
- Business divisions to adhere to respective industry's benchmark for quality products and services as well as customer satisfaction systems.
- Customer satisfaction survey to solicit customers' feedback and provide insights of customers' satisfaction level on services, products and overall experience.
- Defect Complaint to ensure whole development and lifecycle of the product are met within our Project Quality Plans. Continuous monitoring programmes through good defect management system to effectively track and manage defects of multiple developments.

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

4. ECONOMIC SUSTAINABILITY (cont'd)

Supporting Local Procurement

As part of our efforts to contribute to the growth of the Malaysian business ecosystem, Malton strives to support local suppliers and contractors that comply with Malton's vendor procurement policies. This serves to recirculate the value we generate within the Malaysian economy and also reduces the carbon footprint of our operations by lessening our importation of foreign goods into the country.

All supply chain activities comply with the applicable local laws, rules and regulations to ensure they are operating within the legal framework of the country operations.

5. ENVIRONMENTAL SUSTAINABILITY

In tandem with the Environmental Sustainability Plan 2020-2030, Malton takes heed to ensure that our operations have a minimal negative impact on the environment. Environmental issues such as emission and climate change, resources constraint and biodiversity are material topics to Malton. Nevertheless, climate risk and opportunities are unavoidable in our business operations.

In cognisance of these challenges, Malton is committed to address climate change through sustainable and smart development initiatives in our projects and townships without compromising the operation and maintenance of our developments. These include adopting renewable energy for our property development projects, implementing comprehensive planning and green concepts in our townships, and using sustainable materials and construction methods.

In FY2022, we also began formulating the Green Roadmap and green features checklist for the Property Development division in order to better track the green features of its various projects.

Activities and Processes Compliance

Energy consumption, water consumption, effluents and material wastage will be managed effectively in compliance with environmental regulations throughout our business operations. Our Safety, Health and Environmental (SHE) officer under each business division will monitor our contractors to ensure compliance. The management of environmental aspects is guided by our SHE policy and Environmental Quality Act 1974.

Activities and processes are carried out to ensure adherence to laws, regulation and guidelines issued by Department of Environment (DOE), these activities include:

1. Bi-weekly inspection at project sites to monitor our contractors, focusing on construction waste management, noise pollution, air pollution and effluent management
2. Establish emergency response plan
3. Environment management plan
4. Safety, health and environmental inspection checklist

The Group did not violate any environmental laws and regulations and has not been penalised or fined for any major environmental violation in FY2022.

5. ENVIRONMENTAL SUSTAINABILITY (cont'd)

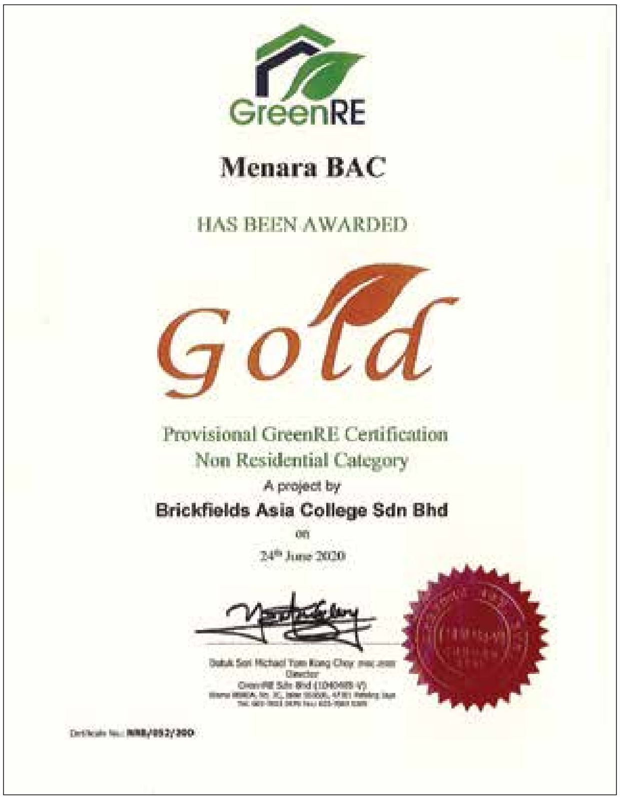
Commitment To Green Buildings

Our Menara BAC project located at Petaling Jaya is our first certified Green Building and has been accorded 'Gold' status (provisional) under the Non-Residential Building by Green Real Estate (GreenRE). We designed and incorporated innovative green features on Menara BAC for positive environmental impact through energy efficiency, water efficiency, indoor environment, sustainable site planning and management, water efficiency, as well as materials and resources. Our goal is to create a sustainable and climate-resilient building featuring climate change mitigation and adaption functions, thus reducing the impact of urbanisation on the environment.

Steps have been taken to harness renewable energy sources in the development and running of the building via solar photovoltaic panels as well as rain-water harvest systems for landscape irrigation. The building itself is also constructed with green concrete – a form of cement that is more environmentally friendly than traditional cement. The green features adopted do not confine to just the design of the building; it's the operation and the maintenance of how the users and occupants of the building partake in activities that can further amplify the energy savings and improve environmental performance.

Malton has increasingly infused green building design concepts and elements in certain portions of its properties and project developments. In our efforts to reduce the impact of urbanisation on the environment, our Property Development division endeavours to achieve a minimum benchmark for our future high-rise residential developments, notably River Park and Mutiara Puchong, to be certified "green" in line with the Malaysia Smart City framework by the Ministry of Housing and Local Government.

GreenRE certified


GreenRE

Menara BAC

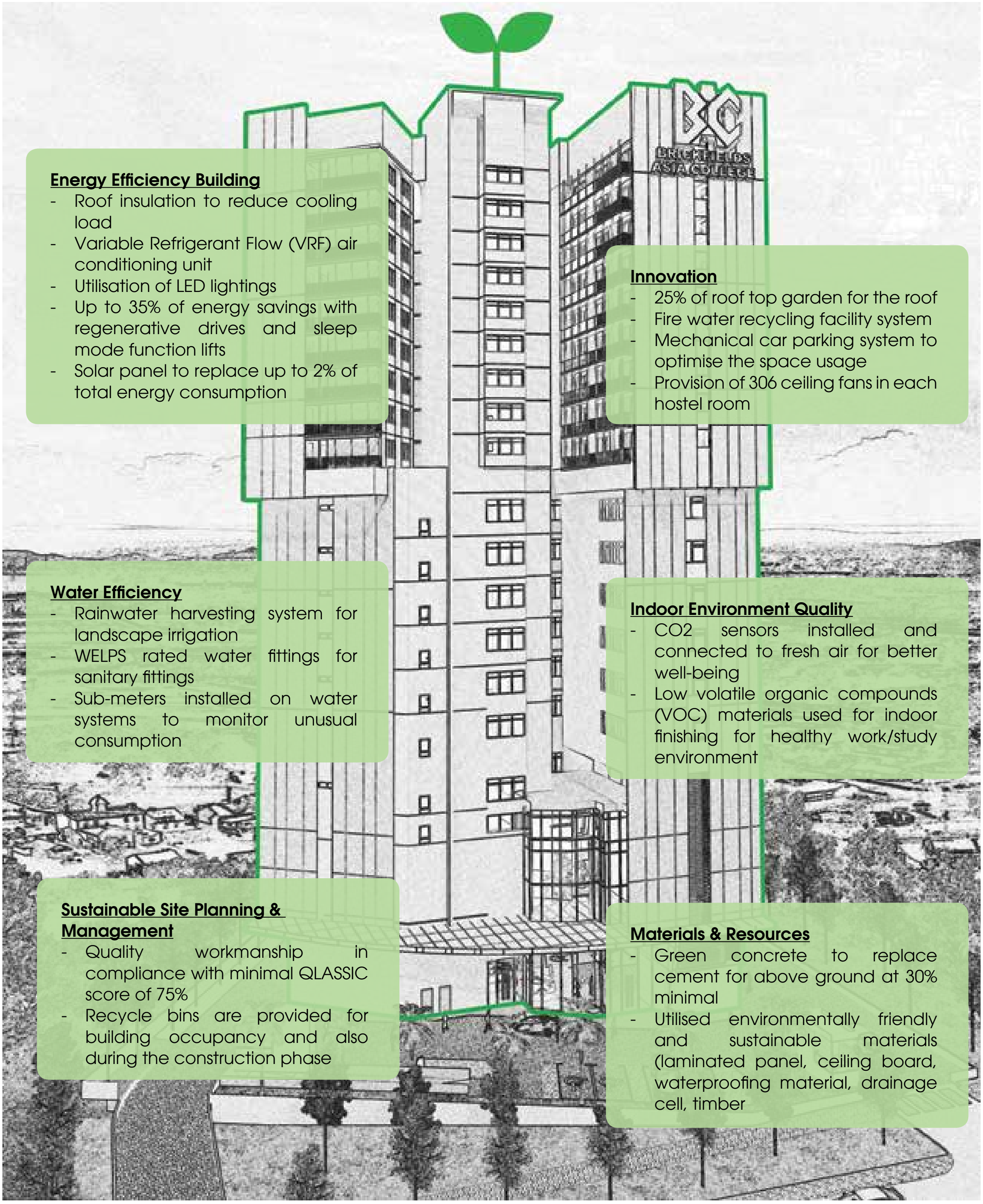
HAS BEEN AWARDED

Gold

Provisional GreenRE Certification
Non Residential Category
A project by
Brickfields Asia College Sdn Bhd
on
24th June 2020

5. ENVIRONMENTAL SUSTAINABILITY (cont'd)

Menara BAC



Energy Efficiency Building
- Roof insulation to reduce cooling load
- Variable Refrigerant Flow (VRF) air conditioning unit
- Utilisation of LED lightings
- Up to 35% of energy savings with regenerative drives and sleep mode function lifts
- Solar panel to replace up to 2% of total energy consumption

Innovation
- 25% of roof top garden for the roof
- Fire water recycling facility system
- Mechanical car parking system to optimise the space usage
- Provision of 306 ceiling fans in each hostel room

Water Efficiency
- Rainwater harvesting system for landscape irrigation
- WELPS rated water fittings for sanitary fittings
- Sub-meters installed on water systems to monitor unusual consumption

Indoor Environment Quality
- CO_2 sensors installed and connected to fresh air for better well-being
- Low volatile organic compounds (VOC) materials used for indoor finishing for healthy work/study environment

Sustainable Site Planning & Management
- Quality workmanship in compliance with minimal QLASSIC score of 75%
- Recycle bins are provided for building occupancy and also during the construction phase

Materials & Resources
- Green concrete to replace cement for above ground at 30% minimal
- Utilised environmentally friendly and sustainable materials (laminated panel, ceiling board, waterproofing material, drainage cell, timber

5. ENVIRONMENTAL SUSTAINABILITY (cont'd)

IBS Technology

Malton continues to leverage IBS technology to enhance Group's wide-effort in sustainable development. We seek to transform traditional delivery models and construction practices by implementing a system that facilitates improved resource usage and efficiency, reduced labour costs and material wastage as well as quicker delivery times.

Our IBS increases environmental and construction site cleanliness by reducing wastage on-site while offering better quality control and productivity. We are increasing the adoption of IBS systems which we have leveraged successfully in our ongoing and future developments. Moving forward, plans are underway to fabricate not just high-rise residential, but also luxurious landed homes and high-rise commercial buildings.

Energy Efficiency and Renewable Energy

Gasoline and electricity consumption is one of the key contributors to GHG emissions. In improving our new sustainability and climate change mitigation strategies, we integrate efficiency, liveability and sustainability in urban developments through the adoption of technology.

At conceptualisation stage, building orientations are optimised with North-South orientation to create an energy-efficient passive design, thus reducing indoor heat and need for the use of air-conditioners. Building designs with optimal window sizing and daylighting to take advantage of natural ventilation are some of the measures deployed to improve energy efficiency. Dedicated walkways and cycling networks are also maximised to encourage low-carbon mobility whenever possible. In the meantime, we deploy environmentally friendly materials and products that have a lower environmental impact such as emulsion paint, eco-friendly building blocks and roof thermal insulation foam as well as avoidance of volatile organic compounds.

In reducing total energy consumption of the building, we will explore and increase the adoption of renewable energy usage. The successful installation of solar photovoltaic panels on the rooftop of our commercial building Menara BAC which will be replicated and extended to future property developments.

Among other energy savings initiatives undertaken by the Group include installation of efficient lighting designs and energy savings lightings such as LED for its lower energy consumption across our project developments, office buildings and construction sites. Motion detection lightings, motion detection escalators and travelators, lifts with regenerate drives and sleep mode function, solar PV panels, roof insulation as well as automatic temperature-controlled air-conditioning or VRF air-conditioning system are also installed across our project developments to improve environmental performance.

Moving forward, we will begin our first phase of new green technology innovation with EV charging station installation at our new property developments, namely Duta Park Residences, River Park and Mutiara Hilltop for residents. Malton is committed to make EV charging stations a key feature in our future developments, not only to meet GRI standards, but for the convenience of our residents or tenants while enjoying a green lifestyle in sustainable urban communities.

The energy savings measures undertaken by the Group will reduce total electric consumption and carbon emissions, as well as enable efficient energy billings and sustainable living for our homeowners in the long run.

Water Efficiency

As water scarcity has become an ever-growing threat in our rapidly urbanised society, we strive to minimise water wastages and leakages across our operations. We implemented a rainwater harvesting system at our completed, ongoing and future property developments that utilise captured rainwater for irrigation and landscaping purposes.

Malton also installs water-efficient sanitary fittings such as water-efficient faucets and dual-flush system in toilets for some of its property developments. Furthermore, we actively research water conservation mechanisms and strive to offer these solutions across our developments to ensure that our customers can adopt responsible water management practices too.

5. ENVIRONMENTAL SUSTAINABILITY (cont'd)

Waste Management

Our environmental commitments extend to our waste and effluents management. Proper waste management and reduction of pollution to protect the natural environment around our construction sites are imperative in all of our construction activities. Hence, we constantly review our construction processes to make use of renewable and recyclable resources and materials.

We employ strict environmental procedures for operations and control, making certain that all scheduled wastes are sorted, collected, properly stored, and disposed of in accordance with regulatory requirements set DOE Malaysia and local authorities. For on-site hazardous material control, a qualified contractor is appointed to verify that the storage facilities are adequate to prevent secondary pollution while implementing training and emergency plans. Protective gear, disaster-prevention equipment, and first-aid stations are also made available.

As we increase the adoption of IBS system for our building construction, this will further help to reduce environmental impacts caused by construction works. Reduced raw materials consumption such as sand, cement and water as these panels are produced in a factory with high precision while wastage is also considerably lesser as compared to the conventional methods of construction.

For our property developments, we will introduce an automated vacuum waste collection system at Duta Park Residences for better waste management efficiency. This system will transport waste at high-speed via underground pneumatic tubes and helps with the process of separation and recycling of waste.

6. SOCIAL SUSTAINABILITY

As a socially responsible organisation, the Group undertakes numerous initiatives to enrich and benefit our employees and other stakeholders including customers, communities and the public. Through our sustainable value creation journey, not only do we build homes but create jobs and aid people in need, all of which positively benefit the communities at large.

Human Capital

Malton maintains an employment workforce of about 400 people across its business divisions. As we recognise the importance of our employees' well-being for the organisation's growth, we foster diversity and create a conducive work environment while embracing empowerment and equality. The Group ensures fair treatment for all employees and protects their human rights, guided by the principles of basic human rights as well as the Malaysian Government's Employment Laws. We practise a strict zero-tolerance policy for bullying and discrimination throughout our operations.

Benefits and remuneration are awarded based purely on merit and working experience regardless of race, ethnicity, religion, nationality, gender, sexuality, and disability in accordance with the Employment Act 1955.

- **Talent Management**

  A well-planned talent management programme is vital in today's ever-growing and rapidly changing workforce environment. We strive to uphold conducive corporate culture that is centred on strong corporate governance, competence and sustainability. Our human capital are our employees, consisting of competent professionals with various skill sets to perform the critical functions of our diverse business operations.

  Malton's approach to talent management is centred on recruitment, retention, reward, training and professional development. In order to maximise talent attraction and retention, Malton provides competitive benefits and incentives while adhering to fair recruitment and labour management standards in line with Malaysia's Employment Act 1955 and industry best practices.

6. SOCIAL SUSTAINABILITY (cont'd)

Human Capital (cont'd)

- **Diversity and Inclusion**

  We embrace the diversity of various races, gender, religions, ages, socio-economic groups and cultures, enhancing productivity through teamwork, respect and support for one another. We aim to promote multiculturalism and forbid any form of discrimination. Bringing in talents with a variety of skill sets and backgrounds can lead to better decision-making, greater innovation and success.

  Our recruitment and selection processes are fair, objective and without discrimination, while adhering to fair recruitment and labour management standards in line with Malaysia's Employment Act 1955 and industry best practices.

  There have been zero reported incidents of discrimination based on gender, religious beliefs or ethnicity during the fiscal year.

- **Training and Development**

  Employee training and professional development are important to create a sustainable high-performance organisation. To align with the Group's vision and mission, it is crucial to have a team with optimum productivity and performance. Through coaching, training sessions and leadership mentoring, our employees will be equipped with the necessary skillsets and knowledge to further drive the Group's performance.

  In our effort to continually upskill our workforce with the latest industry practices and standards, a wide range of training programmes are available and accessible to employees throughout the year. The training programmes delivered by external industry professionals and by internal staff cover topics from general career development to business-function-specific.

  Training and development help the Group to gain and retain top talent, increase job satisfaction and morale while improving efficiency in the workplace.

- **Minimum Wage**

  At Malton, we are committed to meet living wage standards and fully comply with the Malaysian government's minimum wage policy of RM1,500 with effect from 1 May 2022.

- **Safety and Health**

  The safety and well-being of stakeholders remains a key priority for us. We have a duty of care towards all of our stakeholders which includes Malton's employees, sub-contractors, third party workers and the public. To maintain a strong safety culture, Malton's aims to achieve zero work-related injuries' goal.

  Malton adheres to the Malaysian Occupational Safety and Health (OSHA) Act 1994, Factory and Machinery Act 1967, legal and other requirements, guidelines and Codes of Practice.

6. SOCIAL SUSTAINABILITY (cont'd)

Managing COVID-19 At Workplace

The year 2021 was a tough journey especially in Malaysia given the spike in confirmed cases of the COVID-19 infection. Upon declaration of the third nationwide lockdown in May 2021, we introduced and implemented a work from home policy from June 2021 to September 2021 as a guideline for Malton employees to work remotely, whilst taking care of their health to prevent COVID-19 infection. We managed to stand strong with continuous engagement, monitoring and tracking of all COVID-19 related matters with our employees.

Heeding the Government's call for National Immunisation Programme to ramp up the vaccination rates, 1,478 Malton employees and their family members were successfully vaccinated at the Mobile Vaccination MYMedic@Wilayah pilot programme between 12 June -18 August 2021, a joint effort between Malton and WCT Holdings Berhad.

Mobile Vaccination by MYMedic@Wilayah for employees and their immediate family members.

Employees taking turn to be vaccinated at the PIAZZA, Pavilion Bukit Jalil mall.

In addressing COVID-19 related impacts, our COVID-19 Vaccination Policy and Emergency Response Plan were updated timely in accordance with the National Recovery Plan as we moved toward the endemic stage. Regular operational process guidelines were updated to incorporate pandemic-related SOPs, including maintaining records of employees' vaccination and testing status on the Group-wide COVID-19 centralised database. Employees who did not comply would be barred from accessing our offices and operational sites.

Guided by our COVID-19 Vaccination Policy, all staff returning to work must be fully vaccinated to ensure a safe and healthy working environment in controlling the spread of COVID-19. The policy illustrates the SOPs and measures for all categories of fully vaccinated, partially vaccinated and non-vaccinated employees of Malton. In the meantime, as a preventive measure, the Group continued on to distribute face masks to all employees across the organisation.

To ensure safety compliance and manage emergencies effectively, a representative from each business unit is appointed as a central point of contact to deal with emergencies and compliance. Furthermore, employees are also regularly updated, educated, reminded on safety aspects, risk awareness, latest advisories and important COVID-19 news through daily direct electronic mails.

6. SOCIAL SUSTAINABILITY (cont'd)

Managing COVID-19 At Workplace (cont'd)

Extra preventive and control measures adopted by Malton at project sites include:

- Mass PCR test for all workers at the project sites prior to starting work
- Bi-weekly RTK test
- Bi-weekly full decontamination program at the project sites and Central Living Quarters (CLQ)

Bi-weekly RTK testing of all staff on project site

Bi-weekly decontamination at project site and CLQ

Occupational Safety and Health (OSH) Compliance

As guided by OSH policies, we are vigilant in safeguarding the well-being, safety and health of our employees, contractors, and the public at large during construction activities. The Group through its subsidiary Domain, adheres to the Malaysian OSHA Act 1994, Factory and Machinery Act 1967, legal and other requirements, guidelines and Codes of Practice.

The Safety Strategic Committee (SSC) comprising Domain senior management oversees and enforces safety and health parameters across our value chain. Through a robust governance structure, OSH performance data, incident reports and investigations as well as other related information are periodically brought to the SSC's attention to ensure health and safety matters are addressed effectively. Action plans will be developed and monitored for implementation to prevent recurrence of similar incidents or accidents.

All business divisions and operating companies as well as operating sites have a designated OSH champion, who is responsible for ensuring safe and secure work environments while complying with OSH KPIs and targets.

- **Achieving Zero Fatality**

  We demonstrated our continuous efforts and commitments towards ensuring safe and healthy environment for our employees and contractors through the ISO 45001:2018 Occupational, Safety and Health Management System certification we received. The Group's OSH goal for FY2022 is "Zero Fatality" and "Zero Lost Time Incident".

100% OF DOMAIN'S OPERATIONAL SITES ARE CERTIFIED WITH ISO 45001

DOMAIN'S SAFETY AND HEALTH TARGET:

Zero work-related injuries

6. SOCIAL SUSTAINABILITY (cont'd)

Occupational Safety and Health (OSH) Compliance (cont'd)

- **Achieving Zero Fatality (cont'd)**

In addition to constant safety and health initiatives and regular briefings held during the year, a designated site safety department conducts regular site visits. These site visits serve to identify potential hazards and implement necessary risk mitigation measures. Monthly onsite audits were conducted at all project sites to ensure contractors complied with OSH requirements, which covered several aspects including safety of work area for construction sites, structural and support erection, machinery and workers, and facilities.

We managed to maintain our performance with no incident, fatalities and non-compliant incidents for FY2022.

	Damansara Town Center	Pavilion Bukit Jalil Mall	The Maple Residences	Pavilion Ceylon Hill	Menara BAC	Bukit Jalil Shop Offices	Total
Manhours	928,250	3,235,890	751,860	1,710,800	438,320	68,435	7,133,555
Fatality	0	0	0	0	0	0	0
Lost Time Injury	0	0	0	0	0	0	0
Fatality Rate	0	0	0	0	0	0	0
LTI Rate	0	0	0	0	0	0	0

- **Safety and Health Trainings**

We ensure that our employees and contractors are well-trained on relevant practices and remain vigilant to potential workplace hazards. In addition to the daily safety toolbox briefings conducted at project sites, we refined the OSH capability of our employees and construction workers through additional training conducted by the appointed external training providers and internal OSH subject matter experts.

Throughout the year, OSH learning programmes were conducted and training were provided for non-technical aspects. The OSH related programmes and training comprising physical and online, provided to the Group's employees for FY2022 are summarised below:

Bomba inspection at Bukit Jalil City development

Domain staff attending Fire Extinguisher training

ISO 45001:2018 certification audit by external auditor for the 2nd consecutive year

Malton staff graduated with a Master's degree in OSH from University Malaysia Pahang

SUSTAINABILITY STATEMENT (cont'd)

6. SOCIAL SUSTAINABILITY (cont'd)

Affordable Housing

We remain dedicated to improve communities' quality of life and social connection by developing affordable housing in Malaysia.

Development	Location	GDV (RM / million)	Units	Completion Year
 *Pangsapuri Kenangan*	*Shah Alam*	*16*	*86*	*Completed (June 2020)*
 *RIO*	*Bangsar South*	*101*	*336*	*Future launch (Q2 2023)*

Community Engagement

We are committed to giving back and enriching the lives of the communities around us. During the year, Malton continues to engage with surrounding communities and underprivileged society in areas of education, health and well-being regardless of age group and race. These comprise financial and in-kind donations as well as support and assistance rendered, primarily aimed to deliver meaningful and lasting benefits to our society. Flood victims, Spastic Children's Association, Persatuan Kebajikan Chen Ai OKU, Kuen Cheng school, and REHDA were among the corporate social responsibility programmes we supported during the year.

Reaching Out to Flood Victims

Malton joined forces with a group of companies to aid the flash flood victims through NGOs namely, Mercy Malaysia, Malaysia Red Crescent Society, and Tabung Ikhtiar Selangor Bangkit Siri Ke-2. Our cash and in-kind donations aimed to address the flood victims' important needs such as medical assistance, food, home and electrical appliances, beds and other relief items.

Declared as a 'once in a century' disaster by the Government, it is the worst flood faced by the country in December 2021. Widespread damages were reported in the states of Selangor and Pahang, especially the district of Hulu Langat and the city of Shah Alam. More than 50, 000 people have been evacuated from their homes as the country battled with a series of ongoing flash floods across several states.

6. SOCIAL SUSTAINABILITY (cont'd)

Community Engagement (cont'd)

Caring for the Underprivileged

In the spirit of caring for the needy community, Malton brings hope to Persatuan Kebajikan Chen Ai through financial aid to support their monthly expenses. Going beyond the art of living to giving, we believe in empowering the community to improve their living conditions, eradicate poverty and provide children with hope for the future.

This welfare home provides shelter and care for about 30 children and senior citizens who are less fortunate with disabilities.

APOH Charity Fun Adventure Hunt 2022

We continued to support A Piece of Hope Charity Fun Adventure (APOH) over the years. Held at Pavilion Bukit Jalil, this biggest mall treasure hunt successfully raised funds for old folks and children of three shelter homes namely, Desa Amal Jirih Semenyih, Persatuan Kanak Kanak Istimewa Kajang and HH Centre Ipoh.

Malton staff, children and public came together to participate in the hunt that served a great cause.

Lantern Parade for the Community

To engage with our community, we participated in the Lantern Parade event organised by Pavilion Bukit Jalil mall. Held in conjunction with the Mid-autumn festival, this 'Joyful Lantern Parade' successfully drew the local community and our privileged residents of Bukit Jalil City together. Free lanterns were distributed to community of all age groups to walk and light up the beautiful nightscape of the iconic Bukit Jalil City.

Everyone enjoyed the performances and fun-filled activities ranging from lantern making workshop, creative musical instrument and dance, wushu performance, dragon and lion dance show, among others. The energetic drum squad took the event to a new level with their vibrant live drum show.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Malton Berhad (Board) concurs that corporate governance and ethical values and practices are essential and necessary to provide a framework for compliance of regulations, laws and best practices. In this context, the Board is wholly committed to ensuring high standards of corporate governance and ethics are implemented and practiced throughout the Group. The Board supports the principles expounded in the Malaysian Code on Corporate Governance 2021 (MCCG).

This statement which provides an overview of the corporate governance practices of the Group pursuant to the principles set out in the MCCG for the financial year ended 30 June 2022, shall be read in conjunction with the Corporate Governance Report of Malton Berhad 2022 (CG Report) which is available on Malton's website at www.malton.com.my

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board responsibilities

The primary responsibilities of the Board, first and foremost, encompass leading the Group in planning and strategizing goals and objectives for the Group to safeguard the interests of the shareholders and stakeholders. The Board is collectively responsible in exercising oversight on the management of the businesses of the Group to ensure that operations are carried out in accordance to its directions to achieve sustainable results and long term success. The Board has established the standard of ethical values and governance framework for the Group to achieve its goals and objectives. The implementation of the business plans and strategies to achieve the goals are delegated to the executive members of the Board and Management.

The Board, in discharging its duties, has adopted the following strategies:-

- The Board is responsible for developing and planning goals and objectives for the Group.
- Set the standard of ethical values and good governance through Code of Conduct and Business Ethics for implementation by Management throughout the Group.
- Develop, implement and oversee the conduct of business operations together with Management.
- Implement mechanisms to monitor progress against the goals and objectives.
- Based on the Code of Conduct and Business Ethics established for the Group, the Board together with Management develop a control framework through Discretionary Authority Limits and Standard Operating Procedures for the Group to ensure internal controls are in place.
- Established Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy, in compliance with the requirements set out in the MACC (Amendment) Act 2018 (MACC Act), with the aim to foster the growth of a business environment that is free of corruption.
- Identify principal risks which could affect the Group and develop the necessary mitigation measures to alleviate, pre-empt or resolve the effects of the risks.
- Succession planning for continuous growth and smooth operation of the Group's business which include mentorship and development of employees' skills and competencies.
- Develop and implement communication policies for the Group for effective communication with shareholders and other stakeholders.

In addition to delegating certain operational authorities to Management, the Board has also established the following Board Committees to assist the Board in discharging various areas of its duties.

- Audit Committee
- Nominating Committee
- Remuneration Committee
- ESOS Committee

Each committee has its own terms of reference, which sets out the functions, responsibilities and authorities of the committee.

Chairman

Tan Sri Lim Siew Choon is the Non-Independent Non-Executive Chairman of Malton. Tan Sri Lim, together with the Deputy Chairman, an independent non-executive director, ensure that the Board practises good governance in discharging its duties and responsibilities.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Chairman (cont'd)

The primary role of the Non-Independent Non-Executive Chairman is to guide the Board in setting the vision and strategic direction of the Group. The Chairman also provides leadership and advice to the Board members in carrying out their duties and responsibilities. The Chairman sets the tone on ethical values and good corporate governance that are implemented throughout the Group. The Chairman together with the Deputy Chairman, manage the duties of the Board as a whole and set the agenda and matters for discussion by the Board members.

The division of the roles and responsibilities of the Non-Independent Non-Executive Chairman and the Executive Directors is clear. The Executive Directors are responsible for overseeing the implementation of business plans of the Group drawn up by the Board to achieve the vision and strategic direction for the Group keeping in line with ethical values and governance framework approved by the Board. In this regard, the Board has put in place mechanisms to monitor the progress based on the goals and objectives of the Group. The Executive Directors and Management are primarily responsible for running the day-to-day operations of the Group.

Company Secretary

The Board recognises that the company secretary plays an important role in advising the Board on governance matters and in ensuring that an effective system of corporate governance is established. The company secretary also plays a key role in guiding and advising the Board on compliance matters such as company and securities law and listing requirements. The company secretary also advises the Board on board policies and procedures and manages the agenda, facilities and communication for meetings of the Board and shareholders. In order to contribute and function effectively, the company secretary must have the necessary qualification recognized by the relevant regulatory authorities and experience and capability to carry out duties of this position. In addition, the company secretary needs to keep abreast with the developments around corporate and securities law, listing requirements and corporate governance practices. Accordingly, a structured training programme is in place for the company secretary to improve knowledge and skills.

The Company Secretary of Malton is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. The Board has unrestricted access to the advice of the Company Secretary on all matters concerning governance and regulatory requirements.

Meetings

Board meetings are structured with pre-determined agendas. Notification on Board meetings is sufficiently given to enable full attendance at Board meetings. Board papers which are appropriate and complete with comprehensive information are prepared and circulated prior to each Board meeting. Board papers are targeted to be distributed to the Directors within 5 business days in advance of the board meeting for their review and request further information and explanation, if necessary. The Directors also have unfettered access to all information within the Group in furtherance of their duties. Minutes which record the deliberations and decisions of the meetings are circulated for review by the Board members on accuracy and completeness.

The Board is scheduled to meet at least five (5) times a year, with additional matters addressed by way of circular resolutions and additional meetings convened as and when necessary. The Board met five (5) times during the financial year ended 30 June 2022. The attendance of the Directors and Board meetings held during the said financial year is set out below.

Name	Total Meetings Attended
Tan Sri Lim Siew Choon	5 of 5
Guido Paul Philip Joseph Ravelli	5 of 5
Puan Sri Tan Kewi Yong	5 of 5
Chua Thian Teck	5 of 5
Hong Lay Chuan	5 of 5
Hj Ahmad bin Hj Ismail, PJK	5 of 5
Dato' Siew Mun Wai	5 of 5

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Board Charter and Code of Conduct and Business Ethics

The Board Charter sets out the roles and responsibilities of the Board and serves as a reference to the Board on the matters for the Board deliberation and the roles and responsibilities delegated to Management and Board Committees.

The Board Charter is reviewed periodically to ensure that it remains consistent with the vision and mission and also strategic direction of the Group, in compliance with governance and regulatory changes.

The Board Charter is available on Malton's website at www.malton.com.my.

The Board has established a Code of Conduct and Business Ethics for the Group which sets out the standard professional and personal behaviour for all employees at the work place. The Code of Conduct and Business Ethics serves as a guide on matters concerning conflicts of interest, confidentiality, fraud, staff relations, safeguard of properties, compliance with laws and regulations amongst others.

The Code of Conduct and Business Ethics is available on Malton's website at www.malton.com.my.

Anti-Bribery and Anti-Corruption Policy

In line with the requirements of the MACC Act, the Board has formalised the anti-bribery and anti-corruption policy and procedures of the Group. The Board upholds a business environment that is free of corruption. Pursuant to the Anti-Bribery and Anti-Corruption Policy, the Whistleblowing Policy and Procedures enable concerns of possible improprieties and malpractices in the Group to be brought to the attention of the Board and Management in an appropriate manner. The reporting procedure and process are set out in the policy.

The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy of the Group are available on Malton's website at www.malton.com.my.

Board Composition and Independent Directors

The ratio of independent directors on Board of Malton fulfils the requirements of Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements") which sets out that at least two (2) directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors. In the event of any vacancy in the board of directors which results in non-compliance in the composition of the Board, the Board must fill the vacancy within three (3) months.

The Board has established an evaluation procedure which is carried out, on an annual basis, to ensure that independent directors meet the criteria of independent directors set out in the Main Market Listing Requirements and the effectiveness and contribution of each independent director. In the opinion of the Board as a whole, the independent directors have met the criteria set out in the Main Market Listing Requirements. Each independent director has affirmed his independency and brings invaluable judgement to bear on issues of strategy, performance, allocation of resources, risk management, internal controls and standards of conduct for the Group. The minority shareholders are well represented by the presence of the existing independent non-executive directors in the Board who have shown that they are individuals with integrity and highly capable and competent to carry out their duties and responsibilities.

The Board takes cognizance that the MCCG recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. As set out above, the Group has established annual evaluation to determine and ensure the independency of each independent director and if each of them has contributed positively and effectively as an independent director. In this connection, the Company presently does not limit the terms of an independent director as recommended in the MCCG. The evaluation process will determine if an independent director will remain objective and continue to be fair and impartial in all Board deliberations and decision making. The continued tenure of independent directors also brings stability to the Board and the Group benefits from the directors who have, over time, gained valuable insight of the Group, its market and industry. Re-election of directors is carried out every year at the annual general meeting. All directors are required to submit themselves for re-election at least once every 3 years. Following the recommendation set out in the MCCG, the Board will seek shareholders' approval to retain them as Independent Non-Executive Directors through a two-tier voting process.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Nominating Committee

The Board established the Nominating Committee on 24 October 2002. During the financial year ended 30 June 2022, the Nominating Committee comprised the following independent non-executive directors:-

- Guido Paul Philip Joseph Ravelli (Chairman)
- Hj Ahmad bin Hj Ismail, PJK (Member)

The functions, responsibilities and authority of the Nominating Committee are set out in its terms of reference. The main objectives of the Nominating Committee are to assess, make recommendations and consider candidates for appointment to the Board. The scope of responsibilities of the Nominating Committee also covers the assessment of the performance and effectiveness of the Board as a whole and the Directors individually.

During the financial year ended 30 June 2022, the Board had established the Directors' Fit and Proper Policy for the Group which sets out the fit and proper criteria for appointment and re-appointment of Directors on the Boards of the Group. The policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates proposed for appointment onto the Board as well as assessment of directors who are seeking re-election and other periodic assessments.

The Directors' Fit and Proper Policy of the Group is available on Malton's website at www.malton.com.my.

For new appointment to the Board, the Nominating Committee may consider recommendations from existing directors, major shareholders, independent professional recruitment specialists or professional bodies to identify suitably qualified candidates.

In the evaluation of candidates for new appointment, the Nominating Committee will consider the criteria:-

- Character and integrity covering compliance with legal obligations and regulatory requirements, personal integrity, financial integrity and reputation
- Experience and competence including qualification, skills, relevant experience and expertise and past performance track record

Additionally, in the case of appointment as independent directors, the Nominating Committee will review:-

- Relationship of the candidate with the existing Directors and senior management to assess independency and ability to discharge the duties of an independent director
- Time and commitment including ability to devote a certain amount of time as a member of the Board

For the financial year ended 30 June 2022, the Nominating Committee reviewed the performance of the Board members, individually and collectively as a Board and also the Board Committees based on the following key aspects:-

- Size of the Board
- Composition of the Board to assess the ratio of Independent Directors
- Assessment of independency of the Independent Directors
- Diversity of skills and experience of the Board
- Scope of responsibilities and discharge of duties of the Board as a whole and the Board members individually
- Effectiveness of the Board as a whole and the Board members individually
- Review of the tenure of each director
- Functions of Board Committees and the Terms of Reference
- Discharge of duties and responsibilities of the Board Committees

The Nominating Committee is satisfied that the Board as a whole and the Board members individually have fulfilled their duties and responsibilities effectively and are suitably qualified in their respective positions. Additionally, the annual re-election of a director is contingent upon satisfactory evaluation of the performance and contribution to the Board and Group.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Nominating Committee

On the review of the Remuneration Committee, ESOS Committee and Audit Committee, the Nominating Committee concluded that each Board Committee carried out its functions and responsibilities effectively in accordance with its terms of reference.

An evaluation of the Independent Directors was also carried out to assess their independency and competency to continue in office as independent directors of Malton on self-assessment basis and by the other members of the Board. It was concluded that each independent director has continuously maintained his independency and is competent to continue serving as an independent director of the Company.

Board Diversity

The Board presently does not have any gender policies in its evaluation of candidacy and assessment of the performance of the Board as a whole or the Directors individually as the main considerations for a Board appointment and performance as a Director is on character, integrity, experience and competency.

The Board takes cognizance of the recommendations on gender diversity set out in the MCCG and will evaluate the policies from time to time and if found suitable and necessary, revise the policies to meet the requirements of the Company.

Remuneration Committee

The function for assessment of the remuneration of directors and senior management is charged to the Remuneration Committee. The responsibilities and authority of the Remuneration Committee are set out in its terms of reference. The Committee will review the remuneration package of each Executive Director from time to time to assess and make appropriate recommendation, if necessary, to ensure that remuneration packages are competitive to attract and retain capable executives who can manage the Group successfully. Executive Directors have no part in the decision-making process of their own remuneration.

The determination of remuneration packages of independent non-executive directors is a matter of the Board as a whole. The independent non-executive directors do not partake in decisions affecting their remuneration.

The terms of reference of the Remuneration Committee is available on Malton's website www.malton.com.my

To assist the Board in the discharge of its responsibilities in this matter, the Board endorsed the formation of the Remuneration Committee on 24 October 2002. The Remuneration Committee comprises:-

- Guido Paul Philip Joseph Ravelli (Chairman)
- Hj Ahmad bin Hj Ismail, PJK (Member)
- Chua Thian Teck (Member)

For the financial year ended 30 June 2022, the Remuneration Committee reviewed the remuneration policies, structure and packages of each director and reported to the Board of Directors.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

Remuneration Committee

The aggregate remuneration of the Directors for the financial year ended 30 June 2022 is set out below.

	Salaries	EPF	Fees	Meeting Allowance	Benefit-In-Kind	Total
Tan Sri Lim Siew Choon	-	-	237,000	-	32,073	269,073
Guido Paul Philip Joseph Ravelli	-	-	48,000	11,000	7,200	66,200
Puan Sri Tan Kewi Yong	684,000	82,080	-	-	21,069	787,149
Chua Thian Teck	992,000	109,440	-	-	32,030	1,133,470
Hong Lay Chuan	846,000	101,520	-	-	28,950	976,470
Hj Ahmad bin Hj Ismail, PJK	-	-	48,000	11,000	4,500	63,500
Dato' Siew Mun Wai	-	-	48,000	11,000	-	59,000
Total	**2,522,000**	**293,040**	**381,000**	**33,000**	**125,822**	**3,354,862**

Personal Development

The Board as a whole believes that continuous pursuit of information and learning and the development of new skills is essential for the Directors to carry out and fulfil their duties and responsibilities. The Directors continuously review programmes, conferences, seminars and forums based on the suitability of the subject matter. In addition to attending conferences, seminars and training programmes, the Directors regularly keep up to date on matters relating to economy, business, property and construction industries, finance, legal and regulatory updates and other related issues. All of the Directors have attended the Directors' Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. For the financial year ended 30 June 2022, Directors attended various conferences, seminars and forum including Malaysia Real Estate – Legal Updates, Outlook 2022 – Real Estate and Property Development, Malaysia Economic Outlook 2022: Mapping the Recovery, The Return on Sustainability: Future Proofing Assets to Avoid The Brown Discount and Audit Oversight Board's Conversation with Audit Committee, Corporate Directors Summit 2021 – Governance 4.0 and Corporate Liability Provision Pursuant to Section 17A of the MACC Act.

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee was formed on 8 March 2002. The Audit Committee comprises three (3) independent non-executive directors.

The Audit Committee primarily assists the Board in the review of financial reporting, internal control framework, risk management assessment and mitigation and evaluation of the performance and audit independence of the external auditors.

The Audit Committee comprises members from a wide range and diverse background in qualification, skills and experience necessary to discharge their duties. All of the members are financial literate and familiar with matters concerning property development and construction. In addition to the requirement that the Audit Committee must comprise only non-executive directors, the Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of a least three (3) years before being appointed as a member of the Audit Committee. None of the current members of the Audit Committee is a former key audit partner of the auditors of the Group.

Information on the Audit Committee is set out in the Audit Committee Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

Risk Management and Internal Control

The Board together with Management have established a risk management and internal control framework which is essentially designed to identify the risks that could impede the performance of the Group with mitigation strategies which include planning and taking steps to reduce the probability of the risks and severity of the risks.

Information on the risk management and internal control framework is set out in the Statement on Risk Management and Internal Control in this Annual Report.

Internal Audit Function

The Group has established an internal audit department which reports directly to the Audit Committee.

The internal audit team carries out its audit duties based on its established internal audit framework that covers business audit, system audit, operational and financial audits and reports its findings and recommendations to the Audit Committee. The internal audit team will also, on directives from the Audit Committee, issue notices and memorandum on audit findings and recommendations for improvement to the relevant heads of departments. The internal auditors also review the quarterly results together with the Audit Committee prior to recommendation to the Board for approval and release.

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

Communication with Stakeholders

The Board subscribes to the corporate disclosure framework under the Main Market Listing Requirements. The Group has established its website www.malton.com.my which provides the shareholders and public access to information in relation to property launches, corporate matters, announcements and financial reports released to Bursa Malaysia Securities Berhad, analysts' reports and other investors' relations matters. The Board values and encourages communications with the shareholders and other stakeholders for them to establish better understanding of the Group's objectives and performance. Annual General Meetings are appropriate forums for shareholders to participate in questions and answer sessions with Directors and Management.

OTHER CORPORATE DISCLOSURES

1. Material contracts

There were no material contracts involving the interests of the Directors and/or major shareholders of the Company other than those disclosed in the Recurrent Related Party Transactions set out below and Related Party Transactions and Balances presented in the Financial Statements of this Annual Report.

2. Audit and non-audit fees paid to external auditors

The Group paid a total of RM608,500 to Deloitte PLT and affiliates for audit and non-audit services for the financial year ended 30 June 2022. The details of the payments are set out below.

	Company RM	Group RM
Audit fees	105,000	485,000
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
- Tax Compliance	11,500	51,500
- Transfer Pricing Services	44,000	44,000
- Housing Development Accounts	-	17,000
- Letter confirming the classification of Joint Ventures in the consolidated financial statements of the Company	6,000	6,000
Total	**171,500**	**608,500**

OTHER CORPORATE DISCLOSURES (cont'd)

3. Recurrent related party transactions

The Group was granted shareholders' mandate to enter into Recurrent Related Party Transactions for the sale of trading stock properties with related parties and construction and project management services contracts with related parties of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong at the 26th Annual General Meeting of Malton held on 25 November 2021.

There recurrent related party transactions for the sale of trading stock properties with related parties conducted during the financial year ended 30 June 2022 pursuant to the above-mentioned mandate are set out below.

Related Parties	Relationship with Malton Group	RM
Puan Sri Tan Kewi Yong	Executive Director in Malton Berhad	2,600,125
Lim Shoo Wenn	Daughter of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong	1,107,533
Faun Kum Leng	Sister-in-law of Tan Sri Lim Siew Choon	1,284,717
Total		**4,992,375**

The value of contract awarded by a related party to the Group pursuant to the mandate granted for the Group for recurrent related party transactions for construction related services and project management services with related parties of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong during the financial year ended 30 June 2022 is set out below.

Related Party	Relationship with Malton Group	RM
WCT Berhad	A company in which Tan Sri Lim Siew Choon has direct and indirect substantial shareholding	507,465,115

4. Malton Employees' Share Option Scheme

The Malton Employees' Share Option Scheme (Malton ESOS) was established on 20 April 2016. Malton ESOS which expired on 19 April 2021, was extended by five (5) years until 19 April 2026. Malton ESOS is currently the only existing employees' share option scheme under the Company.

Some of the details of the Malton ESOS are set out below.

		Number of options				
Date of grant of options	Exercise price per option RM	Granted	Balance as of 1 July 2021	Exercised	Lapsed	Balance as of 30 June 2022
23 February 2017	0.80	16,115,000	4,881,300	-	1,680,700	3,200,600

OTHER CORPORATE DISCLOSURES (cont'd)

4. Malton Employees' Share Option Scheme (cont'd)

Malton ESOS options granted to the directors are set out below.

	Number of options			
	Granted	Balance as of 1 July 2021	Exercised	Balance as of 30 June 2022
Tan Sri Lim Siew Choon	300,000	300,000	-	300,000
Guido Paul Philip Joseph Ravelli	150,000	150,000	-	150,000
Puan Sri Tan Kewi Yong	450,000	450,000	-	450,000
Chua Thian Teck	450,000	450,000	-	450,000
Hong Lay Chuan	450,000	450,000	-	450,000
Hj Ahmad bin Hj Ismail, PJK	150,000	150,000	-	150,000
Total	**1,950,000**	**1,950,000**	**-**	**1,950,000**

The total maximum allocation applicable to the directors and senior management is approximately 17.7% of the total maximum allocation available to all of the eligible employees under the Malton ESOS, all of which were granted to the directors and senior management.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the results and the cash flow of the Group for the financial year.

The Directors are satisfied that, in preparing the financial statements of the Group for the financial year ended 30 June 2022, the Group has adopted approved applicable accounting standards in Malaysia and complied with the provisions of the Companies Act, 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Malton Berhad (Malton) aspires to be the leading lifestyle and innovative property developer in the region. The Board of Directors of Malton (Board) agrees that, to achieve our vision and long term success, it is imperative for Malton and its subsidiaries (Group) to have a sound risk management framework and internal control system as integral features of the corporate governance structure of the Group.

The main focus of risk management is identify risks and manage them before they affect the business. Having a robust and effective risk management framework, embedded into the culture of the Group, to govern and review risks to the Group will promote organisational effectiveness and contribute towards the achievement of corporate strategies and goals.

The internal control system of the Group is designed to minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and ensure adherence to policies, rules, regulations and laws.

Risk Management Framework

The Group's business comprises Property Development Division, Construction and Project Management Division and Property Trading. The Board and Senior Management have developed a risk management framework within the governance system of the Group, essentially designed to determine and analyse the risks that could disrupt the operations of the Group.

We strive to control, as much as possible, future outcomes by acting proactively rather than reactively. Therefore, effective risk management is very important to us to reduce both the possibility of a risk occurring and its potential impact. The Group's risk management process begins with understanding the operating environment in which we operate, the current state of affairs and any situation and circumstances that could pose a threat to our businesses.

The risk management framework consists of the following components:-

- Identification of the risks;
- Determination of the risks target areas;
- Evaluation of the impact of the risks on the target areas and Group as a whole;
- Determination of the mitigation and control strategies to eliminate or reduce the severity of the risks;
- Implementation of mitigation and control strategies;
- Monitoring and managing the process of mitigation and control;
- Evaluate the effectiveness of the mitigation strategies;
- Record and report the results of mitigation and control;
- Review of the risk management process and procedures periodically.

Risk Governance Structure

The management for each business division is primarily responsible for the day-to-day risk assessment of the operations of the divisions encompassing identifying risks, assessing the impact of the risks and taking appropriate actions to manage and mitigate risks guided by established systems of controls. Each business division is tasked with monitoring and managing the process of mitigation and report the results to the Executive Directors and Senior Management.

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

Risk Governance Structure (cont'd)

Senior Management comprising the head of each business division, namely Property Development, Construction and Project Management and Property Trading, together with the Executive Directors are entrusted with identifying principal risks that could affect the operations for each business division, assessment of the impact of the risks and establish the policies and mechanisms to mitigate the risks.

The Board, as a whole, is responsible for the oversight of risk management framework of the Group which includes ensuring that a sound system of risk management and internal controls is in place.

The significant risks identified are categorized as follows:-

- **Economic risks**

  The Group recognises economic risks are macroeconomic circumstances which include economic volatility, political stability, foreign policy uncertainty, trade uncertainties and government policies that could affect market trends and prices, wages, taxes and cost of materials among other things and may adversely affect profits.

- **Financial risks**

  Financial risks include exposure to fluctuations in interest rates, foreign exchange fluctuations, cash flow liquidity and financial leverage.

- **Environmental conditions**

  Environmental risks include actual or potential threats of adverse effects on the community and environment by effluents, emissions, wastes, resource depletions arising out of business activities.

- **Market risks**

  The Group recognises the potential market risks triggered by COVID-19 pandemic causing changes in purchasing behaviour as consumers divert spending for more essential purposes.

- **Operational risks**

  The Group recognises operational risks which may include inadequate procedures, systems or policies, system failures, employee errors, breach of internal controls and incidents of fraud. Potential risks to operations also include unexpected variations to cost, defects or late delivery penalties and delays in acquiring regulatory approval.

- **Health and Safety**

  The Group recognises the importance of working conditions, health and safety of its employees, and the potential impact of wide spread health concerns.

- **Cybersecurity**

  The Group recognises the risks arising from disruptions to information technology infrastructure, as well as the threat of cyber terrorism and information security breaches.

Risk Governance Structure (cont'd)

The assessment of risks mainly covers the following areas:-

1. **Review of Business Opportunities**

   The Board and Senior Management have established a process for the review of business opportunities which include carrying out detailed feasibility studies, market researches, formulation of potential development plans, financial and operational requirements to assess the viability of the opportunities, identify potential areas of risks and where necessary, plans to alleviate or reduce the effects of any potential risks.

2. **Review of Property Development Projects**

   Property Development is based on expectation of a future demand. To be a successful property developer, we must get our development to the market at the right time and the right price. The development profits depend on how we manage the development costs against timeline. Before inception and during the progress of a development project, the development team needs to manage, amongst others, legal requirements, local authorities, neighbourhood expectations, consultants and contractors. Based on the requirements and challenges of a development project, the Board and Senior Management have formulated a risk management framework to identify and assess the type of risks, levels of the risks, potential effects of the risks and risks mitigation process.

3. **Review of Construction Projects**

   The development and construction teams will, prior to commencement of any development and construction activities, review the construction requirements including equipment and machinery specifications, type and usage of materials to assess the impact of the activities on the community and environment and also well-being and safety of the work force on site. The teams will make the necessary recommendations to address and minimise the effects of any potential risks to the community, environment and ensure the well-being and safety of the work force on site.

4. **Review of Financial Requirements and Cash Flow Management**

   Prior to the implementation of any approved development or construction projects, the Executive Directors and Senior Management will review the budget and overall cash flow requirements to assess and plan the financing requirements and cost of financing.

5. **Health and Safety Practices**

   Health and safety of employees at the work place, whether at various construction sites or offices, has a substantial impact on the Group. The Group has implemented initiatives to identify hazards in the workplace and put in place, measures to minimise them and inculcate safety at workplace. Employees are informed and trained on health and safety hazards and measures.

   To safeguard the health and safety of the employees during the outbreak of COVID-19, the Group has implemented appropriate guidelines and standard operating procedures in line with the management guidelines for workplaces issued by the Ministry of Health, Malaysia. Employees are constantly reminded of the guidelines and procedures including best practices for maximum protection for themselves at the workplaces.

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

Internal Control System

A sound system of internal controls is intended to assist in achieving various aspects of good corporate governance. The purpose of a system of internal controls is to guide the Group's approach and behaviour.

Subjects covered by a system of internal controls include:-

1. **Integrity and Ethical Values**

   The Board and Senior Management set the tone of integrity and conducts in respect of good corporate governance and corporate behaviour. The Code of Conduct and Business Ethics sets out the standards of integrity and values required of each employee. The Code covers requirements on conduct in the work place, dealings with external parties, compliance with laws and regulations, protection of the Group's and conflict of interest amongst others.

   Employee Handbook provides guidance and information related to the vision and mission of the Group, policies and procedures and employment entitlement and benefits. The Employee Handbook also address matters and actions relating misconduct and breach of employment guidelines.

2. **Commitment to Competency of Employees**

   We are committed to recruiting people with necessary qualification, knowledge and competencies to complement the required skills for our business. We have established programmes and initiatives to equip employees and enhance their abilities and skills in driving the Group forward through ongoing emphasis on performance management and employee development. It is the Group's practice to train the employees from time to time in order for them to perform well in their current positions and also for career advancement.

   The Group has an appraisal system in place to gauge the performance of the employees and ensure that individuals who perform well are recognised and rewarded appropriately.

   Succession Planning is crucial to the continuity of the business strategies of the Group. Talents who show leadership qualities and potential are given the opportunity and training for career development.

3. **Board of Directors and Audit Committee**

   The Board is overall responsible for the corporate governance of the Group. The Audit Committee supports the Board in the review of the adequacy and effectiveness of the internal control system of the Group.

4. **Internal Audit Function**

   The Group has established an internal audit department which carries out the internal audit function in the Group. The findings of the internal audit department are regularly reported to the Audit Committee. The Audit Committee meets at least five (5) times a year with the Board to discuss significant issues discovered during the internal audit process and makes the necessary recommendations to the Board.

5. **Organisation Structure**

   The Group is led by the Board and Senior Management who have clear roles and responsibilities and lines of reporting. Separation of duties within the organisation identifies the areas of responsibilities and defines the lines of accountability. The lines of reporting enable proper delegation of authority and duties for planning, execution and monitoring of business operations.

Internal Control System (cont'd)

6. Risk Management

The risk management process of the Group encompasses identifying occurrence and circumstances which could adversely affect the operations of the Group, analysing the risks and impact, determining response strategies, monitoring and report on the implementation and outcome of the response. By doing so, the Group endeavours to protect and create value for the stakeholders of the Group including the shareholders, employees, customers and suppliers.

7. Anti-Bribery and Anti-Corruption Policy

The Group has established policies and procedures to ensure specifically to identify, analyse, assess internal and external corruption risk exposure. The corruption risk assessment procedures include:-

a. Risk of corruption and fraud activities arising from lapses in the Group's organisation governance framework and internal systems.

b. Financial transactions that may disguise as corrupt payments.

c. Business activities in countries or sectors that pose higher corruption risk.

d. Non-compliance by external parties acting on behalf of Malton Group.

e. Relationships with third parties in the supply chain which are likely to expose the Group to corruption.

Comprehensive assessment of anti-corruption risk will be carried out at least once every three years with intermittent assessments to be conducted when necessary to ensure relevance and compliance with the legislation.

8. Whistleblowing Policy and Procedures

Whistleblowing Policy and Procedures of the Group provides the avenue for employees and external parties to raise legitimate concerns on any misconduct, illegal activities, unethical or inappropriate behaviour committed by the employees of the Group. Written reports are to be addressed to the Senior Independent Director and Company Secretary of the Group. Anonymous reports are not accepted. All reports will be handled with utmost confidentiality to protect the whistleblower against victimization or reprisal.

9. Standard Operating Policies and Procedures and Limits of Authority

Each department within the Group has its own standard operating policies and procedures (SOPs) which set out guidances, references and expectations for execution of work duties. One of the advantages of having SOPs in place is consistency in the delivery of products and services. The SOPs are reviewed periodically to ensure that practices keep pace with the development in the market and industry and amendments in the regulatory environment.

10. Budgeting Process

Budgets are drawn up for each project before commencement and for business units, on an annual basis. The budgets are presented to the Senior Management and Executive Directors for review and approval. The performance of projects and the Group is monitored and reviewed periodically based on the approved budgets and forecasts. The Senior Management reviews the reports on the performance and variances and where appropriate and necessary, take remedial actions.

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

Internal Control System (cont'd)

11. Tender Process

The Group has established a tender process for awards of contracts. The pre-qualification exercise involves evaluation of relevant experiences and financial capabilities of the contractors and suppliers. Tenders are opened in the presence of the consultants, staff from the project and contracts departments and Management. The tender values are recorded and kept private and confidential. Further assessment is carried out through interviews and inspection of the quality of materials and workmanship. Tender reports are presented to the Tender Committee for review and comments. Management team will carry out a final review and negotiation prior to shortlisting the tenderers for recommendation to the Senior Management where selection will be decided.

12. Meetings

The purpose of meetings is to inform and provide updates on business activities and performance of business divisions and the Group as a whole. Meetings bring the leadership in a forum to provide guidance and solve problems with the ultimate goal of meeting the objectives of the Group.

Each business division holds scheduled operation meetings where development and construction progress reports are presented and reviewed. Agenda of the meeting include work progress, quality of work, whether schedules are met, manpower requirements, risks and controls, issues encountered and solutions reached.

At monthly management meetings, the Group's strategies and performance are reviewed and discussed. Presentation includes information on sales and marketing performance, financial performance, property development projects, construction projects, quality assurance and talent management.

13. Site Visits

Management carries out periodic visits to project sites to inspect work progress and quality of work to check if construction is carried out according to the development plan and schedule.

14. Financial Reports

Monthly management reports containing operational budgets and financial performance and indicators of projects are presented at management meetings.

The Group's quarterly financial statements and annual audited financial statements are reviewed by the Audit Committee and thereafter recommended to the Board for consideration and approval prior to release to Bursa Malaysia Securities Berhad.

15. Safeguard of Assets

The Group ensures that proper accounting of assets are kept. Insurance policies are in place to ensure that the assets are sufficiently covered against loss and damages. Scheduled inspection and maintenance of machinery is carried out to assure that they are maintained in optimal conditions.

The Board is assured that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board will review its risk management framework from time to time to ensure its relevance and compliance with the relevant legislations and guidelines.

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report.

AUDIT COMMITTEE REPORT

The Audit Committee of Malton Berhad was formed on 8 March 2002. All of the members of the Audit Committee, as set out below, are independent non-executive directors.

- Guido Paul Philip Joseph Ravelli (Chairman)
- Hj Ahmad bin Hj Ismail, PJK (Member)
- Dato' Siew Mun Wai (Member)

Mr Guido Paul Philip Joseph Ravelli is the Chairman of the Audit Committee. Dato' Siew Mun Wai, who was appointed an Independent Non-Executive Director and a member of the Audit Committee on 1 August 2018, is a Fellow Member of the Institute of Chartered Accountants in England & Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

The Audit Committee met five (5) times during the financial year ended 30 June 2022. The attendance of the Audit Committee members is set out below.

Name	Total Meetings Attended
Guido Paul Philip Joseph Ravelli	5 of 5
Hj Ahmad bin Hj Ismail, PJK	5 of 5
Dato' Siew Mun Wai	5 of 5

TERMS OF REFERENCE

Objectives of the Audit Committee

The primary objectives of the Committee are to:-

1. Provide oversight of the financial reporting process, the audit process, the internal control system of the Malton Berhad and its subsidiaries and compliance with laws and regulations.

2. Maintain, through regularly scheduled meetings, an open line of communication between the Board, Management, external auditors and internal auditors; and

3. Oversee and appraise the quality of the audits conducted by the external auditors and internal auditors.

Membership of the Audit Committee

1. The Company must appoint an Audit Committee from amongst its directors and must be composed of not fewer than 3 members, all of whom shall be non-executive directors with a majority of them being independent directors.

2. At least one member of the Audit Committee:-

    i. must be a member of the Malaysian Institute of Accountants; or

    ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

        a. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

        b. he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

    iii. fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

AUDIT COMMITTEE REPORT
(cont'd)

TERMS OF REFERENCE (cont'd)

Membership of the Audit Committee (cont'd)

3. No alternate director shall be appointed as a member of the Committee.

4. If a member of the Committee for any reason ceases to be a member with the result that the number is reduced to below three (3), the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

5. A person who is a former audit partner in charge of the external audit of the Company is required to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a director or a member of the Audit Committee of the Company.

Chairman of the Audit Committee

The members of the Committee shall elect a Chairman from among themselves who shall be an independent director subject to the endorsement of the Board of Directors.

Authority of the Audit Committee

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

1. Have the authority to investigate any matter within its terms of reference;

2. Have the resources which are required to perform its duties;

3. Have full and unrestricted access to any information pertaining to the Group;

4. Have direct communication channels with the external auditors and also the internal auditors;

5. Be able to obtain independent professional advice or other advice necessary for the discharge of its duties; and

6. Be able to convene meeting with the external auditors and/or internal auditors excluding the attendance of other directors and/or employees, whenever it is deemed necessary.

The Chairman of the Committee shall engage on a continuous basis with senior management on matters affecting the Group.

Where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

Key Functions and Responsibilities

The primary functions of the Committee are to review the following and report the same to the Board of Directors:-

1. The audit plan, audit findings and audit reports and evaluation of the system of internal controls with the external auditors and assistance given by the employees of the Group to the external auditors;

2. The adequacy of scope, competency and resources of the internal audit function and the necessary authority to carry out its duties;

3. The internal audit plan and processes, the results of the internal audit assessments and investigation undertaken and whether or not appropriate actions are taken on the recommendation of the internal audit function and/or the Committee;

TERMS OF REFERENCE (cont'd)

Key Functions and Responsibilities (cont'd)

4. The quarterly results and year-end financial statements, prior to review by the Board of Directors, focusing particularly on:-

    i. changes in or implementation of major accounting policy changes;

    ii. significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and

    iii. compliance with accounting standards and other legal requirements.

5. All related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises the questions of management integrity;

6. Audit programme and processes of the external auditors including evaluation of the performance and audit independence of the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

7. Any resignation of external auditors of the Company; and

8. Recommendation for nomination of a person or persons as external auditors.

Meetings and Reporting of the Audit Committee

1. The quorum in respect of a meeting of the Committee shall be a majority of independent directors.

2. The Committee shall meet each quarter of a financial year to review the unaudited results of the Group and on an annual basis, to review the audited financial statements. Additional meetings may be convened, as the Chairman shall decide, in order to fulfil its duties.

3. The Company Secretary or any person appointed by the Audit Committee shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other supporting explanatory documentation for circulation to the Committee Members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee and circulating them to the members and to the other members of the Board of Directors. The Chairman shall convene a meeting of the Committee to consider any matter that the external auditors believe should be brought to the attention of the directors and/or shareholders of the Company.

4. It is only upon an invitation of the Committee that any other directors and/or employees of the Company may attend a meeting of the Committee.

5. All or any member of the Committee may participate in a meeting of the Committee by telephone conferencing, video conferencing or any communication equipment that allows all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

AUDIT COMMITTEE REPORT
(cont'd)

INTERNAL AUDIT FUNCTION

The Group has established an internal audit department which reports directly to the Audit Committee. During the financial year ended 30 June 2022, the internal audit department carried out its audit duties based on its established internal audit framework that covered business audit, system audit, operational and financial audits and reported the findings to the Audit Committee. The Audit Committee together with the internal auditors, Executive Directors and Management reviewed the quarterly unaudited financial results and year-end audited financial statements and reported its assessment to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

The internal audit department comprises three personnel and is headed by Mr Kheu Chao Leng. He qualified as a Chartered Certified Accountant in the United Kingdom.

The internal audit team which reports directly to the Audit Committee is free from any relationships and conflict of interest that may impair objectivity and independence.

The total cost incurred for the internal audit function of the Group for the financial year ended 30 June 2022 was approximately RM588,136.

The Internal Audit Department is required to present the audit programme prior to commencement of each financial year for review and approval by the Audit Committee. During the financial year ended 30 June 2022, the Internal Audit Department presented, based on the audit programme, audit reports for review by the Audit Committee which mainly covered business and operational activities of the property development and construction divisions. The internal auditors reviewed the Property Management department, management of the Information Technology department, review of the activities of the Sales and Marketing department and Accounts department on Related Party Transactions. The internal auditors also reviewed the Anti-Bribery and Anti-Corruption Policy of the Group during the year.

In carrying internal audit work, the internal audit personnel carried on-site inspections, examine documents, interview relevant employees and discuss observations with relevant department head. These reports presented the findings on the activities carried out by the various departments and through the activities, evaluated the quality and effectiveness of internal controls in place and risks areas and necessary and appropriate mitigation measures.

ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2022

During the financial year ended 30 June 2022, the Audit Committee had reviewed the quarterly unaudited financial results together with members of Management and reported its comments to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

ACTIVITIES CARRIED OUT BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

The Audit Committee reviewed the internal audit report on related party transactions conducted during the financial year ended 30 June 2022 based on established guidelines and procedures to ensure that the transactions were entered into by the Group on an arm's length basis on terms which are not more favourable than those transacted with the public and not detrimental to the interest of the minority shareholders. It was confirmed that the related party transactions were conducted in compliance with established guidelines and procedures at prevailing market prices and on terms which are not more favourable than those transacted with the public and not detrimental to the interest of the minority shareholders.

The internal audit reviewed and presented reports to the Audit Committee on operational functions and internal controls which covered:-

i. The operations of the Property Management department including its policies and procedures, documentation for operational activities to check for compliance with the limits of authority and issues that arose from restrictions imposed by the authorities due to Covid-19 Pandemic.

ii. The management of Information Technology (IT) of the Group with the focus on reliability of IT software and hardware, software licenses, controls on software and security systems and safeguard of IT assets.

iii. The activities of the Sales and Marketing department with emphasis on its policies and procedures, compliance with policies and procedures and payments of commission,

iv. The Accounts department on the policies and procedures of Related Party Transactions and the compliance of the policies and procedures with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Audit Committee met with the external auditors, prior to commencement of the audit for the financial year ended 30 June 2022 and discussed the planning report presented by the external auditors. The planning report covered the objectives, scope and procedures of audit work to be carried out by the external auditors. In the course of review of the year-end audited financial statements, the external auditors had also reported to the Audit Committee on the audit progress and findings made during audit process. The Audit Committee met and reviewed the year-end audited financial statements together with the external auditors and Management and reported its assessment to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.

The Audit Committee also met with the external auditors without presence of the executive members of the Board and Management to discuss matters relating to the audit process and assistance and cooperation extended by Management and employees of the Group.

As practiced in the previous years, the Audit Committee also reviewed the independence policies and procedures of the external auditors for assessment of independency of the external auditors.

MALTON BERHAD
[Registration No: 199401035205 (320888-T)]

FINANCIAL STATEMENTS

CONTENTS

REPORT OF THE DIRECTORS

The Directors of **MALTON BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	129,497	781
Income tax expense	(53,719)	(1,082)
Profit/(Loss) for the financial year	75,778	(301)
Profit/(Loss) attributable to:		
Owners of the Company	76,234	(301)
Non-controlling interests	(456)	-
	75,778	(301)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than loss on fair value adjustments of investment properties, impairment loss on land held for property development, share in results of joint venture, gain on fair value adjustment of investment in redeemable preference shares, reversal of allowance for impairment losses (net of impairment charge) against trade and other receivables as disclosed in Note 13, Note 14, Note 17, Note 18, and Note 22 to the financial statements respectively.

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year. Further, the Directors do not recommend any declaration of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

The Employees' Share Option Scheme ("ESOS") which was established on 20 April 2016 for the benefit of eligible employees and directors of the Group. The ESOS is to be in force for a period of five (5) years and had subsequently expired on 19 April 2021. The Board of Directors of the Company had on 15 April 2021 approved the extention of duration of ESOS for a further five (5) years commencing from 20 April 2021 to 19 April 2026.

The salient features of the ESOS are disclosed in Note 27 to the financial statements.

The movements of the options over the unissued ordinary shares in the Company granted under the ESOS during the financial year are as follows:

		Number of options over ordinary shares			
Date of grant	**Exercise price per share RM**	**Balance as of 1.7.2021**	**Granted**	**Lapsed**	**Balance as of 30.6.2022**
23.2.2017	0.80	4,881,300	-	1,680,700	3,200,600

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts have 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 the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets 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 as bad debts or the amount of 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 current assets in the financial statements of the Group and of the Company misleading; or

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

(d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the 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 liability of any other person; and

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

No contingent or other liability 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 substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

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

Tan Sri Lim Siew Choon
Guido Paul Philip Joseph Ravelli
Puan Sri Tan Kewi Yong
Chua Thian Teck
Hong Lay Chuan
Hj. Ahmad Bin Hj. Ismail
Dato' Siew Mun Wai

The Directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Lim Siew Choon
Chua Thian Teck
Hong Lay Chuan
Datuk Lim Chon Hoo
Ahmad Lazri Bin Long Ahmad Zainal Abidin
Mohd Khairuddin Bin Hj. Nawani
Md Yunus Bin Ahmad (Resigned on 20 January 2022)
Noraani Binti Zainudin (Resigned on 20 January 2022)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	Balance as of 1.7.2021	**Bought**	**Sold**	**Balance as of 30.6.2022**
Shares in the Company				
Direct interest				
Tan Sri Lim Siew Choon	10,790,000	10,171,800	-	20,961,800
Indirect interest				
Tan Sri Lim Siew Choon	207,901,489	-	-	207,901,489*
Puan Sri Tan Kewi Yong	207,901,489	-	-	207,901,489*

* Held through Malton Corporation Sdn. Bhd.

DIRECTORS' INTERESTS (cont'd)

In addition to the above, the following Directors have an interest in the shares of the Company, by virtue of the options granted pursuant to the ESOS of the Company:

	Number of options over ordinary shares			
	Balance as of 1.7.2021	Granted	Exercised	Balance as of 30.6.2022
Tan Sri Lim Siew Choon	300,000	-	-	300,000
Guido Paul Philip Joseph Ravelli	150,000	-	-	150,000
Puan Sri Tan Kewi Yong	450,000	-	-	450,000
Chua Thian Teck	450,000	-	-	450,000
Hong Lay Chuan	450,000	-	-	450,000
Hj. Ahmad Bin Hj. Ismail	150,000	-	-	150,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of any transactions with companies in which certain Directors have substantial financial interest in the ordinary course of business.

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive directors:				
Salaries and other emoluments	2,522	2,479	2,522	2,479
Defined contribution plan	293	288	293	288
	2,815	2,767	2,815	2,767
Non-executive directors:				
Fees	635	645	381	380
Allowances	33	37	33	37
	668	682	414	417
	3,483	3,449	3,229	3,184

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM126,000 and RM126,000 (2021: RM146,000 and RM146,000), respectively.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted to certain Directors pursuant to the Company's ESOS as disclosed above.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Group and the Company maintain Directors' and Officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Group and of the Company. The amount of insurance premium paid during the year is RM36,000.

The total amount of sum insured for Directors and Officers of the Group for the financial year amounted to RM30,000,000.

There were no indemnity given to or insurance affected for the auditors of the Group and of the Company in accordance with Section 289 of the Companies Act, 2016.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The details of significant events during the financial year and subsequent to the end of the financial year are disclosed in Note 43 to the financial statements.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the year ended 30 June 2022 is as disclosed below.

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Statutory audit fees	485	502	105	105
Non-audit fees	124	77	67	17

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

CHUA THIAN TECK

HONG LAY CHUAN

Kuala Lumpur
27 October 2022

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MALTON BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 June 2022 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 172.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for 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.

Key Audit Matters

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

Revenue recognition from property development and construction activities

Revenue from property development and construction activities recognised during the year as disclosed in Note 5 to the financial statements amounted to RM616million, which represents 95% of the Group's revenue.

Property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the 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 costs incurred to date as a percentage of the estimated total costs of development of the project).

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process. These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

Revenue from construction contracts is recognised over time which depends on the extent to which the performance obligation has been satisfied, which is measured by determining the stage of completion. The stage of completion is determined by the proportion that contract construction costs incurred for work performed to date compared to the estimated total construction costs.

(Forward)

Key Audit Matters (cont'd)

Revenue recognition from property development and construction activities (cont'd)

Judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs.

We focused on this area because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgments.

Refer to "key estimate and assumptions" in Note 4(a)(i) and (ii), revenue in Note 5 and property development costs in Note 20 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- Obtained understanding of the revenue recognition process, including the accuracy and timing of revenue recognition towards satisfaction of performance obligation, and tested the associated relevant controls surrounding revenue recognition.

- Reviewed the agreements for property development and construction projects. Tested the accuracy of the management's computation for the progress of property development and construction projects towards the complete satisfaction of performance obligation taking into account the construction or development costs recognised during the financial year and the budgeted cost by testing a sample of costs incurred to date to the relevant supporting documentation (such as contractor's claim certificates, surveyor certificates, architect certificate and others) and reviewing the management prepared budgets ensuring that project budgets are reasonable. We also performed site-visits for individually significant on-going projects to arrive at an overall assessment as to whether percentage of progress towards complete satisfaction of performance obligation determined on a cost-to-cost basis was reasonable. Further, checked the cost incurred by contractors of which invoice/progress claim has yet to be received.

- Evaluated the reasonableness of the estimates made and assessed whether or not these estimates showed any evidence of management bias, based on historical accuracy of management's estimates in prior years. Discussed and tested changes in total estimated costs of a sample of construction and property development projects from prior years with management and assessed the consistency of assumptions applied across projects. Also, interviewed management's project team on the reasonableness of the budgeted costs to the completion of a sample of projects.

Valuation of Inventories

As at 30 June 2022, the Group has unsold inventories amounting to RM169million. Inventories for sale are stated at the lower of cost and net realisable value (NRV). The determination of the estimated net realisable value of these unsold inventories is dependent upon the directors' expectation of future selling prices.

We focused on this, as this is the specific risk area most susceptible to misstatements and area that involves significant degree of management judgement, and accounting estimates on determining future selling price.

Refer to "key estimate and assumptions" in Note 4(b)(v), and inventories in Note 21 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- Reviewed and understood the management process for determination of NRV of inventories and evaluated the design and implementation of the relevant controls.

- For unsold inventory, we tested management's assessment of NRV by reference to recent transacted prices of comparable properties, taking into consideration the estimated selling price less cost to sell.

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD (cont'd)

Key Audit Matters (cont'd)

Valuation of Inventories (cont'd)

- Physically sighted a sample of unsold properties, focusing on long-aged properties, to ascertain if any write-down was warranted due to physical obsolescence and deterioration of the properties.

- Where the estimation of NRV is based on the report of management's specialist (i.e. independent valuer), we assessed the appropriateness of the independent valuer's scope of work and evaluated the independence and qualification of the independent valuer. Had discussions with the independent valuer on the methodologies and techniques used in performing the valuation and obtained and tested data provided by management to the independent valuer.

Fair value of investment properties

As at 30 June 2022, the investment property portfolio of the Group amounted to RM208million. The investment properties of the Group are held at fair value, which is based on independent external valuations performed by management's specialist. The valuation process involves determination of the appropriate valuation method to be used and underlying assumptions to be applied.

We focused on this as the use of valuation methods, assumptions and estimates require significant judgment. The valuation is sensitive to the key assumptions applied and various unobservable inputs.

Refer to "key estimate and assumptions" in Note 4(b)(iv), and investment properties in Note 13 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures included among others:

- assessed the appropriateness of the independent valuer's scope of work, evaluated the independence and qualification of the independent valuer.

- had discussions with the independent valuer on the methodologies and techniques used in performing the valuation, challenged the assumptions used in the valuation and obtained and tested data provided by management to the independent valuer.

- engaged internal specialist to review valuation report and to assess the reasonableness of the basis of valuation of a significant investment property.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD
(cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

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 scepticism throughout the audit. We also:

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

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

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

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

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

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

(Forward)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALTON BERHAD
(cont'd)

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016, we also report that in the case of consolidated financial statements, the names of the subsidiaries, of which we have not acted as auditors, are indicated in Note 15 to the financial statements.

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 towards any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

DATUK LIM CHU GUAN
Partner - 03296/03/2023 J
Chartered Accountant

27 October 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Revenue	5	645,241	999,173	11,272	10,975
Cost of sales	6	(471,069)	(902,128)	-	-
Gross profit		174,172	97,045	11,272	10,975
Other income		83,329	49,348	6,792	5,662
Share in results of joint ventures	17	29,704	(1,244)	-	-
Selling and distribution expenses		(6,007)	(3,668)	-	-
Administrative expenses		(90,543)	(85,211)	(11,506)	(9,784)
Finance costs	7	(61,158)	(33,636)	(5,777)	(4,942)
Profit before tax	8	129,497	22,634	781	1,911
Income tax expense	9	(53,719)	(21,465)	(1,082)	(1,332)
Profit/(Loss) for the year		75,778	1,169	(301)	579
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		75,778	1,169	(301)	579
Profit/(Loss) attributable to:					
Owners of the Company		76,234	2,620	(301)	579
Non-controlling interests	29	(456)	(1,451)	-	-
		75,778	1,169	(301)	579
Total comprehensive income/(loss) attributable to:					
Owners of the Company		76,234	2,620	(301)	579
Non-controlling interests		(456)	(1,451)	-	-
		75,778	1,169	(301)	579
Earnings per ordinary share:					
Basic (sen)	10	14.43	0.50		
Diluted (sen)	10	14.43	0.50		

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

STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000 (Restated)	The Company 2022 RM'000	The Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	27,084	33,506	455	568
Right-of-use assets	12	2,984	6,049	180	621
Investment properties	13	208,181	210,630	-	-
Land held for property development	14	671,520	675,606	-	-
Investment in subsidiary companies	15	-	-	501,017	501,016
Investment in associated companies	16	-	-	-	-
Investment in joint ventures	17	31,247	-	-	-
Other investments	18	285,848	203,370	-	-
Deferred tax assets	19	17,587	22,716	82	70
Total non-current assets		1,244,451	1,151,877	501,734	502,275
Current assets					
Property development costs	20	337,397	444,474	-	-
Inventories	21	169,093	133,761	-	-
Trade receivables	22	287,142	199,845	-	-
Other receivables and prepaid expenses	22	53,256	42,629	821	823
Contract assets	23	214,102	508,352	-	-
Amount owing by joint ventures		38,376	35,697	-	-
Amount owing by subsidiary companies	24	-	-	163,723	150,049
Tax recoverable		684	6,945	566	440
Short-term funds	25	511	500	511	500
Fixed deposits with licensed banks	36	70,061	29,119	2,810	2,768
Cash and bank balances	26	141,072	87,312	1,389	8,087
Total current assets		1,311,694	1,488,634	169,820	162,667
Total assets		2,556,145	2,640,511	671,554	664,942

(Forward)

STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2022
(cont'd)

	Note	The Group 2022 RM'000	The Group 2021 RM'000 (Restated)	The Company 2022 RM'000	The Company 2021 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	27	528,552	528,552	528,552	528,552
Reserves	28	475,003	398,769	6,785	7,086
		1,003,555	927,321	535,337	535,638
Non-controlling interests	29	17,560	18,016	-	-
Total equity		1,021,115	945,337	535,337	535,638
Non-current liabilities					
Other payables	34	648	5,238	-	-
Redeemable preference shares	30	50,996	22,402	-	-
Bank borrowings - non-current portion	31	141,997	128,198	-	-
Hire-purchase payables - non-current portion	32	408	895	-	-
Lease liabilities - non-current portion	33	1,084	3,054	-	200
Deferred tax liabilities	19	57,601	57,601	12	-
Total non-current liabilities		252,734	217,388	12	200
Current liabilities					
Trade payables	34	657,933	745,802	-	-
Other payables and accrued expenses	34	180,346	234,897	1,068	876
Contract liabilities	23	24,142	7,722	-	-
Amount owing to subsidiary companies	24	-	-	2,932	5,270
Bank borrowings - current portion	31	379,424	461,279	132,005	122,479
Hire-purchase payables - current portion	32	500	954	-	-
Lease liabilities - current portion	33	2,177	3,381	200	479
Tax liabilities		37,774	23,751	-	-
Total current liabilities		1,282,296	1,477,786	136,205	129,104
Total liabilities		1,535,030	1,695,174	136,217	129,304
Total equity and liabilities		2,556,145	2,640,511	671,554	664,942

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Non-distributable reserves			Distributable reserve			
The Group	**Share capital RM'000**	**Revaluation reserve RM'000**	**Option reserve RM'000**	**Retained earnings RM'000**	**Attributable to owners of the Company RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
As of 1 July 2020	528,552	2,065	1,153	392,931	924,701	19,467	944,168
Total comprehensive income/(loss) for the year	-	-	-	2,620	2,620	(1,451)	1,169
As of 30 June 2021	528,552	2,065	1,153	395,551	927,321	18,016	945,337
As of 1 July 2021	528,552	2,065	1,153	395,551	927,321	18,016	945,337
Share options lapsed under ESOS	-	-	(210)	210	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	76,234	76,234	(456)	75,778
As of 30 June 2022	528,552	2,065	943	471,995	1,003,555	17,560	1,021,115

(Forward)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	Non-distributable reserves		Distributable Reserve	
The Company	**Share capital RM'000**	**Option reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
As of 1 July 2020	528,552	1,153	5,354	535,059
Total comprehensive income for the year	-	-	579	579
As of 30 June 2021	528,552	1,153	5,933	535,638
As of 1 July 2021	528,552	1,153	5,933	535,638
Share options lapsed under ESOS	-	(210)	210	-
Total comprehensive loss for the year	-	-	(301)	(301)
As of 30 June 2022	528,552	943	5,842	535,337

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES				
Profit/(Loss) for the year	75,778	1,169	(301)	579
Adjustments for:				
Income tax expense recognised in profit or loss	53,719	21,465	1,082	1,332
Finance costs	61,158	33,636	5,777	4,942
Depreciation of:				
Property, plant and equipment	8,382	6,899	149	219
Right-of-use assets	3,351	4,148	441	451
Write-offs of:				
Property, plant and equipment	-	184	-	2
Inventories	-	4,022	-	-
Land held for property development	4,842	-	-	-
Allowance for impairment loss in:				
Trade receivables	3,200	9,056	-	-
Other receivables	2,941	7,689	-	-
Redeemable Preference Share	-	4,042	-	-
Loss/(Gain) on fair value adjustment on:				
Investment properties	5,233	8,132	-	-
Transfer from property development costs/inventories to investment properties	16	(20,983)	-	-
Fair valuation of investment in redeemable preference shares	(32,999)	(19,934)	-	-
Share in results of joint venture	(29,704)	1,244	-	-
Gain on disposal of property, plant and equipment	(421)	(170)	-	-
Provision for foreseeable losses	(1,840)	(4,218)	-	-
Distribution income on short-term funds	(13)	(15)	(13)	(15)
Interest income	(2,394)	(2,106)	(6,676)	(5,650)
Rental rebates	(85)	-	(12)	-
Deferred day one loss in profit or loss	1,146	400	-	-
Reversal of allowance for impairment loss on:				
Other receivables	-	(3,784)	-	-
Trade receivables	(16,685)	(1,704)	-	-
Redeemable preference shares	(4,042)	-	-	-
Impairment loss on land held for property development	6,642	1,277	-	-
Reversal of impairment loss in land held for development	-	(4,707)	-	-
Operating Profit Before Working Capital Changes	138,225	45,742	447	1,860

(Forward)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES (CONT'D)				
Decrease/(Increase) in:				
Property development costs, net of interest expense of RMNil (2021: RM54,000 (Note 20(a))	47,331	64,391	-	-
Trade receivables	(73,812)	(52,866)	-	-
Other receivables and prepaid expenses	(13,610)	583	(41)	(89)
Inventories	23,454	13,334	-	-
Contract assets	294,250	(233,315)	-	-
Amount due from joint ventures	(2,679)	(30,253)	-	-
Amount due from subsidiary companies	-	-	28,878	20,519
Increase/(Decrease) in:				
Trade payables	(87,869)	183,917	-	-
Other payables and accrued expenses	(59,141)	(33,889)	192	(1,224)
Contract liabilities	16,420	3,244	-	-
Amount due to subsidiary companies	-	-	(2,338)	5,010
Cash Generated From/(Used In) Operations	282,569	(39,112)	27,138	26,076
Income tax paid	(28,310)	(22,324)	(1,208)	(2,022)
Income tax refunded	4	1	-	-
Net Cash From/(Used In) Operating Activities	254,263	(61,435)	25,930	24,054
CASH FLOWS USED IN INVESTING ACTIVITIES				
Additions to investment properties (Note 13)	-	(7,432)	-	-
Increase in land held for property development (Note 14)	(7,398)	(2,011)	-	-
Additions to property, plant and equipment (Note (i))	(2,040)	(1,233)	(36)	(49)
Withdrawal/(Placement) of:				
Fixed deposits pledged to licensed banks	(17,876)	(5,650)	-	(174)
Restricted cash at bank	1,673	4,268	-	-
Additions to short-term funds	(11)	(11)	(11)	(11)
Advances to subsidiary companies	-	-	(35,939)	(38,205)
Proceeds from disposal of property, plant and equipment	501	170	-	-
Interest received	2,394	2,106	63	67
Distribution income on short-term funds received	13	15	13	15
Additions to investment in redeemable preference shares	(48,126)	(60,068)	-	-
Net Cash Used In Investing Activities	(70,870)	(69,846)	(35,910)	(38,357)

(Forward)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Proceeds from bank borrowings		556,389	683,990	174,076	192,905
Repayments of bank borrowings		(627,788)	(583,653)	(164,548)	(165,405)
Repayments of hire-purchase payables		(941)	(1,417)	-	-
Repayment of lease liabilities		(3,375)	(3,977)	(467)	(412)
Interest paid		(32,564)	(29,106)	(5,777)	(4,942)
Net Cash (Used In)/From Financing Activities		(108,279)	65,837	3,284	22,146
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		75,114	(65,444)	(6,696)	7,843
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		69,136	134,580	3,108	(4,735)
CASH AND CASH EQUIVALENTS AT END OF YEAR	36	144,250	69,136	(3,588)	3,108

Note (i)

During the financial year, the Group and the Company acquired property, plant and equipment at an aggregate cost of RM2,040,000 (2021: RM2,511,000) and RM36,000 (2021: RM49,000) respectively of which RMNil (2021: RM1,278,000) and RMNil (2021: RMNil) for the Group and the Company respectively were acquired under hire-purchase arrangements. Cash payments for the acquisition of property, plant and equipment of the Group and of the Company amounted to RM2,040,000 (2021: RM1,233,000) and RM36,000 (2021: RM49,000) respectively.

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

1. GENERAL INFORMATION

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 principal activities of the Company are that of investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 15.

The registered office of the Company is located at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Level 18 & 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 27 October 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the significant accounting policies in Note 3.

The financial statements are presented in Ringgit Malaysia ("RM"), unless otherwise stated, which is the Group's and the Company's functional currency.

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company have adopted a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for current financial year as follows:

Amendments to:

MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16	Interest Rate Benchmark Reform - Phase 2
MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

New MFRS and Amendments to MFRSs in Issue But Not Yet Effective

The new MFRS and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17	Insurance Contracts[2]
Amendments to:	
MFRSs	Annual Improvements to MFRS Standards 2018 - 2020[1]
MFRS 3	Reference to Conceptual Framework[1]
MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use[1]
MFRS 137	Onerous Contracts - Costs of Fulfilling a Contract[1]
MFRS 17	Insurance Contracts[2]
MFRS 101	Classification of Liabilities as Current or Non-current[2]
MFRS 101	Disclosure of Accounting Policies[2]
MFRS 108	Definition of Accounting Estimates[2]
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information[2]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
[3] Effective date deferred to a date to be announced by MASB.

The abovementioned new MFRS and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and the Directors anticipate that the adoption of these new MFRS and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Accounting (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into different levels of fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 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.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(i) Property development revenue

The Group recognises revenue from property development 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 project 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 costs incurred to date as a percentage of the estimated total costs of development of the project).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

(ii) Sale of completed properties

Revenue from sales of completed properties is recognised at point in time, when control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(iii) Revenue from construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle.

(iv) Management fees

Management fees are recognised when such services are rendered.

(v) Dividend income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably).

(vi) Rental income

Rental income is recognised over the tenure of the rental period of properties.

(vii) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits

(i) Short-term benefits

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

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Equity compensation benefits

Under the Company's Employees' Share Option Scheme ("ESOS"), share options to acquire ordinary shares of the Company are granted to eligible employees and directors of the Group. Details of the Company's ESOS are disclosed in Note 27. The ESOS, an equity-settled share-based compensation plan, allows the Group's employees and directors to acquire ordinary shares of the Company. The total fair value of share options granted to employees and directors is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and takes into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

Foreign Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements of the Group, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchanges differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Income Tax

Income tax in profit or loss for the financial year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences as of the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Directors of the Group reviewed the Group's investment properties and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, the Directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment properties based on the expected rate that would apply on disposal of the investment properties.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding or voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary company, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combination

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under MFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to the replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured as fair value or, when applicable, on the basis specified in another MFRS.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business Combination (cont'd)

When a business combination is achieved in stages, the Group's previously held interests in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Investments in Subsidiary Companies

Investments in unquoted shares of subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost less impairment losses. When there is an indication of impairment in the value of the investment, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of an associate and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investments in Associates and Joint Ventures (cont'd)

The requirement of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that are not related to the Group.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment

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

Capital work-in-progress is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis to write-off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used are as follows:

Buildings - leasehold	Over the lease period
Furniture and fittings	10%
Office equipment	10%
Motor vehicles	20%
Site equipment	10% - 20%
Electrical installations	10%
Computers	20%
Office renovations	10%
Sales gallery	20% - 25%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are recognised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

The Group and the Company as lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

The Group and the Company as lessee (cont'd)

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'administrative and other expenses' in the statements of profit or loss.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair value are included in profit or loss in the period in which they arise.

On the disposal of the investment property, or when it is permanently withdrawn from use and no economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties (cont'd)

Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of change in use becomes its deemed cost for subsequent accounting.

Determination of fair value

Fair value of investment properties are determined based on valuation carried out by an external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued or, based on past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Inventories

(i) Land held for property development

Land held for property development consists of land held for future development on which no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less impairment losses (if any). Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is classified as property development cost under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined on a specific identification basis. Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that meet the definition of inventories are recognised as an asset and stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories (cont'd)

(iii) Completed development units and vacant land for sale

Completed property units and vacant land for sale are valued at the lower of cost (determined on the specific identification basis) and net realisable value.

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

Contract Assets and Contract Liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

Where there is an objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

Contract Costs

The Group recognise the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

Borrowing Costs

Interest incurred on borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Statement of Cash Flows and Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

For the purposes of the statements of cash flows, cash and cash equivalents include cash and bank balances, fixed deposits with licensed banks, and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as gain or loss.

(b) In all other cases, the difference is deferred and amortised over the life of the instrument or realised fully on settlement.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The Group classifies the financial assets in the following categories:

- at fair value through profit and loss ("FVTPL");
- at fair value through other comprehensive income ("FVTOCI"); or
- at amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets measured at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are initially recognised at fair value, and subsequently carried at amortised cost using effective interest rate methods less any accumulated impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The interest income is recognised in profit or loss.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial asset on initial recognition. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, these are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Dividends on these investments in equity instruments are recognised in profit or loss when the right to receive payment of the dividend is established.

Financial assets measured at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These financial assets are initially recorded at fair value and transaction costs is recognised statement of profit or loss. Subsequently, these are measured at fair value, with fair value changes recognised in the statement of profit or loss in the period in which they arise.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit loss for trade receivables, contract assets and lease receivables. The expected credit losses on financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss ("ECL").

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Impairment of financial assets (cont'd)

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

At each reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

(ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the amortised cost of a financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

Financial Guarantee Contracts

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

Financial guarantee contracts issued by the Group are initially recognised at their fair values and, if not designated as at FVTPL, are subsequently measured at higher of:

- the amount of the obligation under the contract, as determined in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Earnings per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as follows:

(i) Revenue recognition on property development projects

Revenue from property development is recognised 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, which is measured on the basis of the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Significant judgement is required in determining the total expected property development, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process. These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year, as well as assessing the recoverability of the property development projects.

Estimated losses are recognised in full when determined. Property development revenue and costs estimates are reviewed and revised periodically as work progresses.

(ii) Revenue recognition on construction contracts

As revenue from on-going construction contracts is 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 contract construction costs incurred for work performed to date compare to the estimated total contract construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction project and contract cost. Estimated losses are recognised in full when determined. Construction revenue and costs estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

(iii) Classification between investment properties and property, plant and equipment

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for own use for administrative purposes.

If these portions would be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for own use 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Impairment of non-financial assets

The Group and the Company review the carrying amount of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and results.

(ii) Impairment of trade receivables, other receivables and contract assets - ECL model

The policy for allowance for impairment loss of the Group and of the Company is based on the ECL model as required by MFRS 9. Significant estimate is required in determining the impairment of trade receivables, other receivables and contract assets. Impairment loss is measured based on expected credit loss model is based on assumptions on the risk of default and expected loss rates. The Group and the Company use judgment in making these assumption and selecting the inputs to the ECL based on past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

(iii) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iv) Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for the financial reporting purposes. The directors use their judgement in selecting and applying an appropriate valuation technique for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in Note 13.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key Sources of Estimation Uncertainty (cont'd)

(v) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group determines net realisable value based on historical trends and management estimates of future selling pricing. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vi) Impairment in investment in subsidiary companies

The Company reviews the carrying amount of its investment in subsidiary companies to determine whether there is an indication that those assets or Cash Generating Unit ("CGU") have suffered an impairment loss. When there is an indication that the carrying amount of an asset or CGU may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset or CGU, being the future economic benefits to be expected from its continued use and ultimate disposal, the Company makes estimates and assumptions that require significant judgements. While the Company believes these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Company's financial position and results.

The carrying amount of investment in subsidiary companies as at the reporting period is RM501,017,000 (2021: RM501,016,000). Further details are disclosed in Note 15.

5. REVENUE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from:				
Property development (Note 23)	367,127	628,092	-	-
Construction contracts (Note 23)	248,463	348,907	-	-
Completed properties	23,182	16,511	-	-
Rental income from investment properties	6,291	5,627	-	-
Management fee receivable from joint venture (Note 24)	173	-	-	-
Management fee receivable from subsidiary companies (Note 24)	-	-	11,272	10,975
Others	5	36	-	-
	645,241	999,173	11,272	10,975

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Timing of revenue recognition:				
Point in time	23,182	16,511	-	-
Over time	622,059	982,662	11,272	10,975
	645,241	999,173	11,272	10,975

5

6. COST OF SALES

	The Group	
	2022 RM'000	2021 RM'000
Cost of property development sold (Note 20)	239,270	573,736
Cost of construction contracts	200,725	304,228
Cost of inventories sold	22,245	15,141
Write down of inventories	-	4,022
Reversal of provision for foreseeable loss (Note 20)	(1,840)	(4,218)
Cost to obtain contract (Note 23)	10,669	9,219
	471,069	902,128

7. FINANCE COSTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expenses on:				
Term loans/Bridging loans	14,854	9,052	-	-
Revolving credits	11,262	13,438	5,425	4,569
Bank overdrafts	2,036	1,030	326	325
Lease liabilities (Note 12 & 33)	287	478	26	48
Hire-purchase	84	118	-	-
Trade facilities	1,016	3,766	-	-
Others	3,025	1,224	-	-
Amortised cost adjustment on:				
Redeemable preference shares (Note 30)	28,594	4,584	-	-
	61,158	33,690	5,777	4,942
Less interest capitalised in:				
Property development costs (Note 20)	-	(54)	-	-
	-	(54)	-	-
	61,158	33,636	5,777	4,942

8. PROFIT BEFORE TAX

(a) Profit/(Loss) before tax is arrived at after (crediting)/charging:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain on disposal of property, plant and equipment	(421)	(170)	-	-
Interest income on:				
Fixed deposits	(1,283)	(1,061)	(63)	(67)
Imputed interest	-	(334)	-	-
Housing development account	(506)	(510)	-	-
Others	(605)	(201)	-	-
Amount owing by subsidiary companies (Note 24)	-	-	(6,613)	(5,583)
	(2,394)	(2,106)	(6,676)	(5,650)
Rental income	(3,578)	(1,279)	-	-
Rental rebates (Note 33)	(85)	-	(12)	-
Distribution income on short-term funds	(13)	(15)	(13)	(15)
Gain on fair valuation of investment in redeemable preference shares (Note 18)	(32,999)	(19,934)	-	-
Deferred day one loss in profit or loss (Note 18)	1,146	400	-	-
Reversal of impairment loss in land held for development (Note 14)	-	(4,707)	-	-
Loss on fair value adjustments of investment properties (Note 13)	5,233	8,132	-	-
Loss/(Gain) on fair value adjustments on transfer of property development costs/inventory to investment properties (Note 13)	16	(20,983)	-	-
Allowance for impairment loss:				
Trade receivables (Note 22)	3,200	9,056	-	-
Other receivables (Note 22)	2,941	7,689	-	-
Reversal of allowance for impairment loss:				
Trade receivables (Note 22)	(16,685)	(1,704)	-	-
Other receivables (Note 22)	-	(3,784)	-	-
Depreciation of:				
Property, plant and equipment (Note 11)	8,382	6,899	149	219
Right-of-use assets (Note 12)	3,351	4,148	441	451
(Reversal)/charge of impairment loss in:				
Redeemable preferences shares (Note 18)	(4,042)	4,042	-	-
Land held for property development (Note 14)	6,642	1,277	-	-
Write-offs of:				
Property, plant and equipment (Note 11)	-	184	-	2
Land held for property development (Note 14)	4,842	-	-	-
Write-down of inventories (Note 21)	-	4,022	-	-
Audit fees:				
Statutory	485	502	105	105
Non-audit fees	124	77	67	17
Short term lease rental of premises payable to third party (Note 12)	319	296	52	-
Low-value assets lease rental (Note 12)	36	21	18	16
Government grant received in respect of a project of a subsidiary company	(15,904)	-	-	-

8. PROFIT BEFORE TAX (cont'd)

(b) Staff costs

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Wages, salaries and bonuses	30,782	26,871	4,224	2,838
Defined contribution plan	3,137	3,356	441	430
Social security contributions	214	207	23	23
EIS contributions	20	22	2	2
	34,153	30,456	4,690	3,293

(c) Directors' remuneration

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Executive directors:				
Salaries and other emoluments	2,522	2,479	2,522	2,479
Defined contribution plan	293	288	293	288
	2,815	2,767	2,815	2,767
Non-executive directors:				
Fees	635	645	381	380
Allowances	33	37	33	37
	668	682	414	417
	3,483	3,449	3,229	3,184

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM126,000 and RM126,000 (2021: RM146,000 and RM146,000), respectively.

9. INCOME TAX EXPENSE

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Estimated tax payable:				
Current	44,326	21,853	1,093	1,118
Overprovision in prior years	4,264	(141)	(11)	(39)
	48,590	21,712	1,082	1,079
Deferred tax (Note 19):				
Current	8,777	(946)	-	263
Under/(Over) provision in prior years	(3,648)	699	-	(10)
	5,129	(247)	-	253
Income tax expense	53,719	21,465	1,082	1,332

9. INCOME TAX EXPENSE (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	129,497	22,634	781	1,911
Tax expense at the applicable statutory income tax rate of 24% (2021: 24%)	31,079	5,432	188	459
Tax effects of:				
Expenses not deductible for tax purposes	29,584	17,298	908	926
Income not subject to tax	(11,822)	(5,118)	(3)	(4)
Recognition of deferred tax assets not recognised previously	(2,050)	(268)	-	-
Deferred tax asset not recognised	5,579	2,550	-	-
Overprovision in prior years in respect of estimated tax payable	4,264	(141)	(11)	(39)
Under/(Over) provision in prior years in respect of deferred tax	(3,648)	699	-	(10)
Effect of change in tax rate	733	1,013	-	-
Income tax expense	53,719	21,465	1,082	1,332

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unabsorbed capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be recognised. As of 30 June 2022, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances, for which the tax effects have not been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group	
	2022 RM'000	2021 RM'000
Deductible temporary differences arising from:		
Other payables and accrued expenses	575	819
Right-of-use assets	167	211
Unused tax losses	94,758	79,776
Unabsorbed capital allowances	33	23
	95,533	80,829

The unused tax losses and unabsorbed capital allowances are subject to the agreement by the tax authorities. The comparative information presented above has been restated to conform with the actual income tax computation submitted to tax authorities. The unabsorbed capital allowances are available indefinitely for offsetting against future taxable profits of the respective subsidiary companies in the Group.

Under the Malaysia Finance Act 2021, the Group's unused tax losses from year of assessment 2018 be allowed to be carried forward for a maximum period of 10 consecutive years of assessment i.e. year of assesstment 2028.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

9. INCOME TAX EXPENSE (cont'd)

The unused tax losses of the Group will expire as follows:

	2022 RM'000	2021 RM'000
Expiry year of assessment		
Year of assessment 2028	62,356	58,274
Year of assessment 2029	4,513	2,838
Year of assessment 2030	10,713	9,832
Year of assessment 2031	8,451	8,832
Year of assessment 2032	8,725	-
	94,758	79,776

10. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per ordinary share of the Group has been calculated based on the profit attributable to ordinary equity holders of the Company and on the weighted average number of ordinary shares in issue and ranking for dividend during the year as follows:

	The Group	
	2022 RM'000	2021 RM'000
Profit attributable to ordinary equity holders of the Company	76,234	2,620

	The Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141

Basic earnings per ordinary share:

	The Group	
	2022 Sen	2021 Sen
Profit attributable to ordinary equity holders of the Company	14.43	0.50

10. EARNINGS PER ORDINARY SHARE (cont'd)

Diluted

The diluted earnings per ordinary share of the Group has been calculated based on the profit attributable to ordinary equity holders of the Company and on the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares as follows:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Profit attributable to ordinary equity holders of the Company	76,234	2,620

	The Group	
	2022	**2021**
	'000	**'000**
Weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141
Effects of share option dilution	-	-
Adjusted weighted average number of ordinary shares in issue and ranking for dividend	528,141	528,141

Diluted earnings per ordinary share:

	The Group	
	2022	**2021**
	Sen	**Sen**
Profit attributable to ordinary equity holders of the Company	14.43	0.50

The assumed conversion of the option has an anti-dilutive effect.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold building RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Site equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Sales gallery RM'000	Capital work-in-progress RM'000	Total RM'000
Cost											
As of 1 July 2020	5,500	4,490	2,011	10,465	16,526	297	4,473	7,051	10,027	16,049	76,889
Additions	-	95	73	398	963	-	210	244	274	254	2,511
Disposals	-	-	-	(719)	-	-	-	-	-	-	(719)
Write-offs (Note 8)	-	-	-	(7)	(1)	-	(10)	(205)	-	-	(223)
As of 30 June 2021/ 1 July 2021	5,500	4,585	2,084	10,137	17,488	297	4,673	7,090	10,301	16,303	78,458
Additions	-	5	11	-	128	-	106	-	97	1,693	2,040
Disposal	-	(16)	(26)	(310)	(908)	-	(6)	-	(30)	-	(1,296)
Transfer	-	-	-	-	-	-	-	-	8,931	(8,931)	-
Write-offs (Note 8)	-	(1)	-	(218)	-	-	-	-	(10,095)	-	(10,314)
As of 30 June 2022	5,500	4,573	2,069	9,609	16,708	297	4,773	7,090	9,204	9,065	68,888

(Forward)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	Leasehold building RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Site equipment RM'000	Electrical installations RM'000	Computers RM'000	Office renovations RM'000	Sales gallery RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation											
As of 1 July 2020	900	3,947	1,418	9,198	9,419	293	3,829	5,625	4,182	-	38,811
Charge for the year (Note 8)	100	117	90	847	2,789	3	318	366	2,269	-	6,899
Disposals	-	-	-	(719)	-	-	-	-	-	-	(719)
Write-offs (Note 8)	-	-	-	(7)	(1)	-	(8)	(23)	-	-	(39)
As of 30 June 2021/ 1 July 2021	1,000	4,064	1,508	9,319	12,207	296	4,139	5,968	6,451	-	44,952
Charge for the year (Note 8)	100	92	85	368	2,248	1	240	321	4,927	-	8,382
Disposal	-	(8)	(10)	(284)	(908)	-	(6)	-	-	-	(1,216)
Write-offs (Note 8)	-	(1)	-	(218)	-	-	-	-	(10,095)	-	(10,314)
As of 30 June 2022	1,100	4,147	1,583	9,185	13,547	297	4,373	6,289	1,283	-	41,804
Net book value											
As of 30 June 2022	4,400	426	486	424	3,161	-	400	801	7,921	9,065	27,084
As of 30 June 2021	4,500	521	576	818	5,281	1	534	1,122	3,850	16,303	33,506

(Forward)

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Computers RM'000	Office renovations RM'000	Total RM'000
Cost						
As of 1 July 2020	760	371	1,661	1,240	1,187	5,219
Additions	-	3	-	46	-	49
Write-offs (Note 8)	-	-	-	(10)	-	(10)
As of 30 June 2020/1 July 2021	760	374	1,661	1,276	1,187	5,258
Additions	5	2	-	29	-	36
As of 30 June 2022	765	376	1,661	1,305	1,187	5,294
Accumulated depreciation						
As of 1 July 2020	482	238	1,660	1,029	1,070	4,479
Charge for the year (Note 8)	49	21	-	115	34	219
Write-offs (Note 8)	-	-	-	(8)	-	(8)
As of 30 June 2021/1 July 2021	531	259	1,660	1,136	1,104	4,690
Charge for the year (Note 8)	34	18	-	72	25	149
As of 30 June 2022	565	277	1,660	1,208	1,129	4,839
Net book value						
As of 30 June 2022	200	99	1	97	58	455
As of 30 June 2021	229	115	1	140	83	568

Included in property, plant and equipment of the Group and of the Company are fully depreciated property, plant and equipment with a cost of RM26,919,000 (2021: RM21,430,000) and RM4,250,000 (2021: RM4,042,000) respectively, which are still in use.

Included in property, plant and equipment of the Group are property, plant and equipment under hire-purchase arrangements with net book value of RM1,055,000 (2021: RM2,712,000).

12. RIGHT-OF-USE ASSETS

	The Group RM'000	The Company RM'000
Cost		
At 1 July 2020	12,660	938
Additions	653	324
Disposal (Note (d))	(100)	(100)
At 30 June 2021/1 July 2021	13,213	1,162
Additions	286	-
Disposal (Note (d))	(2,116)	-
At 30 June 2022	11,383	1,162
Accumulated depreciation		
At 1 July 2020	3,116	190
Charge for the year (Note 8)	4,148	451
Disposal (Note (d))	(100)	(100)
At 30 June 2021/1 July 2021	7,164	541
Charge for the year (Note 8)	3,351	441
Disposal (Note (d))	(2,116)	-
At 30 June 2022	8,399	982
Carrying amount		
At 30 June 2022	2,984	180
At 30 June 2021	6,049	621

(a) The Group and the Company lease several office buildings and sales galleries. The average lease term of the Group and the Company is 2 to 5 years and 2 to 3 years (2021: 2 to 5 years and 2 to 3 years) respectively.

(b) In the current financial year, amounts recognised in profit and loss are as below:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amounts recognised in profit and loss				
Depreciation of right-of-use assets (Note 8)	3,351	4,148	441	451
Interest expense on lease liabilities (Note 7)	287	478	26	48
Expenses relating to short-term leases (Note 8)	319	296	52	-
Expenses relating to leases of low-value assets (Note 8)	36	21	18	16

(c) During the year, the total cash outflow for leases for the Group and the Company amounted to RM3,662,000 (2021: RM4,455,000) and RM493,000 (2021: RM460,000) respectively (Note 33).

(d) Disposal represents right-of-use asset for which lease term was expired during the year.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

13. INVESTMENT PROPERTIES

The Group	At fair value		
	Freehold properties RM'000	Long-term leasehold properties RM'000	Total RM'000
As of 1 July 2020	12,160	157,265	169,425
Fair value adjustments (Note 8)	-	(8,132)	(8,132)
Additions	-	7,432	7,432
Transfer from inventories (Note 21) (Note (d))	41,905	-	41,905
As of 30 June 2021	54,065	156,565	210,630
As of 1 July 2021	54,065	156,565	210,630
Fair value adjustments (Note 8)	-	(5,233)	(5,233)
Transfer from property development costs (Note 20) (Note (e))	2,784	-	2,784
As of 30 June 2022	56,849	151,332	208,181

(a) **Investment properties**

At fair value

The fair values of the Group's investment properties as of 30 June 2022 have been arrived at by the directors based, among others, on valuations performed by the independent valuers that are not related to the Group using the comparison method of valuation and current prices in an active market for similar properties.

The fair values of the Group's investment properties are classified as a Level 3 fair value item for the purposes of fair value hierarchy disclosure.

The following table shows the significant unobservable input used in the valuation model:

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Freehold properties	Sale price of comparable land and buildings	The higher the sale price of comparable land and buildings, the higher the fair value
Long-term leasehold properties	Sale price of comparable land and buildings	The higher the sale price of comparable land and buildings, the higher the fair value

13. INVESTMENT PROPERTIES (cont'd)

(b) **Investment properties pledged as securities**

As of 30 June 2022, the long-term leasehold properties of the Group amounting to RM146,800,000 (2021: RM151,800,000), are charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

(c) The following are recognised in profit or loss in respect of investment properties:

	The Group	
	2022 RM'000	**2021 RM'000**
Rental income	(8,002)	(6,008)
Direct operating expenses	3,506	1,600

(d) In the previous year, the Group recognised a fair value gain of RM20,983,000 on transfer of inventories to investment properties.

(e) During the year, the Group has recognised a fair value loss of RM16,000 on transfer of property development costs to investment properties.

14. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2022 RM'000	**2021 RM'000**
At beginning of year:		
Freehold land - at cost	11,458	11,458
Long-term leasehold land - at cost	125,784	125,784
Long-term leasehold land - proprietor's entitlement	404,767	404,767
Development expenditure	133,597	128,043
	675,606	670,052
Addition to development expenditure during the year:		
Freehold land - at cost (Note (d))	3,537	-
Long-term leasehold land - at cost (Note (d))	1,227	-
Development expenditure	2,634	2,011
	7,398	2,011
Development expenditure reclassified from other receivables (Note 22)	-	113
Development expenditure written off (Note 8)	(4,842)	-
Reversal of land held for development previously written down (Note 8) (Note (e))	-	4,707
Impairment loss (Note 8)	(6,642)	(1,277)
At end of year:		
Freehold land - at cost	14,995	11,458
Long-term leasehold land - at cost	127,011	125,784
Long-term leasehold land - proprietor's entitlement	404,767	404,767
Development expenditure	124,747	133,597
	671,520	675,606

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

(a) Certain long-term leasehold land of the Group amounting to RM197,016,000 (2021: RM200,147,000) are charged to licensed bank for credit facilities granted to the Group as mentioned in Note 31.

(b) The title deeds in respect of the long-term leasehold land - proprietor's entitlement are not registered under the subsidiary companies' names as these title deeds will be transferred directly to purchasers upon sale of the properties.

(c) Pursuant to the Joint Venture Agreement ("JVA") dated 7 April 2014, Yayasan Wilayah Persekutuan ("Yayasan WP"), a third party, was required to deliver vacant possession of a parcel of long-term leasehold land to Memang Perkasa Sdn Bhd ("MPSB"), a 51% owned subsidiary company, for development. All the development costs shall be borne by MPSB. MPSB is entitled to the gross development value of the development less Yayasan WP's entitlement of RM160,000,000 in accordance with the terms of JVA.

Included in land held for property development arising from acquisition of subsidiary company is long-term leasehold land proprietor's entitlement amounting to RM160,000,000 (2021: RM160,000,000), of which RM68,200,000 (2021: RM68,200,000) (Note 34(b)) is payable to Yayasan WP upon the fulfilment of conditions precedent pursuant to the JVA.

On 11 August 2017, Perbadanan Pengurusan Trellises and 9 Others ("the Applicants") had filed a Judicial Review against Datuk Bandar Kuala Lumpur and Dewan Bandaraya Kuala Lumpur, Yayasan WP and MPSB, a wholly owned subsidiary company of the Company, for the following orders:

(i) An Order of Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant a conditional planning approval dated 28 February 2017 for the proposed development on the Land;

(ii) An Order for Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant a Development Order dated 13 July 2017 in relation to the proposed development mentioned in paragraph (i) above; and

(iii) An Order on Mandamus for Datuk Bandar Kuala Lumpur to adopt the draft Kuala Lumpur local plan 2020 and to publish the said adoption in the gazette pursuant to Section 16 of the Federal Territory (Planning Act) 1982.

On 15 November 2017, the Kuala Lumpur High Court allowed Yayasan WP and MPSB's application to intervene and be added as the 3rd and 4th Respondents in the Judicial Review proceeding.

Subsequently, the Applicants withdrew their claim against DBKL.

On 28 November 2018, the Kuala Lumpur High Court ruled that the Development Order dated 13 July 2017 issued by Datuk Bandar Kuala Lumpur was valid. The Judicial Review Application was accordingly dismissed with costs. The Applicants appealed to the Court of Appeal against the decision of the Kuala Lumpur High Court on 28 November 2018.

On 27 January 2021, the Court of Appeal delivered its decision and handed down the following Orders:

(i) That the Applicants' Appeal was unanimously allowed with costs;

(ii) That the decision of the High Court dated 28 November 2018 was set aside; and

(iii) That an Order of Certiorari be granted quashing the decision of the Datuk Bandar Kuala Lumpur in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land.

14. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

On 23 February 2021, MPSB filed a Notice of Motion for Leave to Appeal to the Federal Court and the Federal Court had on 1 September 2021 allowed the application by MPSB to appeal against the decision of the Court of Appeal. The Notice of Appeal was filed in the Federal Court on 14 September 2021.

The Appeal was heard by the Federal Court on 22 and 28 of April 2022 and 25 to 27 July 2022. The Federal Court has yet to fix a date for the decision.

Barring unforeseen circumstances and based on the opinion of the legal counsel, the management is of the opinion that MPSB has a strong defence of the Appeal.

(d) During the financial year, the Group acquired a parcels of leasehold land measuring 572 square meters and another parcel of freehold land measuring 1,637 square meters through its indirect subsidiary company, Silver Quest Development Sdn Bhd in Mukim of Setapak, District of Wangsa Maju, Federal Territory of Kuala Lumpur for a consideration RM1,226,758 and RM3 510,842 respectively.

(e) Pursuant to the reclaim of ownership of the land from the Selangor government in the preuous year, Interpile Sdn Bhd (an indirect subsidiary company held through Melariang Sdn Bhd) recognised a land held for property development of RM4,707,000 which was written down in prior years. The net realisable value of the land was assessed at RM4,000,000 as at 30 June 2021, resulted in an impairment loss of RM1,277,000 after considering additional cost capitalised in prior year amounting to RM570,000.

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2022 RM'000	The Company 2021 RM'000
Unquoted shares, at cost	515,493	515,859
Less: Accumulated impairment loss	(14,476)	(14,843)
	501,017	501,016
<u>Accumulated impairment losses</u>		
At beginning of year	14,843	14,843
Write-off during the year	(367)	-
At end of year	14,476	14,843

<u>**2022**</u>

Acquisition of new subsidiary company

World East Hotel Sdn Bhd ("WEHSB")

During the year, on 21 April 2022 and 1 June 2022, Khuan Choo Realty Sdn Bhd ("KCRSB"), a wholly-owned subsidiary company of the Company, acquired 99% and 1%, respectively, of the issued and paid-up ordinary share capital of WEHSB, a company incorporated in Malaysia, from two individual shareholders of WEHSB (namely, Ahmad Lazri Bin Long Ahmad Zainal Abidin (member of Board of Directors of Memang Perkasa Sdn Bhd, a subsidiary of Malton Group) and Esmaliza Bt Ismail) for a total cash consideration of RM1,000.

The following table shows the significant unobservable input used:

Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Discounted cash flows	The higher the discounted cash flows, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows:

Name	Country of incorporation	Proportion of ownership interest and voting power 2022 %	2021 %	Principal activities
Direct Subsidiary Companies				
Khuan Choo Realty Sdn Bhd	Malaysia	100	100	Investment in property, investment holding, and provision of management services
Bukit Rimau Development Sdn Bhd	Malaysia	100	100	Property development
Domain Resources Sdn Bhd	Malaysia	100	100	Construction, project management, consultancy services and property trading
Domain Stable Construction Sdn Bhd	Malaysia	100	100	Property development
Pembinaan Gapadu Sdn Bhd	Malaysia	100	100	Property development
Regal Marvel Capital Sdn Bhd (formerly known as Regal Marvel Construction Sdn Bhd)	Malaysia	100	100	Investment holding and provision of treasury and fund management services
Khuan Choo Property Management Sdn Bhd	Malaysia	100	100	Property development and property management
Malton Development Sdn Bhd	Malaysia	100	100	Property development
Kumpulan Gapadu Sdn Bhd	Malaysia	100	100	Property development and investment holding
Layar Raya Sdn Bhd	Malaysia	100	100	Property development
Beijing Malton Investment Consultancy Ltd *	People's Republic of China	-	100	Dormant
Malton Assets Limited * (Dissolved on 24 June 2022)	British Virgin Islands	-	100	Dormant
Malton Asia Limited * (Dissolved on 27 June 2022)	British Virgin Islands	-	100	Dormant
Ehsan Armada Sdn Bhd	Malaysia	100	100	Property development
Macorp Sdn Bhd	Malaysia	100	100	Investment holding
Memang Perkasa Sdn Bhd	Malaysia	51	51	Property development

(Forward)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation	Proportion of ownership interest and voting power 2022 %	2021 %	Principal activities
Indirect Subsidiary Companies (Held through Khuan Choo Realty Sdn Bhd)				
Asia-Condo Corporation Sdn Bhd	Malaysia	100	100	Property development and investment
Gapadu Development Sdn Bhd	Malaysia	100	100	Property development
Gapadu Harta Sdn Bhd	Malaysia	100	100	Property development
Khuan Choo Development Sdn Bhd	Malaysia	100	100	Property development
Horizontal Promenade Sdn Bhd	Malaysia	100	100	Property development
Rentak Sejati Sdn Bhd	Malaysia	100	100	Property development
Silver Setup Sdn Bhd	Malaysia	100	100	Property development and investment holding
World East Hotel Sdn Bhd	Malaysia	100	-	Dormant
Khuan Choo Sdn Bhd	Malaysia	100	100	Property trading and property development
Melariang Sdn Bhd	Malaysia	100	100	Property development and investment holding
Ambang Suriamas Sdn Bhd	Malaysia	100	100	Dormant
Indirect Subsidiary Companies (Held through Domain Resources Sdn Bhd)				
Domain Property Services Sdn Bhd	Malaysia	100	100	Property management services
Domain EPC Sdn Bhd	Malaysia	100	100	Project management services
DMP Construction Sdn Bhd	Malaysia	100	100	Dormant
Domain Project Management Sdn Bhd	Malaysia	100	100	Dormant
Indirect Subsidiary Company (Held through Silver Setup Sdn Bhd)				
Silver Quest Development Sdn Bhd	Malaysia	100	100	Property development

(Forward)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation	Proportion of ownership interest and voting power 2022 %	2021 %	Principal activities
Indirect Subsidiary Company (Held through Melariang Sdn Bhd)				
Interpile (M) Sdn Bhd	Malaysia	100	100	Property development
Indirect Subsidiary Company (Held through Kumpulan Gapadu Sdn Bhd)				
Pioneer Haven Sdn Bhd	Malaysia	100	100	Property development

* The financial statements of these subsidiary companies are audited for the purpose of consolidation.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Country of incorporation	Number of wholly-owned subsidiaries 2022	2021
Property development	Malaysia	18	18
Construction contracts	Malaysia	3	3
Property trading	Malaysia	1	1
Investment holding	Malaysia	4	4
Dormant	Malaysia	4	3
	People's Republic of China	-	1
	British Virgin Islands	-	2

Principal Activity	Country of incorporation	Number of non-wholly-owned subsidiaries 2022	2021
Property development	Malaysia	1	1

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of non-wholly owned subsidiary companies that have material non-controlling interests are as follows:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests (Note 29)	
		2022	2021	2022	2021	2022	2021
		%	%	RM'000	RM'000	RM'000	RM'000
Memang Perkasa Sdn Bhd ("MPSB")	Malaysia	49	49	(456)	(1,451)	17,560	18,016

(Forword)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations:

	2022 RM'000	2021 RM'000 (Restated)
MPSB		
Statement of financial position		
Non-current asset	236,397	229,911
Current assets	912	556
Current liabilities	(199,466)	(191,694)
Total equity	37,843	38,773
Statement of profit or loss and other comprehensive income		
Selling and distribution expenses	-	-
Administration expenses	(930)	(2,961)
Loss before tax	(930)	(2,961)
Income tax expense	-	-
Loss for the year	(930)	(2,961)

16. INVESTMENT IN ASSOCIATED COMPANIES

	The Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	*	*
Share in post-acquisition reserves	-	-
	-	-

* The cost of investment is RM45 as of 30 June 2022 and 30 June 2021.

16. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The summarised management financial statements of the associated companies are as follows:

	2022 RM'000	2021 RM'000
Assets and Liabilities		
Total assets	2	18
Total liabilities	(3,030)	(5,079)
Net liabilities	(3,028)	(5,061)
Group's share of net assets of associated companies	-	-
Results		
Total revenue	-	-
Profit for the financial year	-	-
Group's share of loss for the financial year	-	-

The details of the associated companies are as follows:

Name	Country of incorporation	Proportion of ownership interest and voting power 2022 %	2021 %	Principal activities
Indirect Associated Company (Held through Khuan Choo Sdn Bhd)				
Reliance Star Limited ^	British Virgin Islands	45	45	Investment holding
Indirect Associated Company (Held through Reliance Star Limited)				
Perfect Express Global Ltd ^	British Virgin Islands	45	45	Investment holding
Indirect Associated Company (Held through Perfect Express Global Ltd)				
Inai Berkat Sdn Bhd *@	Malaysia	45	45	Investment holding

* The financial statements of the associated company are audited by auditors other than the auditors of the Company.

@ The financial year end of the associated company is 31 December.

^ The financial statements of these associated companies are examined for the purpose of equity accounting.

17. INVESTMENT IN JOINT VENTURES

	The Group	
	2022 RM'000	2021 RM'000
At cost	102	102
Unquoted ordinary shares, at cost	102	102
Deferred day one loss on RPS-D (Note 18)	2,787	1,244
	2,889	1,346
Share in post-acquisition reserves	28,358	(1,346)
	31,247	-
Share in post-acquisition reserves:		
At beginning of the year	(1,346)	(102)
Share of results for the year	29,704	(1,244)
At end of the year	28,358	(1,346)

Investment in joint ventures represents investment in Amberstraits Sdn Bhd ("ASB") and Regal Path Sdn Bhd ("RPSB").

As at 30 June 2022, the effective equity interest of the Group in ordinary share capital of ASB and RPSB is 51%.

However, pursuant to the Amberstraits Shareholders' Agreement dated 25 September 2019 entered between ASB, Khuan Choo Realty Sdn Bhd ("KCRSB") and Jelan Tegas Sdn Bhd ("JTSB"), KCRSB and JTSB had a joint control over ASB as all Board Reserve Matters and Shareholder Reserve Matters require the unanimous approval of JTSB and KCRSB. Further, pursuant to the Regal Path Shareholders' Agreement dated 10 October 2019 entered between KCRSB, JTSB, Q PBJ Sdn Bhd ("QPBJ"), ASB and RPSB, KCRSB, JTSB and QPBJ had a joint control over RPSB as all Board Reserve Matters and Shareholder Reserve Matters require the unanimous approval of KCRSB, JTSB and QPBJ. Accordingly, management believed that the Group had lost the control over ASB and RPSB as a holding company and therefore, investments in ASB and RPSB were derecognised as subsidiaries in 2020.

ASB and RPSB were assessed as a separate vehicles that have rights to their assets, and obligations for the liabilities, relating to the joint arrangement. KCRSB and JTSB only have the joint arrangement with rights to the net assets of the arrangement. Therefore, investments in ASB and RPSB have been treated as investment in joint ventures.

17. INVESTMENT IN JOINT VENTURES (cont'd)

The summarised financial information of the significant joint venture is as follows:

	2022 RM'000	2021 RM'000
Assets and Liabilities		
Total assets	2,298,089	1,791,224
Total liabilities	(2,236,820)	(1,834,377)
Net assets/(liabilities)	61,269	(43,153)
Group's share of net assets of associated companies	31,247	(22,008)
Results		
Total revenue	42,551	-
Profit/(Loss) for the financial year	101,396	(31,081)
Group's share of profit/(loss) for the financial year	51,712	(15,851)

The significant share of post-acquisition reserves in current year is mainly attributable to the profit (which is mainly derived from gain on fair valuation of investment property completed during the year) for the current financial year generated in RPSB.

18. OTHER INVESTMENTS

	The Group	
	2022 RM'000	2021 RM'000
Transferable golf and country club memberships - at cost	245	245
Redeemable preference shares ("RPS") - B	275,309	203,125
Redeemable preference shares ("RPS") - D	10,294	-
	285,848	203,370

18. OTHER INVESTMENTS (cont'd)

The movement of RPS-B carried at FVTPL as follows:

	The Group 2022 RM'000	The Group 2021 RM'000
Balance as at 1 July	199,017	128,809
Addition:		
Redeemable preference shares subscribed	40,331	54,782
Deferred day one loss	(1,251)	(4,508)
	39,080	50,274
Add: Fair value gain (Note 8)	32,999	19,934
	271,096	199,017
Add: Deferred day one loss	4,213	4,108
Balance as at 30 June	275,309	203,125

The movement of deferred day one loss as follows:

	The Group 2022 RM'000	The Group 2021 RM'000
Balance as at 1 July	(4,108)	-
Deferred day one loss on new RPS-B subscribed during the year	(1,251)	(4,508)
Deferred day one loss recognised in profit or loss during the year (Note 8)	1,146	400
Balance as at 30 June	(4,213)	(4,108)

18. OTHER INVESTMENTS (cont'd)

The movement of RPS-D carried at amortised cost as follows:

	The Group	
	2022 **RM'000**	**2021** **RM'000**
Balance as at 1 July	4,042	-
Add: Redeemable preference shares subscribed	7,795	5,286
Less: Deferred day one loss (Note 17)	(1,543)	(1,244)
	6,252	4,042
	10,294	4,042
Less: Impairment loss	-	(4,042)
	10,294	-

<u>Movement in impairment loss</u>

	The Group	
	2022 **RM'000**	**2021** **RM'000**
At beginning of year	4,042	-
Impairment loss recognised (Note 8)	-	4,042
Reversal of impairment loss (Note 8)	(4,042)	-
At end of year	-	4,042

RPS-D are intially recognised at its fair value on the respective transacted dates. The difference between the consideration paid and fair value at transacted dates has been recongised as an increase to the cost of investment in joint venture. The Group recognises impairment losses based on expected credit losses ("ECL") model using the general approach, which measures the impairment losses at an amount equal to 12-month ECL.

During the year, the Group has subscribed RPS-B of RM40,331,000 (2021: RM54,782,000) and RPS-D of RM7,795,012 (2021: RM5,286,493) issued by Regal Path Sdn Bhd ("RPSB"), a joint venture entity.

The salient features of the RPS-B are as follows:

(i) The RPS-B shall have no voting rights, save for the right of a holder of a RPS-B to one vote per RPS-B held at a meeting of RPSB on a resolution to vary any right attached to RPS-B, the holders of RPS-B shall vote as a class of their own. All issued and outstanding RPS-B shall be deemed to form a single class of shares in RPSB.

(ii) The RPS-B entitle the holders to annual cumulative preferential dividend payable in cash at the rate of seven percent (7.0%) per annum calculated based on the issue price of RM1.00 per RPS-B which will be accrued until the RPS-B are redeemed ("RPS Preference Dividend").

18. OTHER INVESTMENTS (cont'd)

The salient features of the RPS-B are as follows: (cont'd)

(iii) RPS-B are redeemable in the following events:

(a) Optional Redemption (may be effected by RPSB at any time); or

(b) Early Redemption (upon the occurrence of an Asset Sale Event - a sale, conveyance or other disposition, directly or indirectly, of the Pavilion Bukit Jalil Mall by RPSB where the proceeds received by RPSB from such sale, conveyance or disposition are sufficient to pay the aggregate redemption amounts of RPS-A, RPS-B and RPS-C issued by RPSB and RPS-D, RPS-A2 and RPS-B2 if issued by RPSB); or

(c) Mandatory Redemption (on the seventh (7th) anniversary of the issue date of the first tranche of RPS-A. However, RPS-A holders have the option to postpone the mandatory redemption date of both RPS-A and RPS-B by one (1) calendar year by delivering a written notice to RPSB on or before the sixth (6th) anniversary of the issue date of the first tranche of RPS-A.); or

(d) Reinvestment (as set out in (vii) below) (effected by RPS-A holders serving a reinvestment notice to RPSB).

(iv) In the event of an Optional Redemption of RPS-B:

(a) RPSB to the extent permitted by applicable law, declare and pay to each RPS-B holders the sum of all the accrued and unpaid RPS Preference Dividend plus an amount that would result in the RPS-B holders achieving an IRR of 12% in respect of such RPS-B after taking into account and without double counting, all accrued and unpaid RPS Preference Dividend, plus the aggregate of the RPS-B Cash Flows[1] received by the RPS-B holders in respect of such RPS-B (collectively referred to as "RPS-B Final Dividend Amount").

[1] <u>RPS-B Cash Flows, in relation to each RPS-B, means:</u>

- dividends (including RPS Preference Dividend), interests and distribution received by RPS-B holders; plus
- moneys received by RPS-B holders on the redemption or any return of capital; plus
- the proportional RPS-D redemption amount received by the relevant RPS-B holders in respect of such RPS-B.

(b) RPSB shall redeem all of the RPS-B outstanding for an amount equal to the RPS-B Redemption Amount[2] for every one RPS-B held.

[2] <u>RPS-B Redemption Amount, means:</u>

- where, after payment in full of the final dividend and redemption amount of RPS-A, RPSB is permitted to declare and pay the RPS-B Final Dividend Amount in full, the RPS-B Issue Price, or
- where, after payment in full of the redemption of RPS-A, RPSB does not have sufficient distributable profits to permit the declaration and payment in full of the RPS-B Final Dividend Amount, the sum of RPS-B Issue Price plus an amount not exceeding the RPS-B Final Dividend Amount that RPSB is unable to pay as dividends.

(v) In the event of an Early Redemption of RPS-B and prior to the completion of the Reinvestment:

Each RPS-B holder shall be entitled to receive, for each RPS-B held by such holder, on parity and rateably with each other, an amount equal to the RPS-B Issue Price of RM1.00 each and the RPS-B Final Dividend Amount in respect of such RPS-B held; provided that if the assets and funds available to be distributed among the RPS-B holders after payment in full of the amounts due to the RPS-A and RPS-C holders. In the event that the assets and funds are insufficient to permit the payment in full of the amounts due in respect of all outstanding RPS-B held by the RPS-B holders, the entire assets and funds available for distribution shall be distributed rateably among all RPS-B holders in proportion to the applicable amounts to each RPS-B holder is entitled to receive in aggregate in respect of all the applicable RPS-B held by it.

18. OTHER INVESTMENTS (cont'd)

The salient features of the RPS-B are as follows: (cont'd)

(vi) In the event of a Mandatory Redemption of RPS-B:

RPSB shall pay the RPS-B Final Dividend Amount and the RPS-B Redemption Amount in the manner set out in (iv)(a) and (iv)(b) above. Each RPS-B holder shall also pay to RPSB an amount equal to the RPS-B issue price of RM1.00 for every one RPS-B held to concurrently subscribe for one ordinary share in RPSB.

Provided always that if RPS-A holders deliver a written notice to RPSB by no later than thirty (30) days prior to the sixth (6^{th}) anniversary of the issue date of the first tranche of RPS-A (or seventh (7^{th}) anniversary if the mandatory redemption date of both RPS-A and RPS-B is extended by one (1) calendar year), indicating that they do not intend to subscribe for ordinary shares in RPSB, RPSB shall only be required to declare a final dividend and redeem each outstanding RPS-B in cash without the relevant RPS-B holders subscribing for ordinary shares in RPSB.

(vii) RPS-A holders have the option to require RPSB to effect the Reinvestment, where the RPS-A holders shall reinvest the RPS-A redemption amount (and the RPS-A final dividend amount, if applicable) due to it and each RPS-B holders shall reinvest the RPS-B Redemption Amount (and the RPS-B Final Dividend Amount, if applicable) due to it respectively in consideration for the issuance of new ordinary shares in RPSB, RPS-A2 and/or RPS-B2 (as applicable) to the RPS-A and RPS-B holders respectively, in accordance with the constitution of RPSB.

RPS-A holders may effect the Reinvestment by giving written notice to RPSB any time from the date falling twenty-two (22) months, or such other period as RPSB and the RPS-A holders may agree, after the issue date of the first RPS-A up to 30 days prior to the sixth (6^{th}) anniversary of the issue date of the first tranche of RPS-A ("Election Date") (in the event that RPS-A holders exercise its option to postpone the mandatory redemption date of RPS-A and RPS-B by one (1) calendar year, the Election Date will be postponed to 30 days prior to the seventh (7^{th}) anniversary of the first issue date of the first tranche of RPS-A).

(viii) In the event of the Reinvestment being effected by RPS-A holders:

RPSB shall pay the RPS-B Final Dividend Amount and the RPS-B Redemption Amount in the manner set out in (iv)(a) and (iv)(b) above. Each RPS-B holder shall pay to RPSB an amount equal to the RPS-B issue price of RM1.00 for every one RPS-B held to concurrently subscribe for one ordinary share in RPSB.

If RPSB does not have sufficient distributable profits, or is not otherwise permitted by law to redeem all of the RPS-B outstanding and/or to declare a final dividend to enable each RPS-B holder to receive the sum of the RPS-B Issue Price of RM1.00 for each RPS-B held and RPS-B Final Dividend Amount in full for each RPS-B held by such RPS-B holder on the Reinvestment date, each RPS-B holder shall subscribe and RSPB shall issue RPS-B2 at an issue price of RM0.0001 each.

(ix) The rights attached to the RPS-B may only be varied or abrogated with the consent in writing of the RPS-B holders of at least seventy-five percent (75%) of the issued RPS-B respectively, and may be so varied or abrogated either whilst RPSB is a going concern or during or in contemplation of a winding-up.

18. OTHER INVESTMENTS (cont'd)

The salient features of the RPS-D are as follows:

(i) The RPS-D shall have no voting rights, save for the right of a holder of a RPS-D to one vote per RPS-D held at a meeting of the Company on a resolution to vary any right attached to RPS-D, the holders of RPS-D shall vote as a class of their own. All issued and outstanding RPS-D shall be deemed to form a single class of shares in the Company.

(ii) The RPS-D does not confer on its holder the right to receive any specific dividend or other distribution.

(iii) RPS-D are redeemable in the following events:

(a) Optional Redemption (may be effected by RPSB at any time); or

(b) Early Redemption (upon the occurrence of an Asset Sale Event – a sale, conveyance or other disposition, directly or indirectly, of the Pavilion Bukit Jalil Mall by RPSB). Where the proceeds received by RPSB from such sale, conveyance or disposition are sufficient to pay the aggregate redemption amounts of RPS-A, RPS-B and RPS-C issued by RPSB and RPS-D, RPS-A2 and RPS-B2 if issued by RPSB); or

(c) Mandatory Redemption (on the seventh (7^{th}) anniversary of the issue date of the first tranche of RPS-A. However, RPS-A holders has the option to postpone the mandatory redemption date of both RPS-A and RPS-B by one (1) calendar year by delivering a written notice to RPSB on or before the sixth (6^{th}) anniversary of the issue date of the first tranche of RPS-A).

(iv) The rights attached to the RPS-D may only be varied or abrogated with the consent in writing of the RPS-D holders of at least seventy-five percent (75%) of the issued RPS-D respectively, and may be so varied or abrogated either whilst RPSB is a going concern or during or in contemplation of a winding-up.

(v) RPS-D holders are entitled to a Redemption Amount equivalent to RM1.00.

19. DEFERRED TAX ASSETS/(LIABILITIES)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	17,587	22,716	82	76
Deferred tax liabilities	(57,601)	(57,601)	(12)	(6)
	(40,014)	(34,885)	70	70

The deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

The Group 2022	At beginning of year RM'000	Recognised in profit or loss (Note 9) RM'000	At end of year RM'000
Deferred tax liabilities:			
Property development cost	(57,600)	-	(57,600)
Investment properties	(3,503)	(80)	(3,583)
Property, plant and equipment	(609)	13	(596)
Right-of-use assets	(701)	701	-
	(62,413)	634	(61,779)
Deferred tax assets:			
Unused tax losses	4,176	(2,083)	2,093
Property development cost	5,515	2,079	7,594
Redeemable preference shares	4,656	(4,656)	-
Other payables and accrued expenses	1,636	885	2,521
Unabsorbed capital allowances	3,177	452	3,629
Property, plant and equipment	1,026	593	1,619
Lease liabilities	712	(654)	58
Others	6,630	(2,379)	4,251
	27,528	(5,763)	21,765
	(34,885)	(5,129)	(40,014)

19. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following: (cont'd)

The Group 2021	**At beginning of year RM'000**	**Recognised in profit or loss (Note 9) RM'000**	**At end of year RM'000**
Deferred tax liabilities:			
Property development cost	(57,600)	-	(57,600)
Investment properties	(3,503)	-	(3,503)
Property, plant and equipment	(218)	(391)	(609)
Right-of-use assets	(813)	112	(701)
	(62,134)	(279)	(62,413)
Deferred tax assets:			
Unused tax losses	(3,752)	7,928	4,176
Property development cost	6,201	(686)	5,515
Redeemable preference shares	3,287	1,369	4,656
Other payables and accrued expenses	13,839	(12,203)	1,636
Unabsorbed capital allowances	2,607	570	3,177
Property, plant and equipment	798	228	1,026
Lease liabilities	830	(118)	712
Others	3,192	3,438	6,630
	27,002	526	27,528
	(35,132)	247	(34,885)

The Company	**At beginning of year RM'000**	**Recognised in profit or loss (Note 9) RM'000**	**At end of year RM'000**
2022			
Deferred tax liabilities:			
Property, plant and equipment	(6)	(6)	(12)
Deferred tax assets:			
Other payables and accrued expenses	62	15	77
Right-of-use assets	14	(9)	5
	70	-	70
2021			
Deferred tax liabilities:			
Property, plant and equipment	(5)	(1)	(6)
Deferred tax assets:			
Other payables and accrued expenses	323	(261)	62
Right-of-use assets	5	9	14
	323	(253)	70

20. PROPERTY DEVELOPMENT COSTS

	The Group	
	2022 RM'000	2021 RM'000 (Restated)
At beginning of year:		
Freehold land - at cost	4,970	4,964
Freehold land - proprietor's entitlement	385,705	376,902
Long-term leasehold land - at cost	7,039	7,021
Long-term leasehold land - proprietor's entitlement	253,847	255,734
Development expenditure	2,030,854	1,570,079
	2,682,415	2,214,700
Additions during the year:		
Freehold land - at cost	-	6
Freehold land - proprietor's entitlement	5,148	8,803
Long-term leasehold land - at cost	18	18
Long-term leasehold land - proprietor's entitlement	1,701	56
Development expenditure	185,072	472,607
	191,939	481,490
Cumulative costs realisable as an expense in profit or loss:		
Previous years	(2,233,363)	(1,671,542)
Current year (Note 6)	(239,270)	(573,736)
Closed out due to completion of projects	2,204,358	11,915
	(268,275)	(2,233,363)
Costs closed out during the year due to completion of projects	(2,204,358)	(11,915)
Provision for foreseeable losses:		
Previous years	(4,578)	(8,796)
Current year (Note 6)	1,840	4,218
	(2,738)	(4,578)
Transfer to investment properties	(2,800)	-
Transfer to inventories	(58,786)	(1,860)
At end of year	337,397	444,474

20. PROPERTY DEVELOPMENT COSTS (cont'd)

(a) Included in current additions to development expenditure are the following:

	The Group	
	2022 RM'000	2021 RM'000
Interest expense on (Note 7):		
Term loans/Bridging loans	-	54

(b) The title deeds in respect of the freehold and long-term leasehold land - proprietor's entitlement are not registered under the subsidiary companies' names as these title deeds will be transferred directly to purchasers upon sale of the properties.

(c) Certain freehold land, freehold land - proprietor's entitlement and long-term leasehold land - proprietor's entitlement of the Group under property development amounting RM4,582,000 (2021: RM64,750,000) and RM79,758,000 (2021: RM240,262,000), respectively are charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

(d) Pursuant to the Joint Development Agreement ("JDA") dated 16 March 2010, and the Supplemental Agreement dated 3 July 2012 ("SA"), Bukit Jalil Development Sdn Bhd ("BJDSB"), a third party, was required to deliver vacant possession of a parcel of freehold land measuring approximately 50 acres to PHSB for development. All the development costs shall be borne by PHSB. PHSB is entitled to 82% of the gross development value of the development, whereas BJDSB is entitled to 18% of the gross development value of the development provided that the total entitlement of BJDSB should not be lesser than RM220,000,000 in accordance with the terms of the JDA and the SA.

Included in property development costs is freehold land proprietor's entitlement amounting to RM10,080,000 (2021: RM385,705,000); As at year end, amount of RM38,122,000 (2021: RM118,675,000) (Note 34(c)) is payable to BJDSB, a third party. The directors have recognised the said proprietor's entitlement progressively in respect of the completed developments and on-going development projects, pursuant to the JDA and the SA.

(e) Pursuant to the Joint Venture Agreement ("JVA") dated 3 January 2012, Gagasan Matrik Sdn Bhd ("GMSB"), a third party, was required to deliver vacant possession of a parcel of long-term leasehold land to Kumpulan Gapadu Sdn Bhd ("KGSB"), a wholly-owned subsidiary company, for development. All the development costs shall be borne by KGSB. KGSB is entitled to the gross development value of the development less GMSB's entitlement of RM102,000,000 in accordance with the terms of the JVA.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM102,000,000 (2021: RM102,000,000), of which RM5,372,000 (2021: RM5,372,000) (Note 34(b)) is payable to GMSB, a third party.

20. PROPERTY DEVELOPMENT COSTS (cont'd)

(f) In 2012, Malton Development Sdn Bhd ("MDSB"), a wholly-owned subsidiary company, entered into a Joint Venture Agreement ("JVA") with Virtue Court Sdn Bhd ("VCSB"), a third party. Pursuant to the JVA and a Supplemental Agreement dated 5 May 2014 ("SA"), VCSB is required to deliver vacant possession of a parcel of a long-term leasehold land measuring approximately 19,859 square meters to MDSB for development. All the development costs shall be borne by MDSB. MDSB is entitled to the gross development value of the development less VCSB's entitlement of RM74,800,000 in accordance with the terms of the JVA and the SA.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM74,800,000, (2021: RM74,800,000) of which RM226,000 (2021: RM226,000) (Note 34(b)) is payable to VCSB.

(g) In 2003, Ehsan Armada Sdn Bhd ("EASB"), a wholly-owned subsidiary company entered into a Joint Development Agreement ("JDA") with Darul Omni Sdn Bhd ("DOSB"), a third party. Pursuant to the JDA and the Supplemental Letter dated 8 December 2010 ("SL"), DOSB was required to deliver vacant possession of a parcel of leasehold land measuring approximately 83 acres to EASB for development. All the development costs shall be borne by EASB. EASB is entitled to 80.5% of the gross development value of the development, whereas DOSB is entitled to 19.5% of the gross development value of the development. Pursuant to the Supplemental Letter dated 27 August 2018 ("SL"), there is a revision of the entitlement to 3.2% of the gross development value of the development for the balance commercial development land.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM12,436,000 (2021: RM10,735,000).

(h) In 2010, Asia-Condo Corporation Sdn Bhd ("ACCSB"), a wholly-owned subsidiary company entered into a Joint Venture Agreement ("JVA") with Tekad Harapan Sdn Bhd ("THSB"), a third party. THSB is required to deliver vacant possession of a parcel of long-term leasehold land to ACCSB for development. All the development costs shall be borne by ACCSB. ACCSB is entitled to the gross development value of the development less THSB's entitlement in accordance with the terms of the JVA. THSB is entitled to 20% of the gross development value of the development and 35% of profit after tax of the entire development project.

Included in property development costs is long-term leasehold land proprietor's entitlement amounting to RM51,373,000 (2021: RM66,312,000).

21. INVENTORIES

	The Group	
	2022 RM'000	2021 RM'000
Completed properties	160,093	124,761
Commercial land	9,000	9,000
	169,093	133,761

The Group recognised an expense of RMNil (2021: RM4,022,000) (Note 8) in respect of inventories written down to its net realisable value.

Included in inventories are completed properties with cost amounting to RM16,749,000 (2021: RM19,385,000) charged to licensed banks for credit facilities granted to the Group as mentioned in Note 31.

Included in inventories are completed properties and commercial land with cost amounting to RM35,977,000 (2021: RM35,977,000) charged to licensed banks for credit facilities granted to certain subsidiary companies as mentioned in Note 31.

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables comprise mainly amounts receivable from customers for construction works carried out, project management services provided and sales of properties developed by the Group. The credit period granted to customers generally ranges from 7 to 90 days (2021: 7 to 90 days) unless otherwise agreed under contractual obligations.

Trade receivables are as follows:

	The Group	
	2022 RM'000	2021 RM'000
Trade receivables	196,934	139,145
Less: Allowance for impairment loss	(7,257)	(20,742)
	189,677	118,403
Retention sum held by contract customers	58,552	55,065
Stakeholder sum held by solicitors	38,913	26,377
	287,142	199,845

Retention sum held by contract customers and stakeholder sum held by solicitors are due upon expiry of retention periods ranging from 6 to 24 months (2021: 6 to 24 months).

Trade receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end financiers. However, these debts are expected to be realised in full without material losses in the ordinary course of business as majority of the customers are with financing facilities obtained from reputable end financiers.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group recognises impairment losses based on expected credit losses ("ECL") model using the simplified approach, which measures the impairment losses at an amount equal to lifetime ECL.

<u>Movement in the allowance for impairment loss</u>

	The Group	
	2022 RM'000	2021 RM'000
At beginning of year	20,742	13,390
Impairment loss recognised (Note 8)	3,200	9,056
Reversal of impairment loss (Note 8)	(16,685)	(1,704)
At end of year	7,257	20,742

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

Aging analysis of trade receivables

	The Group	
	2022 RM'000	2021 RM'000
Retention sum/stakeholder sum	97,465	81,442
Not past due	7,005	28,826
Past due more than 1 month	65,080	24,613
Past due 1 to 2 months	17,188	9,166
Past due more than 2 months	100,404	55,798
Total	287,142	199,845

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables (Notes (b))	60,526	43,613	675	675
Reclassification (Note 14) (Notes (a))	-	(113)	-	-
Less: Allowance for impairment loss	(19,562)	(16,621)	-	-
	40,964	26,879	675	675
Deposits	10,124	13,737	145	147
Prepaid expenses	2,168	2,013	1	1
	53,256	42,629	821	823

Movement in the allowance for impairment loss

	The Group	
	2022 RM'000	2021 RM'000
At beginning of year	16,621	15,210
Impairment loss recognised (Note 8)	2,941	7,689
Impairment loss written-off	-	(2,494)
Reversal of impairment loss (Note 8)	-	(3,784)
At end of year	19,562	16,621

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

22. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

(a) In 2006, MDSB entered into joint venture development agreements ("JVDA") with various third parties ("JV Partners"). Pursuant to the JVDA, the JV Partners were required to deliver vacant possession of the leasehold land ("the Land") to MDSB for development. All the development costs would be borne by MDSB and MDSB was entitled to the entire proceeds from the development. In consideration for the Land delivered, the JV Partners were entitled to a fixed sum of RM25,000,000 paid by MDSB in accordance with the terms of the JVDA.

In 2010, MDSB and the JV Partners entered into a deed of assignment with a third party, to assign the development rights of a portion of the Land to the said third party for a total consideration of RM10. Pursuant to the deed of assignment, a portion of the said Land amounting to RM8,000,000 was recoverable from the said third party in 2014 upon receipt of proceeds from the sale of the completed properties developed by the said third party.

In 2011, MDSB and the JV Partners entered into another deed of assignment with the said third party dated, to assign the development rights of the balance portion of the Land to the said third party for a total consideration of RM10. Pursuant to the deed of assignment, the balance of the said Land amounting to RM17,000,000 was recoverable from the said third party immediately upon receipt of proceeds from the sale of the completed properties developed by the said third party in 2019.

Pursuant to the deed of assignment dated 26 June 2020, MDSB, the JV Partners and the said third party entered into another deed of assignment to re-assign the development rights of the balance portion of the land valued to RM7,130,000 to MDSB for a total consideration of RM10. As of 30 June 2022, the amount receivable from the said third party is RMNil (2021: RMNil), net of allowance for impairment loss amounting to RM8,900,000 (2021: RM8,900,000).

(b) Included in other receivables of the Group is an amount of RM17,199,739 (2021: RM16,763,000), which represents deposits and advances made by Domain Resources Sdn Bhd ("DRSB"), a wholly-owned subsidiary company, to Acres and Hectares Development Sdn Bhd ("A&H"), a third party, pursuant to Joint Development Agreement dated 9 December 2013. A&H appointed DRSB as the Project Development Manager for a project known as Taman Perumahan Yayasan Islam Kelantan ("Project"). Advances to A&H is interest-free, unsecured and repayable on demand.

Pursuant to the letter of appointment, DRSB is required to carry out and perform works on behalf of A&H. In consideration for DRSB agreeing to be appointed as the Project Development Manager in accordance with the scope of works, DRSB shall be entitled to a remuneration of a sum equivalent to 70% of the profit before taxation derived from the Project, after taking into account all development costs relating to the Project but before taking into account DRSB's remuneration.

23. CONTRACT ASSETS/(LIABILITIES)

	The Group 2022 RM'000	The Group 2021 RM'000 (Restated)
Contract assets:		
Property development	169,930	381,459
Construction	19,218	113,213
	189,148	494,672
Contract cost:		
Property development		
Sales commission and agency fee	24,954	13,680
Total	214,102	508,352
Contract liabilities:		
Property development	-	1,970
Construction	24,142	5,752
	24,142	7,722

Staff costs included in current additions of construction include salaries, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the year amounted to RM1,163,366 (2021: RM1,252,290).

(a) Contract assets and contract liabilities from property development:

	The Group 2022 RM'000	The Group 2021 RM'000
Contract assets	169,930	381,459
Contract liabilities	-	(1,970)
Net	169,930	379,489
At beginning of the year	379,489	206,531
Consideration paid/payable to customers	46,234	40,061
Revenue recognised during the year (Note 5)	367,127	628,092
Progress billing during the year	(622,920)	(495,195)
At end of the year	169,930	379,489

23. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(a) Contract assets and contract liabilities from property development: (cont'd)

The movement of the contract cost assets is as follows:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
		(Restated)
At 1 July	13,680	12,452
Addition during the year	21,943	10,447
Amortised during the year (Note 6)	(10,669)	(9,219)
At 30 June	24,954	13,680

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2022 is RM621,203,000 (2021: RM470.654,000). The remaining performance obligations are expected to be recognised as below:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Within 1 year	282,637	227,493
Between 1 to 4 years	338,566	243,161
Total	621,203	470,654

23. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(b) Contract assets and contract liabilities from construction:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Contract assets	19,218	113,213
Contract liabilities	(24,142)	(5,752)
Net	(4,924)	107,461
At beginning of the year	107,461	23,669
Revenue recognised during the year (Note 5)	248,463	348,907
Progress billing during the year	(360,848)	(265,115)
At end of the year	(4,924)	107,461

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

(c) Contract cost:

The above cost to obtain contracts are amortised to cost of sales when the related revenues are recognised.

24. RELATED PARTY TRANSACTIONS AND BALANCES

Amount owing by subsidiary companies, comprising mainly unsecured advances and payments made on behalf, is repayable on demand and bears interest fixed at 4.50% (2021: 4.50%) per annum except for management fees receivable, which is interest-free.

Amount owing to subsidiary companies, which arose mainly from unsecured advances and payments made on behalf, is interest-free and repayable on demand.

Amount owing from joint ventures, which arose mainly from progress billings receivable, unsecured advances and payments made on behalf, is interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

24. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

The related parties of the Company and subsidiary companies and its relationship are as follows:

Related Parties	Relationship
Pavilion REIT ("REIT")	A real estate investment trust in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong are directors of the manager of the REIT and have direct financial interests.
Pavilion REIT Management Sdn Bhd	A company in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong have direct financial interest.
Impian Ekspresi Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has indirect financial interest.
Harmoni Perkasa Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has indirect financial interest.
Jendela Mayang Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has direct financial interest.
SECG Bina Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon is related to its director/shareholder.
WCT Holdings Berhad	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has direct financial interest.
Dream Domain Sdn Bhd	A company in which a director of the Company, namely Chua Thian Teck has direct financial interest.
Kuala Lumpur Pavilion Sdn Bhd	A company in which certain directors of the Company, namely Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong have direct financial interest.
Regal Path Sdn Bhd	A company in which certain directors of the Company and its subsidiary company has indirect financial interest.
Amberstraits Sdn Bhd	A company in which certain directors of the Company and its subsidiary company has direct financial interest.
Lumayan Indah Sdn Bhd	A company in which a director of the Company, namely Tan Sri Lim Siew Choon has indirect financial interest.

During the financial year, significant related party transactions, which are carried out on negotiated basis are as follows:

	The Company	
	2022 RM'000	2021 RM'000
With subsidiary companies:		
Management fee received/receivable (Note 5)	(11,272)	(10,975)
Interest income received/receivable (Note 8)	(6,613)	(5,583)
Accounting fees paid/payable	96	96

24. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
With related parties:				
Impian Ekspresi Sdn Bhd				
Progress billing receivable	(62,693)	(25,731)	-	-
Harmoni Perkasa Sdn Bhd				
Progress billing receivable	-	(5,902)	-	-
Jendela Mayang Sdn Bhd				
Progress billing receivable	(65,289)	(92,348)	-	-
Pavilion REIT				
Rental of premises paid/payable	2,826	2,222	200	361
Pavilion REIT Management Sdn Bhd				
Rental of premises received/receivable	(393)	(393)	-	-
SECG Bina Sdn Bhd				
Progress billing paid/payable	-	864	-	-
Dream Domain Sdn Bhd				
Rental of premises paid/payable	80	163	-	-
Lumayan Indah Sdn Bhd				
Rental of premises paid/payable	198	99	198	99
Kuala Lumpur Pavilion Sdn Bhd				
Property management fee	114	1,914	-	-
Sale of properties to certain family members of a director of the Company	(4,992)	-	-	-
WCT Holdings Bhd				
Rental received from letting office space	(393)	(393)	-	-
Regal Path Sdn Bhd				
Progress billing received/receivable	(199,922)	(361,515)	-	-
Management fee receivable (Note 5)	173	-	-	-
Amberstraits Sdn Bhd				
Accounting, banking and general fee receivable	(6)	(6)	-	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company and certain members of senior management of the Group and of the Company.

24. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

Compensation of key management personnel (cont'd)

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

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term employee benefits	7,022	5,684	2,936	2,896
Defined contribution plans	573	420	293	288
	7,595	6,104	3,229	3,184

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel otherwise than in cash from the Group and from the Company during the financial year amounted to RM183,000 and RM126,000 (2021: RM200,000 and RM146,000), respectively.

Included in the remuneration of key management personnel is the remuneration of Directors of the Company as disclosed in Note 8(c).

25. SHORT-TERM FUNDS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At fair value through other profit or loss				
Investments in unit trust funds in Malaysia	511	500	511	500

26. CASH AND BANK BALANCES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	17,837	33,873	1,389	8,087
Housing development accounts	123,235	53,439	-	-
	141,072	87,312	1,389	8,087

The housing development accounts are maintained by the Group in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from house purchasers, are for the payments of property development expenditure incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the Group upon completion of the property development projects and after all property development expenditure have been fully settled.

27. SHARE CAPITAL

	The Group and The Company			
	2022		2021	
	No. of shares ('000)	RM'000	No. of shares ('000)	RM'000
Issued and fully paid-up:				
Ordinary shares	528,141	528,552	528,141	528,552

Share Options

The Employees' Share Option Scheme ("ESOS") which was established on 20 April 2016 for the benefit of eligible employees and directors of the Group was due to expire on 19 April 2021. During the previous year, the ESOS was extended for a further period of five years expiring on 19 April 2026.

The number in the Company's ESOS options are as follows:

	2022 Unit '000	2021 Unit '000
Number of options over ordinary shares	3,201	4,881

The salient features of the ESOS are as follows:

(a) The total number of shares which may be made available shall not exceed 15% of the issued and paid-up share capital of the Company at the time of offer of the ESOS.

(b) The ESOS shall be in force for a duration of five years with effect from 20 April 2016 and may be further extended for such durations, subject to an aggregate duration of not more than ten years from the effective date of the ESOS.

(c) All employees, including directors, who are confirmed full-time employees of the Group and have been serving for at least one year within the Group are eligible.

(d) Any allocation of options under the ESOS shall require prior approval from the ESOS committee.

(e) No option shall be granted for less than 100 shares or more than the maximum allowable allotment as follows:

(i) the number of options allocated, in aggregate, to the directors and senior management of the Group shall not exceed 70% of the total options available under the ESOS; and

(ii) number of options allocated to any individual director or executive who, either singly or collectively through his/her associates, holding 20% or more in the issued and paid-up share capital of the Company shall not exceed 10% of the total options available under the ESOS.

(f) The option price shall be at a discount of not more than 10% from the weighted average market price of the Company as shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days immediately preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher.

27. SHARE CAPITAL (cont'd)

(g) There is no retention period imposed on the shares arising from the exercise of ESOS options except for the non-executive directors which has a retention period of 1 year.

(h) The ESOS Committee may at any time and from time to time, during the duration of the ESOS and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier in the discretion think fit.

28. RESERVES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable:				
Revaluation reserve	2,065	2,065	-	-
Option reserve	943	1,153	943	1,153
Distributable:				
Retained earnings	471,995	395,551	5,842	5,933
Total	475,003	398,769	6,785	7,086

Revaluation reserve

Revaluation reserve represents the increase in the fair value of long-term leasehold properties prior to its reclassification as investment properties.

Option reserve

Option reserve, which relates to the equity-settled share options granted to eligible employees by the Group and the Company, is made up of the cumulative value of services received from employees recorded on grant of the share options. When the grant is exercised, the amount from the option reserve is transferred to share capital. When the share grants expire, the amount from the option reserve is transferred to retained earnings.

Retained earnings

As of 30 June 2022, the entire retained earnings of the Company are available for distribution as single-tier dividends.

29. NON-CONTROLLING INTERESTS

Included in non-controlling interests is 3,385,000 (2021: 3,385,000) Redeemable Preference Shares ("RPS") issued by MPSB which is held by Tegap Dinamik Sdn Bhd ("TDSB"), a third party, amounting to RM18,617,500 (2021: RM18,617,500).

The RPS shall confer on the holder the following rights:

(a) The RPS shall not be entitled to receive any fixed dividend;

(b) The RPS shall not be mandatorily redeemed on the maturity date, which is 3 December 2025;

(c) Unless redeemed earlier, RPS shall, on the maturity date, be automatically converted into new ordinary shares at conversion ratio fixed at 100 RPS surrendered for cancellation for every one new ordinary share of RM1.00 each;

(d) The RPS shall rank in priority to the ordinary shares of MPSB but rank behind all secured and unsecured obligations of MPSB; and

(e) The RPS is redeemable at the option of the issuer at any time after the issued date and during the tenure of the RPS.

30. REDEEMABLE PREFERENCE SHARES

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Principal	3,000	3,000
Accrued interest	47,996	19,402
	50,996	22,402

30. REDEEMABLE PREFERENCE SHARES (cont'd)

On 5 September 2013, PHSB had entered into Subscription Agreement with a third party, to issue 3,000,000 redeemable preference shares ("RPS") of RM1 each.

The RPS is carried at amortised cost and the premium payable at redemption is to be accounted for as interest expense over the expected life of the RPS. During the year, the Group recognised an amortised cost adjustment of RM28,594,000 (2021: RM4,584,000) as disclosed in Note 7.

The salient features of the redeemable preference shares are as follows:

(a) The RPS shall not bear any fixed dividend. No dividend shall be declared and paid on the ordinary shares of PHSB unless the dividends on the RPS have been declared and paid on the basis that the dividend payable on each RPS shall not be lesser than the dividend payable on the ordinary shares for any of the financial year.

(b) The RPS shall rank behind all secured and unsecured obligations of PHSB but will rank in priority to the ordinary shares of PHSB in respect of return of capital upon liquidation or otherwise for the par value of the RPS. All RPS rank pari passu amongst one another.

(c) The total issued and paid up preference share capital shall always represent 30% of the total share capital of PHSB.

(d) Each RPS entitles the holder to participate in any distributions of PHSB (including surplus assets and profits) on the basis that such distribution accrued to/payable on each RPS shall not be lesser than the distributions declared and/or payable in respect of each ordinary share.

(e) Each RPS entitles the holder to participate in any further preference shares issued/offered by PHSB.

(f) The registered holder of the RPS shall not have any right to vote at any general meeting of PHSB, unless the meeting was converted for the purpose of reducing the capital, or winding-up or where the proposition to be submitted to the meeting directly affects the rights and privileges of the holder of RPS.

(g) The RPS shall not be convertible into ordinary shares of PHSB.

(h) The RPS may be redeemable wholly in cash at the option of PHSB or the subscriber, upon full completion of the mixed development project undertaken by PHSB and full disposal of all saleable development units of the said project. Partial redemption is not permissible.

31. BANK BORROWINGS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured:				
Term loans	124,774	101,061	19,528	-
Bank overdrafts (Note 36)	21,551	18,208	4,977	4,979
Revolving credits	318,955	338,054	107,500	117,500
Trade facilities	4,382	81,949	-	-
Bridging loans	51,759	50,205	-	-
	521,421	589,477	132,005	122,479
Less: Amount due within next 12 months (included under current liabilities)	(379,424)	(461,279)	(132,005)	(122,479)
Non-current portion	141,997	128,198	-	-

31. BANK BORROWINGS (cont'd)

The non-current portion is repayable as follows:

	The Group 2022 RM'000	The Group 2021 RM'000
Between 1 - 2 years	141,409	115,102
Between 2 - 5 years	588	13,096
	141,997	128,198

As of reporting date, the Group and the Company have the following credit facilities from licensed banks:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured:				
Term loans	155,000	135,000	20,000	-
Bridging loans	105,000	115,000	-	-
Revolving credits	519,500	496,700	145,000	145,000
Trade facilities	100,000	100,000	-	-
Bankers guarantee	83,000	56,000	14,000	14,000
Bank overdrafts*	22,000	22,000	5,000	5,000
	984,500	924,700	184,000	164,000

* Bank overdrafts include a credit facility of RM5,000 under Islamic financing.

The interest rates per annum are as follows:

	The Group		The Company	
	2022 per annum %	2021 per annum %	2022 per annum %	2021 per annum %
Secured:				
Term loans	4.42 to 10.00	3.91 to 9.50	10	-
Bridging loans	4.10 to 4.40	4.88 to 6.70	-	-
Revolving credits	2.35 to 6.95	4.39 to 8.00	4.15 to 6.95	4.15 to 6.95
Bank overdrafts	4.45 to 7.55	5.15 to 6.66	5.90 to 6.61	6.51 to 6.66

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

31. BANK BORROWINGS (cont'd)

The borrowings of the Group and of the Company are secured against the following:

(i) Charge over the investment properties, land held for property development, property development costs, completed properties and commercial land of certain subsidiary companies as mentioned in Notes 13, 14, 20 and 21, respectively.

(ii) A debenture incorporating a fixed and floating charge over present and future assets of certain subsidiary companies and deposit of share certificates of a subsidiary company.

(iii) Fixed deposits of the Company and certain subsidiary companies as mentioned in Note 36.

(iv) Assignment and charge over the Debt Service Reserve Account and Interest Service Reserve Account as mentioned in Note 36.

The borrowings of the subsidiary companies are also covered by the corporate guarantee of the Company..

During the previous year, the Group and the Company had taken loan moratoriums for certain loans by virtue of which the repayment dates of those loans were deferred for a period of up to six months.

32. HIRE-PURCHASE PAYABLES

	The Group	
	2022 RM'000	2021 RM'000
Total outstanding	961	1,986
Less: Interest-in suspense outstanding	(53)	(137)
Principal outstanding	908	1,849
Less: Amount due within 12 months (included under current liabilities)	(500)	(954)
Non-current portion	408	895

The non-current portion is payable as follows:

	The Group	
	2022 RM'000	2021 RM'000
Between 1 - 2 years	329	514
Between 2 - 5 years	79	381
	408	895

For the financial year ended 30 June 2022, the effective interest rates for the hire-purchase payables of the Group ranges from 4.10% to 8.06% (2021: 4.10% to 8.06%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

33. LEASE LIABILITIES

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
At 1 July	6,435	9,759	679	767
Addition during the year	286	653	-	324
Finance costs (Note 7)	287	478	26	48
Rental rebates (Note 8)	(85)	-	(12)	-
Payment of lease rental (Note 12)	(3,662)	(4,455)	(493)	(460)
At 30 June	3,261	6,435	200	679

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Non-current	1,084	3,054	-	200
Current	2,177	3,381	200	479
At 30 June	3,261	6,435	200	679

	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Maturity Analysis:				
Year 1	2,177	3,381	200	479
Year 2	884	2,045	-	200
Year 3	200	832	-	-
Year 4	-	177	-	-
At 30 June	3,261	6,435	200	679

34. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise mainly amount outstanding to contractors and consultants for property development projects. The credit period granted to the Group ranges from 30 to 120 days (2021: 30 to 120 days).

Trade payables are as follows:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Trade payables	370,355	329,786
Accrued costs to completion of projects	27,930	13,582
Accrued uncertified work performed by sub-contractors	144,645	288,056
	542,930	631,424
Retention sum payable to sub-contractors	115,003	114,378
	657,933	745,802

Other payables and accrued expenses are as follows:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables (Note (b) and (c))	161,135	229,748	413	321
Accrued expenses	19,848	9,797	655	555
Amount owing to directors (Note (a))	11	590	-	-
	180,994	240,135	1,068	876
Less: Other payable - non-current portion (Note (c))	(648)	(5,238)	-	-
	180,346	234,897	1,068	876

(a) Amount owing to directors, which arose mainly from unsecured advances, was interest-free and repayable on demand.

(b) Included in other payables are proprietor's entitlements payable to Yayasan WP, Gagasan Matrik Sdn Bhd and Virtue Court Sdn Bhd, third parties, of RM68,200,000 (Note 14(c)), RM5,372,000 (Note 20(e)) and RM226,000 (Note 20(f)) (2021: RM68,200,000 (Note 14(c)), RM5,372,000 (Note 20(e)) and RM226,000 (Note 20(f))) respectively.

(c) Included in other payables is an amount of RM38,122,000 (2021: RM118,675,000) representing the proprietor's entitlement payable to BJDSB pursuant to the Joint Development Agreement dated 16 March 2010 and Supplemental Agreement dated 3 July 2012 as disclosed in Note 20(d). As of 30 June 2022, an amount payable to the said third party of RMNil (2021: RM5,238,000) is classified as non-current as the amount is due after the next 12 months.

35. DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any declaration of dividend in respect of the current financial year.

36. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed deposits with licensed banks	70,061	29,119	2,810	2,768
Cash and bank balances (Note 26)	141,072	87,312	1,389	8,087
Bank overdrafts (Note 31)	(21,551)	(18,208)	(4,977)	(4,979)
	189,582	98,223	(778)	5,876
Less: Non cash and cash equivalents:				
Fixed deposits pledged to licensed banks	(43,961)	(26,043)	(2,810)	(2,768)
Debt Service Reserve Account and Interest Service Reserve Account	(1,371)	(3,044)	-	-
	144,250	69,136	(3,588)	3,108

Included in fixed deposits with licensed banks of the Group and of the Company is an amount of RM43,961,000 (2021: RM26,043,000) and RM2,810,000 (2021: RM2,768,000) respectively, pledged to financial institutions for banking facilities granted to subsidiary companies as mentioned in Note 31.

Included in cash and bank balances is an amount of RM1,371,000 (2021: RM3,044,000) representing Debt Service Reserve Account and Interest Service Reserve Account with licensed banks to secure the banking facilities granted to the subsidiary companies as mentioned in Note 31. The Group has restricted rights on the accounts and therefore the amount cannot be used in business operation.

The interest rates for fixed deposits range from 1.20% to 1.90% (2021: 1.25% to 2.60%) per annum. The fixed deposits have a maturity period of 1 to 365 days (2021: 1 to 365 days).

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

37. CAPITAL COMMITMENT

The Group and the Company did not have any capital commitments as at 30 June 2022 and 30 June 2021.

38. SEGMENTAL REPORTING

For management purposes, the Group is organised into the following operating divisions:

(i) Property development segment is involved in the business of constructing and developing residential and commercial properties. The reportable segment has been formed by aggregating the property construction and development segments, which are regarded by management to exhibit similar economic characteristics.

(ii) Construction contracts segment is involved in the business of construction works for development of residential and commercial properties.

(iii) Property trading segment is involved in the business of sales of developed residential and commercial properties.

(iv) Others segment, which is involved in the business of investment holding, project management, property investment and management, and provision of management and accounting services, is not material to the Group and therefore not separately reported.

Inter-segment revenue mainly comprise construction works performed and provision of management services to the subsidiary companies.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

38. SEGMENTAL REPORTING (cont'd)

2022	Property development RM'000	Construction contracts RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	367,127	248,463	23,182	6,469	-	645,241
Inter-segment sales	-	97,988	-	59,375	(157,363)	-
	367,127	346,451	23,182	65,844	(157,363)	645,241
Results						
Segment results	69,604	57,232	286	79,948	(48,526)	158,544
Distribution income on short-term funds and interest income						2,407
Finance costs						(61,158)
Share in results of joint ventures						29,704
Profit before tax						129,497
Income tax expense						(53,719)
Profit for the year						75,778
Attributable to:						
Owners of the Company						76,234
Non-controlling interests						(456)
						75,778
Assets						
Segment assets	2,199,496	1,094,398	78,374	2,205,302	(3,039,696)	2,537,874
Unallocated assets						18,271
						2,556,145
Liabilities						
Segment liabilities	1,556,335	686,758	35,921	1,971,724	(2,811,082)	1,439,656
Unallocated liabilities						95,374
						1,535,030
Other information						
Capital expenditure	14,701	173	26	41	(5,503)	9,438
Depreciation of property, plant and equipment	4,154	2,728	-	166	1,334	8,382

(Forward)

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

38. SEGMENTAL REPORTING (cont'd)

2021	Property development RM'000	Construction contracts RM'000	Property trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	628,092	348,907	16,511	5,663	-	999,173
Inter-segment sales	-	385,654	-	12,123	(397,777)	-
	628,092	734,561	16,511	17,786	(397,777)	999,173
Results						
Segment results	23,789	29,280	(2,425)	13,898	(9,149)	55,393
Distribution income on short-term funds and interest income						2,121
Finance costs						(33,636)
Share in results of joint ventures						(1,244)
Profit before tax						22,634
Income tax expense						(21,465)
Profit for the year						1,169
Attributable to:						
Owners of the Company						2,620
Non-controlling interests						(1,451)
						1,169
Assets						
Segment assets	2,239,228	1,172,073	136,476	2,057,006	(2,993,933)	2,610,850
Unallocated assets						29,661
						2,640,511
Liabilities						
Segment liabilities	1,693,173	865,382	40,376	1,786,792	(2,771,901)	1,613,822
Unallocated liabilities						81,352
						1,695,174
Other information						
Capital expenditure	2,944	1,509	-	7,501	-	11,954
Depreciation of property, plant and equipment	3,203	3,460	-	236	-	6,899

39. FINANCIAL INSTRUMENTS

(i) Capital Risk Management

The Group and the Company manage their capital to ensure that it will be able to continue as a going-concern while maximising returns to their shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2021.

The Group and the Company did not engage in any transaction involving financial derivative instruments during the financial year.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2022.

The Group is not subject to externally imposed capital requirements.

Gearing ratio

The gearing ratio at the end of the reporting period is as follows:

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Total debts	576,586	620,163
Fixed deposits with licensed banks, cash and bank balances	(211,133)	(116,431)
Net debts	365,453	503,732
Equity	1,021,115	945,337
Debt to equity ratio	35.79%	53.29%

Total debts are defined as redeemable preference shares, long and short-term borrowings, hire-purchase payables and lease liabilities as described in Notes 30, 31, 32 and 33.

Equity includes all capital and reserves of the Group that are managed as capital.

39. FINANCIAL INSTRUMENTS (cont'd)

(i) Capital Risk Management (cont'd)

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Financial assets		
At FVTPL:		
Other investments	281,635	199,262
Short-term funds	511	500
At amortised cost:		
Trade receivables	287,142	199,845
Other receivables	51,088	40,616
Amount owing by joint ventures	38,376	35,697
Fixed deposits with licensed banks	70,061	29,119
Cash and bank balances	141,072	87,312
Financial liabilities		
At amortised cost:		
Trade payables	657,933	745,802
Other payables and accrued expenses	180,994	240,135
Bank borrowings	521,421	589,477
Redeemable preference shares	50,996	22,402
Hire-purchase payables	908	1,849
Lease liabilities	3,261	6,435

(Forward)

39. FINANCIAL INSTRUMENTS (cont'd)

(i) Capital Risk Management (cont'd)

Categories of Financial Instruments (cont'd)

	The Company 2022 RM'000	2021 RM'000
Financial assets		
At FVTPL:		
Short-term funds	511	500
At amortised cost:		
Other receivables	821	822
Amount owing by subsidiary companies	163,723	150,049
Fixed deposits with licensed banks	2,810	2,768
Cash and bank balances	1,389	8,087
Financial liabilities		
At amortised cost:		
Other payables and accrued expenses	1,068	876
Bank borrowings	132,005	122,479
Amount owing by subsidiary companies	2,932	5,270
Lease liabilities	200	679

(ii) Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(a) **Foreign Currency Risk Management**

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 Group's exposure to foreign exchange rate risk is minimal and mainly through its other investments in unquoted shares outside Malaysia.

(b) **Interest Rate Risk Management**

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings.

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk are disclosed in Note 31.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's profit after tax for the financial year ended 30 June 2022 would decrease/increase by RM1,981,000 and RM502,000 (2021: RM2,240,000 and RM465,000) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the lower variable rate debt instruments.

(c) **Credit Risk Management**

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its trade receivables, other receivables and contract assets. The Group extends credit to its customers/debtors based upon careful evaluation of the customer's/debtor's financial condition and credit history. Trade and other receivables are monitored on an ongoing basis by the Group's credit control department.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

The Company is exposed to credit risk mainly from its subsidiary companies. The Company monitors the results of its subsidiary companies regularly and repayments made by the subsidiary companies.

The Group's and the Company's credit risk on deposits and cash and bank balances are limited as the Group and the Company place their funds with reputable financial institutions with high credit ratings.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) Financial Risk Management Objectives (cont'd)

(c) Credit Risk Management (cont'd)

Exposure to credit risk

The Group measures the loss allowance for trade receivables, other receivables and contract assets at an amount equal to lifetime expected credit loss (ECL) and for other financial assets (measured at amortised cost) at 12-month ECL by applying simplified approach and general approach respectively, as required by MFRS 9. The Company measures the loss allowance for other receivables and amount owing by subsidiary companies at an amount equal to lifetime expected credit loss (ECL) and for other financial assets (measured at amortised cost) at 12-month ECL by applying simplified approach and general approach respectively, as required by MFRS 9. Impairment loss is measured based on expected credit loss model is based on assumptions on the risk of default and expected loss rates. The Group and the Company use judgment in making these assumption and selecting the inputs to the ECL based on past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

As at the end of the reporting period, the Group's maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables, short-term funds, fixed deposits with licensed banks and cash and bank balances. The Company's maximum exposure to credit risk is the carrying amount of financial assets which are mainly other receivables, amount owing by subsidiary companies, short-term funds, fixed depoits with licensed banks and cash and bank balances.

(d) Liquidity Risk Management

The Group and the Company seek to invest cash assets safely and profitably. The Group and the Company also seek to control credit risk by setting counterparty limits and ensuring that sale of goods and services are made to customers with an appropriate credit history, and monitoring customers' financial standing through periodic credit review and credit checks at point of sales. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) Financial Risk Management Objectives (cont'd)

(d) Liquidity Risk Management (cont'd)

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
The Group						
2022						
Non-interest bearing instruments	-	774,499	-	-	-	774,499
Hire-purchase payables	5.64	540	340	81	-	961
Variable interest rate instruments	4.40	468,661	148,175	594	-	617,430
Redeemable preference shares	45.65	-	74,275	-	-	74,275
Lease liabilities	5.50 - 6.00	2,291	923	203	-	3,417
The Company						
2022						
Non-interest bearing instruments	-	4,000	-	-	-	4,000
Variable interest rate instruments	6.33	140,361	-	-	-	140,361
Lease liabilities	5.50 - 6.00	203	-	-	-	203
Financial guarantee*	-	-	-	-	-	-
The Group						
2021						
Non-interest bearing instruments	-	1,000,358	-	-	-	1,000,358
Hire-purchase payables	5.64	1,400	393	193	-	1,986
Variable interest rate instruments	4.32	549,692	101,641	29,573	-	680,906
Redeemable preference shares	45.65	10,226	14,894	-	-	25,120
Lease liabilities	5.50 - 6.00	3,657	2,299	900	-	6,856

39. FINANCIAL INSTRUMENTS (cont'd)

(ii) **Financial Risk Management Objectives (cont'd)**

(d) **Liquidity Risk Management (cont'd)**

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
The Company						
2021						
Non-interest bearing instruments	-	6,146	-	-	-	6,146
Variable interest rate instruments	5.19	128,830	-	-	-	128,830
Lease liabilities	5.50 - 6.00	505	203	-	-	708
Financial guarantee*	-	-	-	-	-	-

* At the end of each reporting period, it was not probable that the counterparties to financial guarantee contracts will claim under the contracts. Consequently, the amount included above is RMNil. The details of the financial guarantee are disclosed in Note 40.

(e) **Cash Flow Risk**

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

(iii) **Fair Value of Financial Instruments**

(a) The carrying amounts of current financial assets and financial liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair value of long-term financial assets and financial liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between fair values and carrying values of these assets and liabilities as at the end of the reporting period.

39. FINANCIAL INSTRUMENTS (cont'd)

(iii) Fair Value of Financial Instruments (cont'd)

(b) Fair value hierarchy

As at the end of the reporting period, the Group and the Company held the following financial instruments carried at fair values in the statements of financial position:

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Level 2				
Financial assets at FVTPL:				
Short-term funds #	511	500	511	500
Other investments ^	245	245	-	-
Level 3				
Financial assets at FVTPL:				
Other investments	281,390	199,017	-	-

\# The fair values of investments in unit trust funds are valued using the net asset value of the investment funds.

^ The fair values of unquoted investment in transferable golf and country club memberships are determined by reference to recent market transactions of identical assets.

40. CORPORATE GUARANTEES

	The Group and the Company	
	2022 RM'000	2021 RM'000
Corporate guarantee given to contractors/suppliers of subsidiary companies	5,449	5,378

	The Company	
	2022 RM'000	2021 RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	419,503	497,624

The total amount of corporate guarantees provided by the Company to financial institutions for the credit facilities granted to subsidiary companies amounted to RM419,503,000 (2021: RM497,624,000). The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies.

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the reconciliation of the opening and closing amounts in the statements of financial position of the Group and the Company for each liability for which cash flows have been, or would be, classified as financing activities in the statements of cash flows of the Group and the Company:

	As at 1.7.2021 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item* RM'000	As at 30.6.2022 RM'000
The Group					
Bank borrowings (Note 31)	571,269	556,389	(627,788)	-	499,870
Hire-purchase payables (Note 32)	1,849	-	(941)	-	908
Lease liabilities (Note 33)	6,435	-	(3,375)	201	3,261

(Forward)

	As at 1.7.2020 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2021 RM'000
The Group					
Bank borrowings (Note 31)	470,932	683,990	(583,653)	-	571,269
Hire-purchase payables (Note 32)	1,986	-	(1,417)	1,280	1,849
Lease liabilities (Note 33)	9,759	-	(3,977)	653	6,435

	As at 1.7.2021 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2022 RM'000
The Company					
Bank borrowings (Note 31)	117,500	174,076	(164,548)	-	127,028
Lease liabilities payables (Note 33)	679	-	(467)	12	200

	As at 1.7.2020 RM'000	Drawdown RM'000	Repayment RM'000	Non-cash item RM'000	As at 30.6.2021 RM'000
The Company					
Bank borrowings (Note 31)	90,000	192,905	(165,405)	-	117,500
Lease liabilities (Note 33)	767	-	(412)	324	679

* These represent the additions in property, plant and equipment for motor vehicles acquired under hire-purchase arrangement.

42. RECLASSIFICATION

The following amount previously reported in the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation. Such classification has no effect on net assets.

	As reported previously RM'000	Reclassification RM'000	As Reclassified RM'000
The Group			
Statements of Financial Position			
Current assets			
Property development costs	443,128	1,346	444,474
Contract assets	509,698	(1,346)	508,352

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) During the financial year, Regal Path Sdn Bhd ("RPSB"), a joint venture of Malton Group and owner of Pavilion Bukit Jalil Mall ("PBJM"), had commenced discussions for the potential sale of PBJM by RPSB to MTrustee Berhad (MTrustee), the trustee of Pavilion Real Estate Investment Trust, which was announced by the Company on 24 December 2021.

As of the date of these financial statements, the discussions in relation to the potential sale of PBJM are at an advanced stage and the parties are in discussion on the terms and conditions to be incorporated into the sale and purchase agreement.

(b) Subsequent to year end, on 08 July 2022, Ambang Suriamas Sdn Bhd ("ASSB"), a wholly-owned indirect subsidiary of the Company, subscribed for 100,000 ordinary shares representing 50% of the enlarged issued and paid-up share capital of Kristaljaya Sdn Bhd (KSB), a company incorporated in Malaysia, for a total cash consideration of RM23,400,000.

STATEMENT BY DIRECTORS

The Directors of **MALTON BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and their cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

CHUA THIAN TECK

HONG LAY CHUAN

Kuala Lumpur
27 October 2022

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE

FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHUA THIAN TECK**, the Director primarily responsible for the financial management of **MALTON BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, in my opinion, 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.

CHUA THIAN TECK

Subscribed and solemnly declared by
the abovenamed **CHUA THIAN TECK** at
KUALA LUMPUR this 27th day of October 2022.

Before me,

COMMISSIONER FOR OATHS

GROUP PROPERTIES

DEVELOPMENT PROPERTIES

Location	Tenure	Initial gross land area	Balance of net land area for development	Usage	Net book value as at 30 June 2022 RM'000	Date of acquisition/ revaluation*
PN 77546 Lot No. 43001 Pekan Baru Subang Daerah Petaling Selangor	Leasehold expiring on 2.10.2101	12.00 acres	10.60 acres	Proposed commercial development	28,350	24.6.2002
Geran No. 123368 Lot 4193 Geran No. 123369 Lot 4194 Geran No. 123370 Lot 4195 Geran No. 31298 Lot 4293 Geran No. 31299 Lot 4294 Geran No. 31300 Lot 4295 Geran No. 31301 Lot 4296 Mukim Cheras District of Ulu Langat Selangor	Freehold	41.73 acres	38.34 acres	Proposed mixed development	9,459	22.8.2006 24.5.2007 30.6.2007
HS(D) 808 & 809 Lot 19 & 20 Mukim of Hulu Terengganu	Leasehold expiring on 15.9.2061	108.49 acres	108.49 acres	Proposed mixed development	3,340	27.7.2002

DEVELOPMENT PROPERTIES (cont'd)

Location	Tenure	Initial gross land area	Balance of net land area for development	Usage	Net book value as at 30 June 2022 RM'000	Date of acquisition/ revaluation*
HS(D) 177909, PT4 Seksyen 27 Bandar Petaling Jaya Daerah Petaling Selangor	Leasehold expiring on 18.8.2101	0.67 acres	0.67 acres	Proposed commercial development	1,330	29.06.2010
HS(D) No. 83257 to 83259, PT No.5223 to 5225, Mukim Bandar Ulu Kelang Daerah Gombak Selangor	Leasehold expiring on 18.2.2107	55.05 acres	55.05 acres	Proposed mixed development	168,665	10.11.2011
PN 28792 to 28794, Lot No. 65928 to 65930, Mukim Pekan Desa Puchong Daerah Petaling Selangor	Leasehold expiring on 17.4.2104	8.03 acres	8.03 acres	Proposed residential development	4,059	21.5.2007
PN 53357 Lot No. 30138 Mukim Setapak Daerah KualaLumpur WP Kuala Lumpur	Leasehold expiring on 15.1.2107	0.14 acres	0.14 acres	Proposed residential development	1,227	17.2.2022
Geran No. 59763 Lot No. 28815 Mukim Setapak Daerah Kuala Lumpur WP Kuala Lumpur	Freehold	0.40 acres	0.40 acres	Proposed residential development	3,511	17.2.2022

Net book value of the development properties are stated at Group land cost together with the related development expenditure incurred to the ongoing and remaining unsold properties.

GROUP PROPERTIES
(cont'd)

INVESTMENT PROPERTIES

Location	Tenure	Approximate age of the building year	Net lettable area Sq. Ft	Usage	Net book value as at 30 June 2022 RM'000	Date of acquisition/ revaluation*
Mezzanine Floor Menara Goldstone (Holiday Inn Express) Jalan Raja Chulan Kuala Lumpur	Freehold	38	7,631.62	Office	5,600	30.6.2022*
Level 6 Menara Goldstone (Holiday Inn Express) Jalan Raja Chulan Kuala Lumpur	Freehold	38	8,976.00	Office	6,560	30.6.2022*
Menara Khuan Choo Lot 20021, PN 52798 Seksyen 57 Bandar Kuala Lumpur WP Kuala Lumpur	Leasehold expiring on 11.11.2113	4	82,524.00	Office	120,000	4.7.2022*
Unit 2-111A 2nd Floor, Endah Parade Shopping Mall, Bukit Jalil Kuala Lumpur	Leasehold expiring on 19.2.2083	23	462.00	Retail	130	1.12.1996
15th Floor, Menara Liberty, 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	21	12,475.00	Office	7,100	30.6.2022*
20th Floor, Menara Liberty, 1008 Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	21	9,795.00	Office	7,900	30.6.2022*
21st & 22nd Floor Menara Liberty 1008, Jalan Sultan Ismail Kuala Lumpur	Leasehold expiring on 6.2.2078	21	21,673.00	Office	11,800	30.6.2022*
L12-21, L12-22, L12-23, Wangsa 118 Jalan Wangsa Delima Wangsa Maju Kuala Lumpur	Leasehold expiring on 19.4.2104	7	8,839.00	Office	4,402	30.6.2022*
Ground and Sub-basement Floor Bukit Jalil City Kuala Lumpur	Freehold	-	-	Car Parks	44,689	19.8.2022*

PROPERTY, PLANT AND EQUIPMENT

Location	Tenure	Approximate age of the building year	Net lettable area Sq. Ft	Usage	Net book value as at 30 June 2022 RM'000	Date of acquisition
4th Floor, Wisma Tecna, No. 18A Section 51A/223 46100 Petaling Jaya Selangor	Leasehold expiring on 8.9.2067	24	20,342.00	Office	4,400	28.2.2001

** Date of valuation*

STATEMENT OF SHAREHOLDERS

ORDINARY SHARES AS AT 30 SEPTEMBER 2022

Share Capital	:	RM528,552,632 divided into 528,140,541 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Size of Shareholdings	No of Holders	Total Holdings	%
Less than 100	62	2,116	#
100 to 1,000	1,438	1,201,239	0.23
1,001 to 10,000	3,737	19,658,354	3.72
10,001 to 100,000	2,081	68,721,594	13.01
100,001 to less than 26,407,027*	394	231,073,744	43.75
26,407,027* and above	4	207,483,494	39.29
	7,716	528,140,541	100.00

Negligible
* 5% of the Share Capital

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

	Direct Interest		Deemed Interest	
Names	No of Shares	%	No of Shares	%
Malton Corporation Sdn Bhd	207,901,489	39.36	-	-
Tan Sri Lim Siew Choon	20,961,800	3.97	207,901,489*	39.36
Puan Sri Tan Kewi Yong	-	-	207,901,489*	39.36

DIRECT AND DEEMED INTEREST OF DIRECTORS IN THE ORDINARY SHARES OF MALTON BERHAD AS AT 30 SEPTEMBER 2022

	Direct Interest		Deemed Interest	
Names	No of Shares	%	No of Shares	%
Tan Sri Lim Siew Choon	20,961,800	3.97	207,901,489*	39.36
Guido Paul Philip Joseph Ravelli	-	-	-	-
Puan Sri Tan Kewi Yong	-	-	207,901,489*	39.36
Chua Thian Teck	-	-	-	-
Hong Lay Chuan	-	-	-	-
Hj Ahmad bin Hj Ismail, PJK	-	-	-	-
Dato' Siew Mun Wai	-	-	-	-

* held via Malton Corporation Sdn Bhd

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 30 SEPTEMBER 2022

	Names	No of Shares	%
1.	HSBC Nominees (Tempatan) Sdn Bhd (Exempt AN for Credit Suisse)	72,500,000	13.73
2.	RHB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Malton Corporation Sdn Bhd)	56,683,494	10.73
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged securities account for Malton Corporation Sdn Bhd)	43,300,000	8.20
4.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Malton Corporation Sdn Bhd)	35,000,000	6.63
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Tan Sri Lim Siew Choon)	20,956,800	3.97
6.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Koh Goh Yuan)	19,246,100	3.64
7.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Prinsip Waras Sdn Bhd)	18,600,000	3.52
8.	Tan Yu Yeh	6,757,500	1.28
9.	LTK (Melaka) Sdn Bhd	5,299,500	1.00
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt AN for UOB Kay Hian Pte Ltd)	5,199,000	0.98
11.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lee Kim Hooi)	4,057,000	0.77
12.	Ooi Chieng Sim	3,379,400	0.64
13.	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Choo Chuo Siong)	3,008,000	0.57
14.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged securities account for Chee Chi Vun)	3,005,000	0.57
15.	Olive Lim Swee Lian	3,000,000	0.57
16.	Citigroup Nominees (Tempatan) Sdn Bhd (UBS AG Singapore for Toh Hooi Hak)	2,655,300	0.50
17.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for GJH Capital Sdn Bhd)	2,493,200	0.47
18.	Yeoh Phek Leng	2,049,900	0.39

STATEMENT OF SHAREHOLDERS
(cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS OF ORDINARY SHARES AS AT 30 SEPTEMBER 2022 (Cont'd)

	Names	No of Shares	%
19.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lee Kian Jin)	1,905,000	0.36
20.	Ng Seng Beng	1,882,100	0.36
21.	Chin Yat Yin	1,793,100	0.34
22.	Tan Ah Heng	1,650,000	0.31
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Khoo Chai Pek)	1,605,000	0.30
24.	Khoo Kean Hock	1,599,400	0.30
25.	HSBC Nominees (Asing) Sdn Bhd (Exempt AN for the HongKong and Shanghai Banking Corporation Limited)	1,595,000	0.30
26.	Tan Tong Chew	1,526,100	0.29
27.	Tan Kok	1,481,700	0.28
28.	Khoo Chai Pek	1,439,000	0.27
29.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Gan Siong Kang)	1,410,000	0.27
30.	Tan Kok	1,388,000	0.26
	TOTAL	326,464,594	61.80

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting (27th AGM) of MALTON BERHAD (Company) will be held on fully virtual basis via online meeting platform of www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia on Wednesday, 23 November 2022 at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1.	To lay the Financial Statements of the Company for the year ended 30 June 2022 together with the Directors' Report and Report of the Auditors thereon	For discussion only
2.	To approve the directors' fees, allowances and benefits payable to non-executive directors as set out in the explanatory note for the period from the conclusion of the 27th AGM of the Company until the conclusion of the next Annual General Meeting (AGM) of the Company	Ordinary Resolution 1
3.	To re-elect Mr Guido Paul Philip Joseph Ravelli who retires by rotation pursuant to Article 86 of the Constitution of the Company (Constitution) and being eligible, offered himself for re-election	Ordinary Resolution 2
4.	To re-elect Mr Chua Thian Teck who retires by rotation pursuant to Article 86 of the Constitution and being eligible, offered himself for re-election	Ordinary Resolution 3
5.	To re-appoint Deloitte PLT who have indicated their willingness, as Auditors of the Company, and to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 4

SPECIAL BUSINESS

6. Authority to allot and issue shares — Ordinary Resolution 5

"THAT pursuant to Section 75 and 76 of the Companies Act, 2016 (Act), the Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Main Market Listing Requirements) and subject to the approval of the relevant governmental/ regulatory authorities (if any), the Directors of the Company be and are hereby empowered to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% or up to the threshold as approved by Bursa Malaysia Securities Berhad (Bursa Securities) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue AND THAT the Directors be and are also empowered to seek the approval from Bursa Securities for the listing of and quotation for the additional shares issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

7. Proposed Renewal of Authority for Share Buy Back

Ordinary Resolution 6

"THAT, subject to the Act, the Constitution, the Main Market Listing Requirements and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to allocate an amount not exceeding the retained earnings of the Company available for the purpose of and to purchase such amount of ordinary shares in the Company (Proposed Renewal of Authority for Share Buy Back) as may be determined by the Directors provided that the aggregate number of shares purchased and/or held as treasury shares pursuant to this resolution does not exceed 10% of the total issued share capital of the Company at the time of purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the said shares in the following manner:-

(a) cancel the shares so purchased; or
(b) retain the shares so purchased as treasury shares; or
(c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
(d) to resell the treasury shares on the Bursa Securities and/or distribute the treasury shares as dividends to the Company's shareholders and/or subsequently cancel the treasury shares or combination of the three;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution until:

(a) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever is the earliest and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things deem fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of Authority for Share Buy Back contemplated and/or authorised by this Ordinary Resolution."

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties — Ordinary Resolution 7

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with all classes of related parties in respect of sale of trading stock properties as stated in Section 3.4 of the Circular to Shareholders dated 31 October 2022 which are necessary for the Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the renewal of shareholders' mandate during the financial year based on the following information:-

    (i) the type of the recurrent related party transactions made; and
    (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.

(c) and such approval shall be in force immediately upon passing of this resolution until:

    (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
    (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

9. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Construction Related Services and Project Management Services — Ordinary Resolution 8

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with related parties in respect of construction related services and project management services as stated in Section 3.4 of the Circular to Shareholders dated 31 October 2022 which are necessary for the Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the renewal of shareholders' mandate during the financial year based on the following information:-

    (i) the type of the recurrent related party transactions made; and
    (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.

(c) and such approval shall be in force immediately upon passing of this resolution until:

    (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
    (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

10 . Proposed Retention of Independent Non-Executive Director — Ordinary resolution 9

"THAT approval be and is hereby given to Mr Guido Paul Philip Joseph Ravelli, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company."

11. Proposed Retention of Independent Non-Executive Director — Ordinary Resolution 10

"THAT approval be and is hereby given to Hj Ahmad bin Hj Ismail, PJK, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company."

BY ORDER OF THE BOARD

HOR SHIOW JEI
(MAICSA 7023954) (SSM PC No. 202008003615)
Company Secretary

Kuala Lumpur
Dated: 31 October 2022

Notes:

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, all of the resolutions set out in this Notice shall be put to vote by poll.

2. A member of the Company, entitled to attend and vote, is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be represented by each proxy.

3. The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or by a duly authorised attorney.

4. All proxy forms must be deposited at the office of our share registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.

5. Only members registered in the Record of Depositors as at 15 November 2022 shall be eligible to attend the 27th AGM of the Company or appoint a proxy to attend and vote on his/her behalf.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS AND/OR SPECIAL BUSINESS

FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30 JUNE 2022

The Financial Statements of the Company for the year ended 30 June 2022 tabled for discussion pursuant to the provisions of Section 340 (1) of the Act, do not require approval of the shareholders and hence, will not be put for voting.

ORDINARY RESOLUTION 1

The proposed Ordinary Resolution 1 if passed, will facilitate the payment of Directors' fees, allowances and benefits payable to the non-executive directors of the Company as set out below for the period from the conclusion of the 27th AGM of the Company until the conclusion of the next AGM of the Company.

Type of payment	RM
Directors' fees for each month	32,000
Meeting allowance for each meeting for each director	1,000
Benefits	Claimable expenses incurred in carrying out their duties as directors

ORDINARY RESOLUTIONS 2 AND 3

Mr Guido Paul Philip Joseph Ravelli and Mr Chua Thian Teck are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 27th AGM. Their profiles are set out under Board of Directors in the Annual Report 2022.

The Nominating Committee has conducted annual assessment for the retiring Directors. Based on the results of the assessment, the Board is satisfied with the performance and contribution of the retiring directors and supports their re-election and recommends the re-election of the retiring directors for approval of the shareholders at the 27th AGM.

ORDINARY RESOLUTION 5

Ordinary Resolution 5 is proposed to give flexibility to the Directors to issue and allot shares at any time in their absolute discretion, without convening a general meeting, for the purpose of raising funds for working capital and/or strategic development of Malton Berhad and/or its subsidiaries. This mandate sought is a renewal of the mandate obtained from the shareholders at the 26th AGM of the Company held on 25 November 2021 which will expire at the conclusion of the 27th AGM of the Company to be held on 23 November 2022.

As at 27 October 2022, the mandate obtained from the shareholders at the 26th AGM of the Company was not utilised, thus no proceeds were raised from this mandate

ORDINARY RESOLUTION 6

The proposed Ordinary Resolution 6, if passed, will enable the Company to allocate an amount not exceeding the retained earnings of the Company available for the purchase of ordinary shares in the Company to be determined by the Directors of the Company provided that the aggregate number of shares purchased and/or held as treasury shares pursuant to this resolution does not exceed 10% of the total issued share capital of the Company at the time of purchase. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS AND/OR SPECIAL BUSINESS (cont'd)

FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30 JUNE 2022 (cont'd)

The Financial Statements of the Company for the year ended 30 June 2022 tabled for discussion pursuant to the provisions of Section 340 (1) of the Act, do not require approval of the shareholders and hence, will not be put for voting.

ORDINARY RESOLUTIONS 7 AND 8

The proposed Ordinary Resolutions 7 and 8, if passed, will enable the Company and its subsidiaries (Group) to enter into any of the recurrent related party transactions of a revenue or trading nature set out in the Circular to Shareholders of the Company dated 31 October 2022 which are necessary for the Group's day-to-day operations. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

ORDINARY RESOLUTIONS 9 AND 10

Ordinary Resolutions 9 and 10 are proposed pursuant to the Malaysian Code on Corporate Governance and if passed, will allow Mr Guido Paul Philip Joseph Ravelli and Hj Ahmad bin Hj Ismail, PJK to be retained and continue to serve as Independent Non-Executive Directors of the Company. The details of the justification for their retention as Independent Non-Executive Directors are set out in the Corporate Governance Overview Statement in the Annual Report 2022.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the approval of the shareholders for Ordinary Resolutions 9 and 10 will be sought through a two-tier voting process.

This page has been intentionally left blank.

PROXY FORM

MALTON
MALTON BERHAD
[Registration No: 199401035205 (320888-T)]
(Incorporated in Malaysia)

I/We, ____
(full name in BLOCK)

CDS Account No ______________ NRIC No/Passport No/Company No ______________________ of

____
(address)

____
(address)

Email address ______________________ Contact No ______________

a member of Malton Berhad holding ______________________ Ordinary Shares, hereby appoint:

Name of Proxy (Full Name)	NRIC No/Passport No	% of Shareholding to be represented (Refer to Note 2 set out below)
Address	Email Address	Contact No

or failing him/her

Name of Proxy (Full Name)	NRIC No/Passport No	% of Shareholding to be represented (Refer to Note 2 set out below)
Address	Email Address	Contact No

or Chairman of the meeting as my/our proxy for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of Malton Berhad (27th AGM of the Company) to be held on fully virtual basis via online meeting platform of www.swsb.com.my provided by ShareWorks Sdn Bhd in Malaysia on Wednesday 23 November 2022 at 10.00 a.m. and any adjournment thereof and to vote as indicated below.

	RESOLUTIONS	For	Against
Ordinary Resolution 1	To approve the directors' fees, allowances and benefits payable to non-executive directors as set out in the explanatory note for the period from the conclusion of the 27th AGM of the Company until the conclusion of the next Annual General Meeting (AGM) of the Company		
Ordinary Resolution 2	To re-elect Mr Guido Paul Philip Joseph Ravelli who retires by rotation pursuant to Article 86 of the Constitution of the Company (Constitution) and being eligible, offered himself for re-election		
Ordinary Resolution 3	To re-elect Mr Chua Thian Teck who retires by rotation pursuant to Article 86 of the Constitution and being eligible, offered himself for re-election		
Ordinary Resolution 4	To re-appoint Deloitte PLT who have indicated their willingness, as Auditors of the Company, and to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 5	Authority to allot and issue shares		
Ordinary Resolution 6	Proposed Renewal of Authority for Share Buy Back		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Sale of Trading Stock Properties		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature in respect of Construction Related Services and Project Management Services		
Ordinary Resolution 9	Proposed Retention of Mr Guido Paul Philip Joseph Ravelli as Independent Non-Executive Director		
Ordinary Resolution 10	Proposed Retention of Hj Ahmad bin Hj Ismail, PJK as Independent Non-Executive Director		

Please indicate with an "X" in the relevant boxes for each resolution. Unless voting instructions are indicated as above, the proxy may abstain from voting as he/she deems fit.

____
Signature(s) /Common Seal of member (s)

Date:

Notes:

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements, all of the resolutions set out in this Notice shall be put to vote by poll.
2. A member of the Company, entitled to attend and vote, is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, he shall specify in the instrument appointing the proxies the proportions of his shareholdings to be represented by each proxy.
3. The proxy form must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, executed under its common seal or by a duly authorised attorney.
4. All proxy forms must be deposited at the office of our share registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
5. Only members registered in the Record of Depositors as at 15 November 2022 shall be eligible to attend the 27th AGM of the Company or appoint a proxy to attend and vote on his/her behalf.

Please fold here

AFFIX
STAMP

The Share Registrar
SHAREWORKS SDN BHD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

Please fold here

MALTON

www.malton.com.my

Malton Berhad [Registration No: 199401035205 (320888-T)]
19-0, Level 19, Pavilion Tower
75, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel No. : 03-2088 2888
Fax No. : 03-2088 2999