CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Titijaya Land Berhad ("**Titijaya**" or "**Company**") recognises the importance of good corporate governance and is committed towards upholding high standards of corporate governance for long-term sustainable business and corporate development, and to continuously protect and enhance shareholders' value.

The Board is pleased to present this Corporate Governance Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 30 June 2022. This overview summarises the application by the Company of the Principles and Recommendations of the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**").

This Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), with guidance from Practice Note 9 of the MMLR. It provides an overview of the application of the following three (3) Principles as set out in the MCCG 2021:

a) Principle A: Board Leadership and Effectiveness;

b) Principle B: Effective Audit and Risk Management; and

c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

A detailed explanation of the application of corporate governance practices is reported under the Corporate Governance Report which is available on the Company's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLES AND RESPONSIBILITY

The Board leads the Group and plays a strategic role in overseeing the Group's corporate objective, directions and long-term business goals. The Board is responsible for oversight and overall management of the Company.

To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee. Each of the Committees is entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of Reference. The Chairman of the respective Committees shall report the outcome of their meetings to the Board. The minutes of all Board Committee meetings are circulated to the Board members so that they are kept abreast of proceedings and matters discussed at Board Committee meetings.

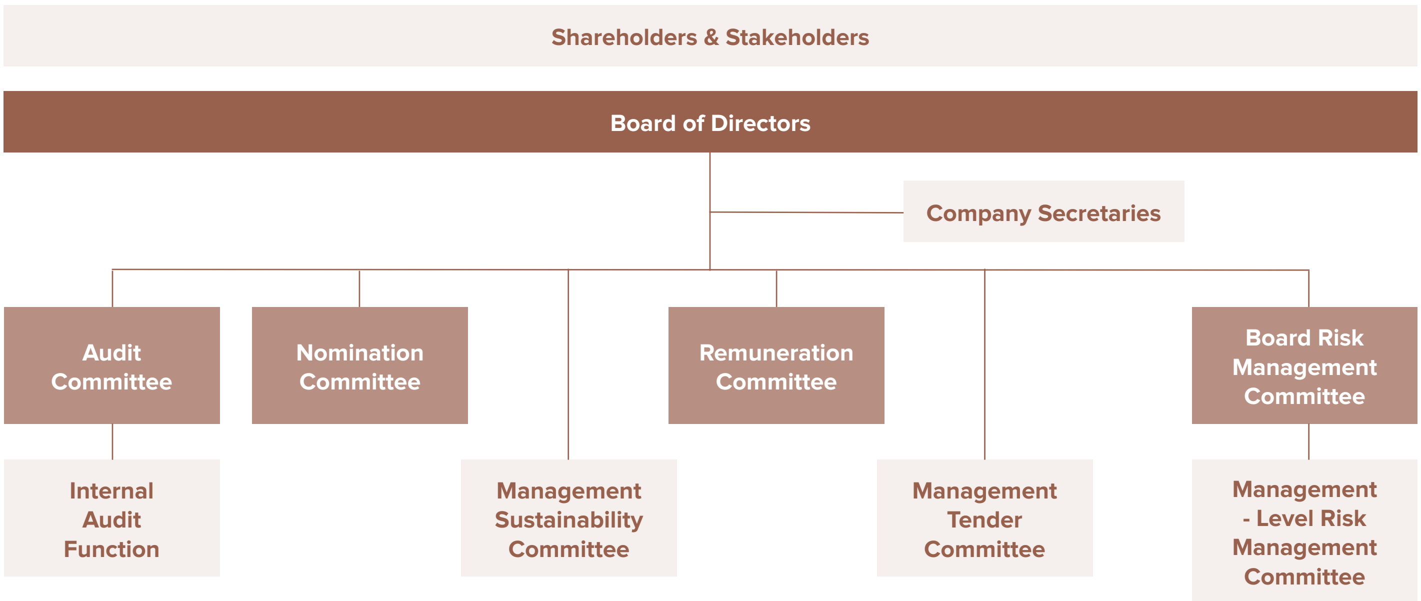
The Board is primarily entrusted with the responsibility of charting the direction of the Group and focuses mainly on strategies, financial performance and critical business issues, including the following areas: -

- Reviewing the Group's strategic action plans particularly promoting sustainability and policies;
- Overseeing the conduct of the Group's business to ensure that it is properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training and fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing investor relations programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

Corporate Governance Overview Statement

(CONTINUED)

The reporting structure of the Company where the power of the Board is delegated to the relevant Board Committees and the Management of the Company, as depicted below:



Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined objectively, taking into the perspective of the long-term interest of shareholders, other stakeholders and communities at large.

The Executive Directors take on primary responsibility for implementing the Group's business plans and managing the business activities.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subjected to the Board's approval. Key matters reserved for the Board's approval includes dividend, related party transactions, new ventures and investment, material acquisition and disposal of assets that are not in the ordinary course of business of the Company.

ROLES OF THE CHAIRMAN AND GROUP MANAGING DIRECTOR

The Board is led by Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) as the Independent Non-Executive Chairman and Mr. Lim Poh Yit as the Group Managing Director of the Company.

The roles of the Chairman and the Group Managing Director are held separately by different individuals and the division of their responsibilities is clearly established, with each having distinct and clearly defined authority and responsibilities. This is to ensure an appropriate balance of roles, responsibilities and accountability at the Board level.

The Chairman plays an important leadership within the Group and is responsible for:

- Setting the agenda for meetings of the Board and focus on strategic direction and performance;
- Maintaining ongoing dialogue and relationship of trust with and between the Directors and Management;
- Ensuring clear and relevant information is provided to Directors in a timely manner; and
- Ensuring sufficient time is allowed for the discussion of complex or critical issues.

Corporate Governance Overview Statement

(CONTINUED)

The Board delegates the authority and responsibility of managing the day-to-day affairs of the Group to the Group Managing Director, and through him and subject to his oversight, to other Senior Management.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board to ensures that there is sufficient check and balance so that no one or particular group dominates the Board.

COMPANY SECRETARIES

The Board is supported by qualified Company Secretaries in carrying out their roles and responsibilities. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, code of guidance and legislations.

The Company Secretary attends and ensures the Board and the Board Committee meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. Nevertheless, the Board does not have any agreed procedure for Directors whether as an entire Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expenses, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

BOARD MEETING AND ACCESS TO INFORMATION

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda including progress reports on operations, quarterly results of the Group and the Company, financial and corporate proposals and minutes of the Board Committees are circulated to all Directors prior to each Board meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to participate in the deliberations of the issues to be raised and make informed decisions.

Where a potential conflict arises in the Group's investments, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision-making process.

Where necessary, senior management and external advisers are invited to attend Board meetings to furnish additional insights and professional views on specific items to be tabled for the Board's consideration.

Minutes of the Board and Board Committee meetings are circulated to Directors for their perusal prior to confirmation of the Minutes at the following Board and Board Committee meetings. The Directors may request further clarification or raise comments on the Minutes prior to confirmation of the Minutes to be tabled at the respective Board Committee meetings as the correct records of the proceedings.

In exercising Directors' duties, the Board has access to all information within the Company, the advice and services of the Company Secretaries and independent professional advice where necessary, at the Company's expense.

TIME COMMITMENT

The Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively, including adequate time to prepare for Board and Committee meetings and in joining visits to the Group's operational sites.

Board and Board Committee meetings are scheduled at the onset of the calendar year. An annual corporate calendar with an indication of the key business items for each meeting is circulated to all Directors, to facilitate the Directors' time planning.

Corporate Governance Overview Statement

(CONTINUED)

The Board met five (5) times during the financial year ended 30 June 2022, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group, related party transaction and corporate governance matters. The Board also noted the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

In the interval between Board meetings, any matter requiring urgent Board decision and/or approvals were sought via circular resolutions which were supported with all the relevant information and explanations required for an informed decision to be made.

The details of attendance of each Director for the financial year ended 30 June 2022 are as follows:-

Name of Directors	Number of Meetings Attended
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	5/5
Lim Poh Yit	5/5
Lim Puay Fung	5/5
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	4/5
Chin Kim Chung	5/5
Datuk Seri Ch'ng Toh Eng	5/5
Dato' Mohd Ibrahim Bin Mohd Nor	5/5
Dato' Faizal Bin Abdullah	3/5

BOARD CHARTER

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance.

The Board Charter is made available on the Company's website at www.titijaya.com.my and will be reviewed when necessary to ensure it remains consistent with the Board's objectives, current law and practices.

CODE OF CONDUCT AND ETHICS, WHISTLEBLOWING POLICY AND ANTI-BRIBERY AND CORRUPTION POLICY

The Board is committed to maintaining and practising ethical values and corporate culture in carrying out its duties, with such practices formalised through the Directors' Code of Conduct and Ethics uploaded on the Company's website at www.titijaya.com.my.

The Group sets high standards of behaviour and uses those values embedded in the Code of Conduct for Employees to build substance in the character, credibility and reputation of the Group that are observable through individual behaviour, individually and collectively as a team and as a company. In serving customers and dealing with suppliers, vendors and sub-contractors, the Group strives to put their interests ahead of other personal interests to uphold the Group's reputation and their confidence with the Group. The Group is committed to provide efficient, effective and excellent products and services in an impartial manner.

Corporate Governance Overview Statement
(CONTINUED)

The Whistleblowing Policy allows employees, stakeholders, contractors and any individuals to disclose any misconduct or malpractice on a confidential basis so as to allow appropriate remedial action to be taken. The policy is also to reinforce the Group's commitment to its policies and values and to develop a culture of openness, accountability and integrity within the Group. The Anti-Bribery and Corruption Policy has been developed with the purpose of fulfilling the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms.

The Board has established Anti-Bribery and Corruption Policy, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. The primary aim of the Anti-Bribery and Corruption Policy is to provide information and guidance to the Directors, employees and business associates on standards of behaviour and to uphold their responsibilities to which must be adhered to, recognised, as well as dealing with bribery and corruption.

The Whistleblowing Policy as well as Anti-Bribery and Corruption Policy can be viewed on the Company's website at www.titijaya.com.my.

SUSTAINABILITY MANAGEMENT

The Board is mindful of the importance of building a sustainable business and is committed to the promotion of best practice principles in this regard. The Board recognises that enhancing sustainability is a long-term commitment and therefore takes into consideration of the environmental, social and governance impact when developing the corporate strategy.

The Group is committed to provide a safe workplace for its employees with emphasis on best practice in health, safety and environment and conducting its business in a way that is environmentally sound. The Group is also committed to protect the environment through conscientious efforts to ensure pollution levels are kept to a minimum in respect of its construction works. The Group also aims to eliminate all occupational injuries, prevent pollution at its source and optimises the use of natural resources.

BOARD COMPOSITION

The Board consists of eight (8) Directors, comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors and two (2) Non-Independent Non-Executive Directors. This Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. The profiles of the Directors are set out in the Directors' Profile in this Annual Report.

The Board consists of qualified individuals of different range of skills, experiences and backgrounds and the size of the Board is such that it facilitates the making of informed and critical decisions for the Group. The Executive Directors have direct responsibilities on the day-to-day business operations and frequently attend management meetings wherein operational details and other issues are discussed and considered.

The presence of Independent Non-Executive Directors provides guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined. This has ensured a proper check and balance in the Board in order to safeguard the interest of minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

INDEPENDENCE

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in MCCG 2021. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interest of the Company.

Corporate Governance Overview Statement
(CONTINUED)

The Board via the Nomination Committee conducted an independent assessment of the Independent Directors. The Nomination Committee is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the MMLR of Bursa Securities.

TENURE OF INDEPENDENT DIRECTORS

The Board is aware that pursuant to Practice 5.3 of MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an independent director after nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and has served on the Board in an independent capacity for a cumulative term of more than nine (9) years.

The Nomination Committee had assessed the independence of Datuk Seri Ch'ng Toh Eng, his ability and commitment towards the Company's objective and was of view that the length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best practice of the Company.

In view thereof, the Board recommended and endorsed the retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director of the Company, subject to the shareholders' approval through a two-tier voting process at the forthcoming Tenth AGM of the Company.

However, Datuk Seri Ch'ng Toh Eng has indicated his intention to retire as an Independent Non-Executive Director at the Tenth AGM of the Company. In light of the above, Datuk Seri Ch'ng Toh Eng shall hold office as an Independent Non-Executive Director until the conclusion of the Tenth AGM of the Company.

GENDER, ETHNICITY AND AGE GROUP DIVERSITY POLICIES

The Board is cognisant of the gender diversity recommendation promoted by MCCG 2021 pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation. Presently, there is one (1) existing female Director on the Board of the Company.

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting a target for female candidates in the workforce. The Company does not practice any form of gender, ethnicity and age group bias as all candidates shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises entirely of Non-Executive Directors, majority of whom are Independent Directors. The Independent Director is appointed as Chairman of the Nomination Committee. The Nomination Committee shall meet at least once a year or as and when deemed fit and necessary. The members of the Nomination Committee are as follows: -

Corporate Governance Overview Statement
(CONTINUED)

Name	Designation	Directorship
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	Chairman	Independent Non-Executive Director
Datuk Seri Ch'ng Toh Eng	Member	Independent Non-Executive Director
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Member	Non-Independent Non-Executive Director

The Nomination Committee is empowered by the Board to, amongst others, recommend suitable candidates for new appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills and experiences the Directors would bring to the Board. Any new nomination received is recommended to the full Board for assessment and endorsement.

The Nomination Committee assesses the effectiveness of the Board and the Committees of the Board annually to ensure that the Board has an appropriate balance of skills, expertise and core competencies.

The Terms of Reference of the Nomination Committee are published on the Company's website at www.titijaya.com.my.

SELECTION AND APPOINTMENT OF BOARD, BOARD COMMITTEES AND DIRECTORS

New Appointments to the Board

The Nomination Committee is responsible for making recommendations for any new appointments to the Board and its various Board Committees. In making these recommendations, the Nomination Committee considers the required mix of skills and experience, integrity, competence and time commitment which the Directors should bring to the Board.

All the Board members shall notify the Chairman of the Board prior to the acceptance of new Board appointment(s) in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Chairman of the Board shall notify the Board members before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of the time that will be spent on the new appointment.

Re-election of Directors

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("**AGM**"). The Constitution also provides that at least one-third (1/3) of the Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

The Constitution further provide that all Directors who are appointed during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

Annual Assessment

The Nomination Committee has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

Corporate Governance Overview Statement

(CONTINUED)

The Board through its Nomination Committee conducts an annual review of its size and composition to determine if the Board has the right size and sufficient diversity with independent elements that fit the Company's objectives and strategic goals.

During the financial year ended 30 June 2022, the Nomination Committee held one (1) meeting with full attendance of all its members, to deliberate the following matters: -

- For Directors who would be retiring by rotation at the forthcoming AGM, reviewed their suitability for re-election for the Board's consideration;
- Reviewed the independence, experience and skills set of the proposed candidate and recommend to the Board on the appointment of the same for the position as Director of the Company;
- Conducted the annual assessment on the effectiveness of the Board as a whole and the Board Committees as well as contribution and performance of each individual director;
- Reviewed and assessed the effectiveness of the Audit Committee and its composition to ensure their duties have been carried out according to its Terms of Reference; and
- Assessment of the independence of Independent Directors.

Based on the results of the annual assessments, the Nomination Committee has made the following observations: -

- the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high caliber, credibility and with necessary skills and qualifications to enable the Board to discharge its responsibility effectively.
- all Board Committees members have discharged their duties with care and diligence according to the respective Terms of Reference.

The Board is mindful of the recommendation of the MCCG 2021 that the Board must comprise at least half of independent directors. The Board will continuously identify potential candidates who are independent to be interviewed to fulfil the requirements of MCCG 2021.

TRAINING

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme as required by Bursa Securities for the newly appointed Directors.

Newly appointed Directors are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

Training is available to all Directors on an ongoing basis and the training needs of Directors would be assessed and proposed by the individual Directors. Each Director determines the areas of training that he or she may require for personal development as a Director or as a member of a Board Committee.

During the financial year under review, the Directors have attended appropriate training programs conducted by external experts to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of marketplace developments. The training programs that the Directors had attended are as follows: -

Corporate Governance Overview Statement

(CONTINUED)

Name of Directors	Training / Courses Attended
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	• Enhancing Governance & Integrity Project
Lim Poh Yit	• Enhancing Governance & Integrity Project • Managing Defects and Disputes in Strata Properties
Lim Puay Fung	• Enhancing Governance & Integrity Project • Managing Defects and Disputes in Strata Properties • Property Management and The Law of Negligence
Dato' Faizal Bin Abdullah	• Enhancing Governance & Integrity Project • MBA Business Administration
Dato' Mohd Ibrahim Bin Mohd Nor	• Enhancing Governance & Integrity Project
Chin Kim Chung	• Enhancing Governance & Integrity Project • Malaysia Insolvency Conference 2021 • National Tax Conference 2021 • ISRS 4400 (Revised), Agreed-Upon Procedures Engagement • ISQM 1 And ISA 220 (Revised) • 2022 Budget Seminar • MFRS 15 & MFRS 16: Disclosures - Best Practices
Datuk Seri Ch'ng Toh Eng	• Enhancing Governance & Integrity Project • Online webinar by UOB "Digital Marketing Strategies, Models and Plane work" • PERKESO webinar "National Recovery Plan: PEMULIH Incentives. To Support The Employees. • MACC ACT 2009 • Webinar "Audit Oversight Board"
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	• Enhancing Governance & Integrity Project

During the financial year under review, the Company Secretaries had regularly updated and notified the Board on the invitations for trainings / seminars organised by Bursa Securities, Securities Commission Malaysia and any other relevant bodies and changes to the laws and regulations.

Corporate Governance Overview Statement

(CONTINUED)

REMUNERATION POLICIES

Remuneration Committee

The Remuneration Committee comprises one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The members of the Remuneration Committee are as follows: -

Name	Designation	Directorship
Datuk Seri Ch'ng Toh Eng	Chairman	Independent Non-Executive Director
Chin Kim Chung	Member	Non-Independent Non-Executive Director
Lim Poh Yit	Member	Group Managing Director

The Board is aware of the recommendation of MCCG 2021 that the Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors.

The Board will review the composition of the Remuneration Committee to be in line with MCCG 2021.

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.titijaya.com.my.

Directors' Remuneration

The Board has instituted a set of policies and procedures to govern the remuneration of Directors and Senior Management. The policies and procedures serve as guidelines for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high calibre individuals. The Remuneration Policy of Directors and Senior Management is available for reference at the Company's website at www.titijaya.com.my.

The remuneration of the Executive Directors is structured to link rewards to corporate and individual performance in order to attract, retain and motivate the Executive Directors to manage the Group successfully. For the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid based on fixed fees commensurate with their responsibilities in the Board and Board Committees.

The Directors abstain from participating in a discussion concerning their own remuneration and play no part in determining their own remuneration.

During the financial year ended 30 June 2022, the Remuneration Committee met two (2) times with full attendance of all its members, to deliberate the following matters prior to making recommendations to the Board for approval: -

- Reviewed the proposed bonus payment for the Executive Directors;
- Reviewed the proposed bonus payment for employees of the Group; and
- Reviewed and recommended the payment of Directors' fees and benefits.

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company and Group who served during the financial year ended 30 June 2022 are as follows:

Corporate Governance Overview Statement
(CONTINUED)

Received from the Company

	Salaries, Bonus and Other Emoluments (RM)	Allowance (RM)	Fees (RM)	Total (RM)
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	13,000	70,000	83,000
Lim Poh Yit	-	-	42,400	42,400
Lim Puay Fung	-	-	41,400	41,400
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	8,000	41,400	49,400
Chin Kim Chung	-	12,500	58,500	71,000
Datuk Seri Ch'ng Toh Eng	-	13,500	47,000	60,500
Dato' Mohd Ibrahim Bin Mohd Nor	-	12,500	46,000	58,500
Dato' Faizal Bin Abdullah	-	-	41,400	41,400

Received on Group Basis

	Salaries, Bonus and Other Emoluments (RM)	Allowance (RM)	Fees (RM)	Total (RM)
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	13,000	70,000	83,000
Lim Poh Yit	931,892	-	42,400	974,292
Lim Puay Fung	579,150	-	41,400	620,550
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	8,000	41,400	49,400
Chin Kim Chung	-	12,500	58,500	71,000
Datuk Seri Ch'ng Toh Eng	-	13,500	47,000	60,500
Dato' Mohd Ibrahim Bin Mohd Nor	-	12,500	46,000	58,500
Dato' Faizal Bin Abdullah	259,548	-	41,400	300,948

For the financial years ended 30 June 2020 and 30 June 2021, the Directors' fees had been reduced to RM271,670 (30% reduction) when compared to the amount of RM388,100 approved at the Seventh AGM held on 28 November 2019.

Corporate Governance Overview Statement
(CONTINUED)

However, considering the current endemic phase with the economic activities progressively resumed back to normal and the Group's business performance has gradually improved, the Directors' agreed that, for the financial year ended 30 June 2022, the Directors' fees to be reinstated to the original quantum of RM388,100 and be recommended for the shareholders' approval at the upcoming Tenth AGM.

The remuneration of the top 5 Senior Management in each remuneration band for the financial year ended 30 June 2022 is as follows: -

Remuneration Bands (RM)	Number of Senior Management (Excluding Executive Directors)
50,000 and below	-
50,001 - 100,000	-
100,001 – 200,000	3
200,001 – 300,000	1
300,001 – 400,000	1

Included in the top 5 Senior Management was Mr. Tan Chee Leng, whom, had relinquished his position as Group Chief Financial Officer of Titijaya Land Berhad on 31 December 2021.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The Board regards the members of the Audit Committee collectively possess the accounting and related financial management expertise and experience required for Audit Committee to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.

COOLING PERIOD OF A FORMER KEY AUDIT PARTNER

The Board has approved a policy requiring a former key audit partner to undergo a cooling-off period of three (3) years in the event the Board wishes to onboard such a person to be part of the Audit Committee. This policy has been incorporated in the Audit Committee's Terms of Reference. None of the members of the Board was a former key audit partner and the Board has no intention to appoint any former key audit partner as a member of the Board.

RELATIONSHIP WITH AUDITORS

The External Auditors are regularly invited to attend the Audit Committee meetings for discussion on their audit plan, audit findings and the financial statements of the Company. At least one of these meetings is held with the External Auditors without the presence of the management. The Audit Committee also meets with the External Auditors additionally whenever it deems necessary. In addition, the External Auditors attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of the Annual Report.

Corporate Governance Overview Statement
(CONTINUED)

ASSESSMENT ON THE SUITABILITY, OBJECTIVITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Audit Committee considers the reappointment, remuneration and terms of engagement of the External Auditors annually. The review procedures entail the use of the prescribed External Auditors Evaluation Form, with emphasis of evaluation on the independence and service level of the External Auditors, which amongst others, include reviewing the External Auditors' performance and quality of work, ability to meet deadlines, timeliness of service deliverables and non-audit services provided.

The Audit Committee met with the External Auditors without the presence of Executive Directors and Management to enquire on any extraordinary matters or confidential comments that necessitated the Audit Committee's attention.

Having regard to the outcome of its assessment, the Audit Committee is satisfied with the independence of Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as the External Auditors of the Company and also on their audit and non-audit fees rendered by Baker Tilly and its affiliates for the financial year ended 30 June 2022. The Board will recommend for shareholders' approval during the AGM the re-appointment of Baker Tilly as the External Auditors.

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of Titijaya Group in the disclosures made to the shareholders and the regulatory authorities.

The Board takes responsibility to ensure that the financial statements of the Company present a balanced and meaningful assessment of the Group's position and prospects and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable accounting standards in Malaysia.

The Board, assisted by the Audit Committee, oversees the Group's financial reporting process and the information for disclosure to ensure accuracy, adequacy and completeness.

The membership of Audit Committee, their responsibilities and main works carried out for the financial year ended 30 June 2022 are set out in the Audit Committee Report of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RISK MANAGEMENT FRAMEWORK

The Board fulfills its responsibilities in the risk governance and oversight functions through its Board Risk Management Committee who reviews the effectiveness of risk management framework and manages the overall risk exposure to the Group. The Board Risk Management Committee is responsible for assisting the Board in overseeing the risk management matters in line with the step-up practice set out in the MCCG 2021.

The Board Risk Management Committee assesses and monitors the efficiency of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the Audit Committee through the work performed internal audit function for the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent consulting firm, to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

Corporate Governance Overview Statement
(CONTINUED)

The internal audit function has prepared a risk-based internal audit plan and incorporated a holistic schedule of assignments to provide independent assurance on the system of risk management and safeguarding of the Group's assets. Scheduled internal audits are carried out by the Internal Auditors based on the audit plan presented to and approved by the Audit Committee.

During the financial year ended 30 June 2022, internal audit reviews were carried out and the findings of the reviews, including the recommended management actions plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The information on the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control as set out of this Annual Report.

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

ENGAGEMENT WITH STAKEHOLDERS

Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with the investing community consistent with commercial confidentiality and regulatory considerations.

The Company is committed to ensure that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Company is guided by the Corporate Disclosure Guide issued by Bursa Securities with the consultation of the Company Secretaries, advisers and/or other service providers.

The Company's website incorporates an Investor Relations section which provides all relevant information of the Company and is accessible by the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company.

Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section for corporate information on the Company's website where information on the Company's announcements, financial information and stock information can be accessed.

CONDUCT OF ANNUAL GENERAL MEETINGS

Encourage Shareholder Participation at General Meeting

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which including distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with promptly as practicable as possible.

Annual General Meeting

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least 28 days before the date of the meeting. At the meeting, Management makes a presentation on the year's financial results and business activities.

Corporate Governance Overview Statement
(CONTINUED)

At the AGM, the Board encourages shareholders to participate in the question-and-answer session whereby the Directors are available to discuss the aspects of the Group's performance and its business activities. The Chairman responds to shareholders' questions during the meeting.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

Due to the COVID-19 pandemic and the enforcement of the Movement Control Order in Malaysia, the Company had conducted its second fully virtual AGM during the Ninth AGM held on 25 November 2021. As advised by the Securities Commission of Malaysia, only essential individuals were physically present at the broadcast venue while the Senior Management, External Auditors and shareholders participated the meeting remotely.

Poll Voting

Pursuant to the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may be properly moved and is intended to be moved at any general meeting, is voted by poll.

The Ninth AGM of the Company held on 25 November 2021 was conducted electronically via Remote Participation and Voting as guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers.

The Company had conducted its voting on all resolutions by poll at its Ninth AGM held on 25 November 2021. An independent scrutineer will be appointed to validate the poll results and the decision of each resolution, including the votes for and against the resolution, will be made known at the meeting and the outcome is announced via Bursa Link on the same meeting day.

Effective Communication and Proactive Engagement

The Board believes that a constructive and effective relationship with all investors is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to the investor community and shareholders.

During the last AGM, the Group Chief Financial Officer presented an overview and explained the operational and financial performance of the Group, its corporate strategies, trends and the outlook for the future. Shareholders present at the meeting had the opportunity to enquire on the Group's performance and operations and were invited to ask questions during the question-and-answer session.

Further, apart from announcements and public statements required by Bursa Securities, the Company also issues press releases and conducts media and analysts briefings in conjunction with the release of the Group's quarterly and annual financial results announcements as deemed fit.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is fully committed in ensuring good governance practices and compliance with regulatory requirements under the MCCG 2021 and relevant rules and regulations. The Board will remain focus to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

The Board has identified environmental, social and governance (ESG) matters, which includes sustainability and climate change issues, as well as future crisis management and business continuity risks assessment and action plan, as the key focus areas for the near-and long-term business strategies of the Group.

Corporate Governance Overview Statement
(CONTINUED)

COMPLIANCE STATEMENT

The Board is satisfied that for the financial year ended 30 June 2022, the Company has applied substantially the practices encapsulated in the MCCG 2021, except for those departures highlighted in the CG Report. The CG Report is available on the Company's website at www.titijaya.com.my.

This CG Overview Statement together with the CG Report was presented and approved by the Board on 13 October 2022.

AUDIT COMMITTEE REPORT

COMPOSITION

CHAIRMAN

Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)

MEMBERS

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

Datuk Seri Ch'ng Toh Eng
(Independent Non-Executive Director)

Chin Kim Chung
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee set out the composition, proceedings of the meeting, authority, roles and responsibilities of the Audit Committee, are available on the Company's corporate website at www.titijaya.com.my.

MEETINGS

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2022. The details of attendance of each member are as follows: -

Name of Member	Meeting Dates					
	22.09.2021	14.10.2021	25.11.2021	24.02.2022	24.05.2022	Total
Dato' Mohd Ibrahim Bin Mohd Nor	✓	✓	✓	✓	✓	5/5
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	✓	✓	✓	✓	✓	5/5
Datuk Seri Ch'ng Toh Eng	✓	✓	✓	✓	✓	5/5
Chin Kim Chung	✓	✓	✓	✓	✓	5/5

The Group Chief Financial Officer was invited to all Audit Committee meetings to facilitate direct communications and to provide clarification on financial reports. Minutes of each meeting were recorded and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation.

Dato' Mohd Ibrahim, the Chairman of the Audit Committee briefed the Board on matters of significant concern discussed during the Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the Audit Committee were presented by the Audit Committee's Chairman at subsequent Board Meeting for the Board's approval.

Audit Committee Report
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

The work undertaken by the Audit Committee in the discharge of its functions and duties for the financial year ended ("FYE") 30 June 2022 and up to the date to this report is summarised as follows: -

A. FINANCIAL REPORTING

(i) FYE 30 June 2021

(a) On 22 September 2021, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2021 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 14 October 2021, reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2021, and recommended the same for the Board's approval.

(ii) FYE 30 June 2022

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2021, 31 December 2021 and 31 March 2022 at the meetings held on 25 November 2021, 24 February 2022 and 24 May 2022 respectively.

(b) The Audit Committee at its meeting held on 29 August 2022, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2022 to the Board for approval.

(c) On 13 October 2022, the Audit Committee reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2022 at its meeting and recommended the same to the Board for approval.

The Audit Committee carried out the review of the quarterly results and annual financial statements to ensure that they were prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B. EXTERNAL AUDIT

(i) FYE 30 June 2022

(a) On 24 May 2022, the Audit Committee reviewed the Audit Plan for FYE 30 June 2022 prepared by the External Auditors, Baker Tilly Monteiro Heng PLT ("**BTMH**"), outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and the new and revised auditors reporting standards.

(b) On 24 May 2022, BTMH confirmed that they would continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 30 June 2022 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

(c) On 24 May 2022, the Audit Committee discussed with BTMH the scope of work, key areas of audit emphasis, audit approach, and audit timetable before the commencement of the annual statutory audit for FYE 30 June 2022.

(d) The Audit Committee had two (2) private sessions with BTMH without the presence of Management staff and the Executive Board members on 22 September 2021 and 24 May 2022. BTMH did not highlight any private issues to be brought to the Audit Committee's attention.

(e) On 29 August 2022, the Audit Committee deliberated on the Audit Committee Memorandum with BTMH at its meeting with regards to the significant accounting and audit issues arising from the statutory audit of the Group and the Company for FYE 30 June 2022.

(f) During the presentation of the Audit Committee Memorandum, the internal control weaknesses identified by BTMH during their course of audit of the Group together with the Management's comments, were highlighted for the Audit Committee's attention.

Audit Committee Report
(CONTINUED)

(g) On 13 October 2022, the Audit Committee reviewed the Audited Financial Statements of the Company and the Group for FYE 30 June 2022, the issues arising from the audit, their resolutions and the Independent Auditors' Report prepared by the External Auditors prior to recommending to the Board for approval. In the review of the Audited Financial Statements, the Audit Committee discussed with the Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

The Audit Committee reviewed the performance of BTMH, their independence and objectivity, their ability to serve the Group in terms of technical competencies and manpower resource sufficiency, as well as the reasonableness of their audit fees and non-audit fees. Having been satisfied with the independence, suitability, and performance of BTMH, the Audit Committee recommended to the Board the re-appointment of BTMH as External Auditors of the Company at the forthcoming Tenth AGM of the Company.

C. INTERNAL AUDIT

(a) Reviewed the Internal Audit Strategy Document of the internal audit function presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group.

(b) Considered the findings of internal audit and the Management's responses thereon and where relevant, recommended appropriate actions.

(c) Noted the corrective actions on outstanding audit issues and follow-up actions to be taken by either the Internal Auditors or the Management to ensure the key risks and control lapses have been addressed and rectified.

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 25 November 2021, 24 February 2022, 24 May 2022 and 29 August 2022 respectively to the Audit Committee.

The areas covered by the Internal Audit included the assessment of internal control implemented by Management in managing risks associated with the operating processes as listed below: -

- Management of Completed Unsold Units
- Recurrent Related Party Transactions
- Information Technology General Control – Manage Security
- Defects Liability Management

Summary reports which provided status updates of the implementation of management action plans on the findings reported in the Internal Audit reports for all the previous audit cycles were presented to the Audit Committee.

D. RELATED PARTY TRANSACTIONS

(a) Reviewed the quarterly report on recurrent related party transactions for compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its approval by the Board.

E. OTHER MATTERS

(a) Reviewed and recommended to the Board for approval, the revisions to the Terms of Reference of Audit Committee.

(b) Reviewed the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, prior to the submission to the Board for approval.

(c) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control, prior to submission to the Board for consideration and inclusion in the Annual Report of the Company.

Audit Committee Report

(CONTINUED)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional services firm, Tricor Axcelasia Sdn. Bhd., which reports directly to the Audit Committee.

The Audit Committee has full access to the outsourced Internal Auditors and reports on all internal audits performed. The main role of the internal audit function is to carry out independent assessments of the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

During the financial year ended 30 June 2022, internal audit reviews were carried out in accordance with the approved internal audit plan. The internal audit planning and execution were carried out with reference to an international recognised framework, which is the International Professional Practices Framework ('IPPF') issued by the Internal Auditors ('IIA') Inc. Representatives from the outsourced Internal Auditors led the role of the internal audit functions of the Group (referred to as the "**IA Team**") and conducted its internal audit visits based on the approved Internal Audit Plan ("**IA Plan**"). Any significant changes to the IA Plan will be referred to the Audit Committee for approval prior to the commencement of the internal audit.

In developing the IA Plan, the IA team will:

- perform a risk assessment through review of documents, interviews with key management personnel and representatives from the Audit Committee to identify and highlight risks and concerns of Management and members of the Audit Committee.
- identify auditable areas and the risk significance of such auditable areas.
- develop an audit plan focusing on compliance, efficiency and effectiveness.

For each internal audit visit, the IA Team will perform the following and provide Management with periodic progress updates as and when requested, and meet with Management at the conclusion of each visit to review the results: -

- understand the process, key performance indicators, risks involved and controls in place through interviews with various personnel, observations and review of Management reports and other documents such as corporate policies, procedures and guidelines before summarising key process risks and control design.
- evaluate control design effectiveness and discuss observations with the Management.
- develop control testing programmes.
- conduct testing programs, analyse root causes of findings and identify improvement opportunities.
- discuss issues and improvement opportunities with process owners.
- summarise issues and recommend action plans.

The total costs incurred for the internal audit function of the Group during the financial year ended 30 June 2022 amounted to **RM90,451** (FYE 2021: RM92,609), inclusive of service tax and disbursements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control by the Board of Directors ("**Board**") on the Group is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**").

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2022. It covers all of the Group's operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility in maintaining a risk management framework and internal control systems as well as to review the adequacy and integrity of the system. The risk management and internal control system covers financial, operational, management information systems, organisational and compliance controls. In view of the inherent limitations in any internal control system, internal control and risk management are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Accordingly, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board fully endorses Practices 10.1 and 10.2 of the MCCG 2021, which call for the establishment of an effective risk management and internal control framework and the disclosure thereof.

The Board is assisted by the Board Risk Management Committee ("**BRMC**") in evaluating, assessing and reviewing the adequacy of the Group's system of risk management.

The BRMC comprises three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The composition of the BRMC is as follows:

<u>CHAIRMAN</u>
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*
(Independent Non-Executive Director)

<u>MEMBERS</u>
Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)

Datuk Seri Ch'ng Toh Eng
(Independent Non-Executive Director)

Chin Kim Chung
(Non-Independent Non-Executive Director)

Lim Poh Yit
(Group Managing Director)

The oversight role of risk management is carried out by the Board and BRMC. Mandate and commitment from the Board and BRMC are key contributors to the success factors in implementing enterprise risk management programmes. The Board and BRMC set the strict direction for risk roles, responsibilities and risk reporting structures.

The BRMC is assisted by a Management-level Risk Management Committee ("**MRMC**"), which consists of the Group Managing Director, risk managers and respective heads of department. The periodic reporting to both the Board and BRMC on the risk management activities undertaken by the MRMC, keeps the Board and BRMC apprised and advised of all aspects of the enterprise risk management and significant risks and risk trends.

Detailed Risk Registers are used to capture the identified key risks and controls information. The identified key risks and controls are assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major departments are presented to the BRMC for deliberation and approval for adoption.

The Board adopted the enhanced Enterprise Risk Management ("**ERM**") Framework. The ERM Framework has been enhanced with the Group's risk profiles being updated and action plans formulated focusing on principal business risks. It also identified the ERM reporting structure and frequency of reporting, the responsibilities of the Board Committees for ERM and the key elements of the risk assessment process. As such, the ERM reporting structure is as follows:-

Statement on Risk Management and Internal Control

(CONTINUED)

ERM PROCESS AND GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

↑

BOARD RISK MANAGEMENT COMMITTEE

Responsibilities	:	Governing overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.
Process	:	Articulate and provide direction on risk appetite, organisational control environment and risk culture.

↑

MANAGEMENT-LEVEL RISK MANAGEMENT COMMITTEE

Responsibilities	:	Oversees the operationalisation of risk management strategies as well as frameworks and policies.
Process	:	Monitor the consistent enforcement of ERM policy, review and endorse risk parameter, risk appetite, risk profile and treatment options and risk action plans.

↑

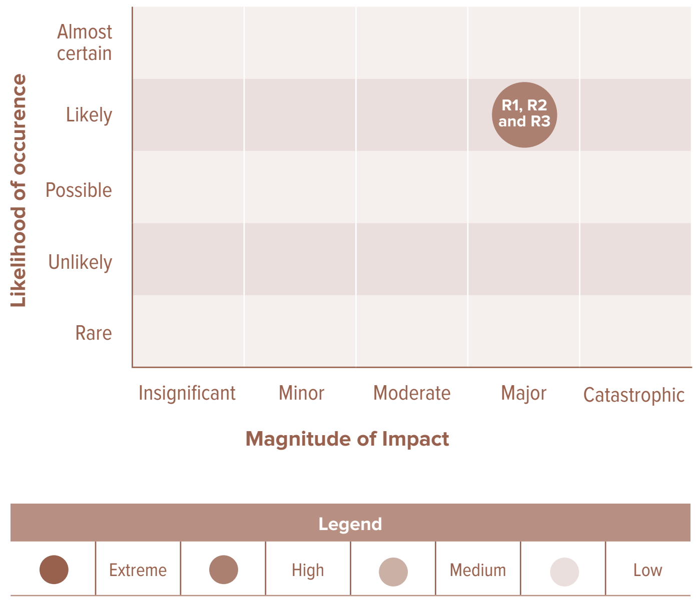
SUB-COMMITTEE & STAFFS

Responsibilities	:	Manage day-to-day risk inherent in business activities as guided by the established risk strategies, frameworks and policies.
Process	:	Identification and assessment of risk, implementation and monitoring of risk action plans.

The ERM processes are undertaken three times a year to assess and evaluate risks that may impede the Group from achieving its strategic and operational objectives, as well as developing action plans to mitigate such risks.

During the financial year under review, the result of the risk updates was deliberated on causes, existing key controls, impact and action plans to address the top risk of the organisation at the BRMC meetings. The updated risk profile was used as one of the basis to develop a risk-based internal audit plan for the financial year ended 30 June 2022, which was approved by the BRMC. Results of the risk review were then reported to the Board for endorsement and approval.

Identified key risks of the Group were assessed and recorded in the risk profile for continuous monitoring (see table below). Being in the property and project development businesses, it is inherent that the Group is facing key risks such as project progress challenges, increasing cost of construction, liquidity and sales risks.



The Board and the Management have formulated strategies and plans to address the following key risks, among others are:

Statement on Risk Management and Internal Control
(CONTINUED)

Risk	Specific Risk	Management Strategy
R1	Project Cost Management	• Regular financial statement and cost updates from project/ contract department against endorsed feasibility study • Contingency rate is incorporated during costing preparation
R2	Project Progress Challenges	• Close monitoring of the progress report and contractor performance • Client-consultant meeting and site meeting with contractors to discuss progress and resolve issues encountered
R3	Sales and Duration of Sales Closure Risk	• To ensure marketing strategy including right people, product, pricing and marketing channel effective and efficient against the volatility market challenge

INTERNAL CONTROL

The Board acknowledges that the internal control systems are designed to identify, evaluate, monitor and manage the risks that may hinder the Group from achieving its goals and objectives.

The Group's internal control system consists of various components such as control environment, risk assessment, control activities, information, communication and monitoring. These will facilitate an effective and efficient operation by responding appropriately to significant business, operational, financial, compliance and other risks in achieving the Group's corporate and strategic objectives.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn. Bhd., which assists both the Board and Audit Committee by conducting independent assessments of the adequacy and operating effectiveness of the Group's internal control system. The internal audit function reports directly to the Audit Committee to ensure independence from Management.

The outsourced internal audit function is led by the Executive Director of the outsourced service provider. He is a professional member of the Institute of Internal Auditors Malaysia, a member of the Association of Chartered Certified Accountants (UK) and the Malaysian Institute of Accountants. He holds the certifications of Certified Internal Auditor; Certification in Risk Management Assurance; Certified Information Systems Auditor; and other relevant professional qualifications. The internal audit function is supported by a team of internal auditors who have relevant work experiences.

The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business functions of the Group and in accordance with the internal audit plan approved by the Audit Committee. The internal audit independently reviews the system of internal controls implemented by Management within the Group. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls and provides recommendations, if any, for the improvement of the control policies and procedures.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management and MRMC so that any recommended corrective actions could be implemented. The Senior Management and risk sub-committees are responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. A total of RM90,451/- inclusive of services tax and disbursements was incurred on internal audit activities for the financial year ended 30 June 2022.

OTHER INTERNAL CONTROL PROCESSES

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:-

(a) Integrity and Ethical Values

- **Code of Ethics and Conduct**

  The Board believes ethical corporate culture begins from the top which the control environment sets the tone for the Group by providing fundamental discipline and structure.

  The Board has set the tone at the top for corporate behavior and corporate governance. All employees shall adhere to the Code of Ethics and Conduct of the Group, which sets out the principles and standards to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

Statement on Risk Management and Internal Control
(CONTINUED)

- **Whistleblowing Policy and Procedure**
  The Board has formalised a set of Whistleblowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistleblowing Policy and Procedures set out the protection accorded to whistleblowers who disclose such irregularities in good faith.

- **Anti-Bribery and Corruption Policy**
  In line with the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has adopted a culture of zero tolerance towards all forms of bribery and corruption as already enunciated in our Group's policies, codes of conduct, and core values.

  The Anti-Bribery and Corruption Policy has been developed to fulfill the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms. The Anti-Bribery and Corruption Policy provides information and guidance to the Directors, employees and business associates on standards of behaviour and to uphold their responsibilities which must be adhered to, recognised, as well as dealing with bribery and corruption.

  All applicable laws, rules and regulations set by the government, are to be complied with by the Group and are expected to adopt and comply with the Malaysian Anti-Corruption Commission Act 2009 including any amendment thereof.

(b) Authority and Responsibility

- **Organisation Structure**
  The Group has a clear organisational structure that formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. The corporate structure enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group.

- **Board Committees**
  The Board has established several Board Committees to assist in discharging its duties. These include the Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

- **Limits of Authority**
  The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with the changes in the organisation.

(c) Planning, Monitoring and Reporting

- **Performance Monitoring and Reporting**
  The Group's management team monitors and reviews financial and operating results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address the areas of concern.

- **Performance Review**
  The preparation of periodic and annual results as well as the state of affairs of the Group are reviewed and approved by the Board before the same are released to the regulators whilst the full year financial statements are audited by the external auditors before their issuance to the regulators and shareholders.

- **Financial Budgeting**
  Annual budgets are prepared and reviewed by Senior Management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with explanations provided for material variances.

(d) Policies, Guidelines and Procedures

- **Documented Policies and Procedures**
  Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering most areas within the Group, are maintained and subject to review as considered necessary.

- **ISO 9001:2008 Accreditation**
  The Construction Division of the Group has been accorded full ISO 9001:2008 accreditation in line with the Group's quest to improve its internal system's strength consistently.

(e) Communication and Investor Relations

- **Reporting to Shareholders and other Stakeholders**
  The Group has established processes and procedures to ensure the quarterly and annual reports, which cover the Group's performance, are submitted to Bursa Securities for release to shareholders and stakeholders on a timely basis. All quarterly results are reviewed by the Board prior to their announcements.

Statement on Risk Management and Internal Control
(CONTINUED)

The Annual Report of the Group is issued to the shareholders within the stipulated time as prescribed under the MMLR of Bursa Securities.

BOARD ASSURANCE AND LIMITATION

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's systems of internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks. The Board continues to derive its comfort of the state or risk management and internal control of the Group from the following oversight mechanisms and information compiled for these oversight processes:-

- periodic review of financial information covering financial performance and quarterly financial results;
- BRMC's oversight of risk management framework, changes in risk magnitudes and status of management implementation of risk mitigation plan;
- Audit Committee's review and consultation with Management on the integrity of the financial results and audited financial statements;
- audit findings and reports on the review of systems of internal control provided by the internal auditors and status of Management's implementation of the audit recommendations; and
- Management's assurance that the Group's risk management and internal control systems have been operated adequately and effectively, in all material respects.

The Board also received assurance from the Group Managing Director and Group Chief Financial Officer of the Company 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 Company.

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal control is effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that require additional disclosure in this Annual Report.

The Board recognises that the systems of risk management and internal control should be continuously improved in line with the evolving business development. Nonetheless, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities and pursuant to the scope set out in the Audit and Assurance Practice Guide ("**AAPG**") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 30 June 2022.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on their review, the External Auditors have reported to the Board that nothing has come to the attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls of the Group.

The Statement on Risk Management and Internal Control was approved by the Board on 13 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The Company did not raise any fund through any corporate proposal during the financial year. Therefore, there was no utilisation of proceeds for the financial year.

2. AUDIT AND NON-AUDIT FEES

Details of the nature of non-audit service rendered by the External Auditors an/or its affiliates for the financial year ended 30 June 2022 are set out as follows:

Audit Fees	Group (RM)	Company (RM)
(1) Audit Fees Paid/Payable to Messrs Baker Tilly Monteiro Heng PLT ("BTMH")		
(a) Review of the audited financial statements for the financial year ended 30.06.2022	411,000	92,000
Total	**411,000**	**92,000**

Non-Audit Fees	Group (RM)	Company (RM)
(1) Non-Audit Fees Paid/Payable to BTMH		
(a) Review of the Statement on Risk Management and Internal Control	7,000	7,000
(b) Review of the House Development Accounts	15,000	-
(2) Non-Audit Fees Paid/Payable to affiliates of BTMH	136,511	3,837
Total	**158,511**	**10,837**

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business: -

(i) City Meridian Development Sdn. Bhd. ("**CMD**"), a wholly owned subsidiary of the Company, had on 21 May 2014, entered into a sale and purchase agreement ("**SPA**") with Titijaya Group Sdn Bhd ("**TGSB**") to purchase a parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang for cash consideration at RM126,000,000 ("**Acquisition of Land**").

On 19 January 2015, CMD had entered into the supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA and to extend the period for the fulfilment of the conditions precedent for 1 year from 21 September 2014 or any other period as mutually agreed between the parties.

The Company had on 27 May 2015 obtained the approval from its shareholders in relation to the Acquisition of Land.

Subsequently, pursuant to the letters between CMD and TGSB dated 21 September 2015, 10 November 2015, 15 February 2016 and 26 May 2016, the parties had mutually agreed to further extend the date for fulfilment of the conditions precedent of the SPAs

Additional Compliance Information
(CONTINUED)

to 10 November 2015, 10 February 2016, 10 May 2016 and 10 December 2016, respectively. On 22 September 2016, the conditions precedent had been fulfilled by the respective parties.

TGSB, on behalf of CMD as stipulated in the SPAs, is in the midst of preparing its submission application to the Town and Country Planning Department of Penang and State Planning Committee of Penang for approval in varying the zoning of the land use to mixed development and approval in undertaking the development ratio of the Land with plot ratio of 1:4.

On 23 October 2018; 1 November 2019 and 2 November 2020, TGSB and the Company mutually agreed to extend the period for a further period of 1 year. Subsequently, on 2 November 2021, TGSB and the Company mutually agreed to extend the period for a further period of 1 year to 4 November 2022 to obtain the development approvals in respect of the land.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Ninth Annual General Meeting of the Company held on 25 November 2021, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPT**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and cash flows for the financial year then ended.

In preparing the annual financial statements, the Directors have also:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 30 June 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	3,543,071	65,551,880
Attributable to:		
Owners of the Company	484,796	65,551,880
Non-controlling interests	3,058,275	-
	3,543,071	65,551,880

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2022.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for 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.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Directors' Report
(CONTINUED)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company converted 1,195,400 new ordinary shares of RM0.825 each arising from the conversion of 11,954,000 units of irredeemable convertible preference shares ("ICPS") on the basis of 1 new ordinary share for every 10 units of ICPS.

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

TREASURY SHARES

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

During the financial year, the Company repurchased 2,041,000 of its issued ordinary shares from the open market at an average price of RM0.24 per share. The net total consideration paid for repurchase including transaction costs was RM491,174.

As at 30 June 2022, the Company held 85,613,100 treasury shares out of its 1,360,229,610 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM25,781,884. Further details are disclosed in Note 15(b) to the financial statements.

Directors' Report
(CONTINUED)

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*
Lim Poh Yit*
Lim Puay Fung*
Datuk Seri Ch'ng Toh Eng
Chin Kim Chung
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir*
Dato' Mohd Ibrahim Bin Mohd Nor*
Dato' Faizal Bin Abdullah*

** Directors of the Company and its subsidiary(ies).*

Other than as stated above, the names of the directors of the subsidiary(ies) 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 disclosed in Note 6 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.7.2021	**Bought**	**Sold**	**At 30.6.2022**
The Company				
Direct interest				
Lim Poh Yit	64,235,628	1,866,000	-	66,101,628
Lim Puay Fung	490,000	-	-	490,000
Chin Kim Chung	720,000	-	-	720,000
Datuk Seri Ch'ng Toh Eng	500,000	-	-	500,000
Dato' Mohd Ibrahim Bin Mohd Nor	-	360,000	(360,000)	-
Dato' Faizal Bin Abdullah	-	3,000,000	-	3,000,000
Indirect interest				
Lim Poh Yit #	709,668,494	39,350,000	-	749,018,494
Lim Puay Fung #	709,668,494	39,350,000	-	749,018,494
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	800,000	-	-	800,000

Directors' Report
(CONTINUED)

DIRECTORS' INTERESTS (continued)

	Irredeemable convertible preference shares			
	At 1.7.2021	**Bought**	**Sold**	**At 30.6.2022**
Direct interest				
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	6,500,000	-	(6,150,000)	350,000
Indirect interest				
Lim Poh Yit #	291,462,800	-	(132,000,000)	159,462,800
Lim Puay Fung #	291,462,800	-	(132,000,000)	159,462,800
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	1,200,000	-	-	1,200,000

	Number of ordinary shares			
	At 1.7.2021	**Bought**	**Sold**	**At 30.6.2022**
Ultimate Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Lim Poh Yit	91,530,000	-	-	91,530,000
Lim Puay Fung	21,470,000	-	-	21,470,000

 # Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Lim Poh Yit and Lim Puay Fung are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

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

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

	Group RM	Company RM
Directors		
Executive directors		
- Fees	125,200	125,200
- Other emoluments	2,060,148	-
- Estimated money value of benefits-in-kind	525,960	-
Non-executive directors		
- Fees	262,900	262,900
- Other emoluments	59,500	59,500
	3,033,708	447,600

Directors' Report
(CONTINUED)

DIRECTORS' BENEFITS (continued)

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM20,000,000 and RM27,199 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

Other than as disclosed elsewhere in this report, the Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

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

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 37 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the financial year are RM411,000 and RM92,000 respectively.

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

LIM POH YIT
Director

LIM PUAY FUNG
Director

Kuala Lumpur
Date: 13 October 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**10,255,579**	9,980,543	**-**	-
Inventories	10	**1,021,646,450**	964,647,834	**-**	-
Investment in subsidiaries	6	**-**	-	**1,239,991,592**	1,203,484,908
Investment in associates	7	**355,431**	359,578	**-**	-
Investment properties	8	**161,698,582**	135,232,546	**-**	-
Goodwill on consolidation	9	**2,062,677**	2,062,677	**-**	-
Deferred tax assets	21	**5,331,622**	3,857,355	**-**	-
Trade receivables	11	**545,770**	250,859	**-**	-
Total non-current assets		**1,201,896,111**	1,116,391,392	**1,239,991,592**	1,203,484,908
Current assets					
Inventories	10	**476,185,342**	632,730,550	**-**	-
Trade and other receivables	11	**389,196,477**	512,078,059	**903,649**	7,393,032
Contract assets	12	**6,297,318**	-	**-**	-
Contract costs	13	**8,630,081**	10,440,215	**-**	-
Current tax assets		**31,473,195**	18,526,693	**154,504**	26,500
Cash and short-term deposits	14	**177,747,823**	173,081,838	**26,401,622**	15,931,426
Total current assets		**1,089,530,236**	1,346,857,355	**27,459,775**	23,350,958
TOTAL ASSETS		**2,291,426,347**	2,463,248,747	**1,267,451,367**	1,226,835,866

Statements of Financial Position

AS AT 30 JUNE 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	15	**786,278,243**	785,292,038	**786,278,243**	785,292,038
Treasury shares	15	**(25,781,884)**	(25,290,710)	**(25,781,884)**	(25,290,710)
Irredeemable convertible preference shares	16	**58,325,595**	59,311,800	**58,325,595**	59,311,800
Other reserve	17	**(47,425,855)**	(47,425,855)	**-**	-
Retained earnings	15	**340,705,608**	359,208,937	**222,701,288**	157,149,408
		1,112,101,707	1,131,096,210	**1,041,523,242**	976,462,536
Equity attributable to non-controlling interests of the Company					
Redeemable preference shares	18	**129,125**	141,000	**-**	-
Non-controlling interests		**19,454,955**	16,399,406	**-**	-
		19,584,080	16,540,406	**-**	-
TOTAL EQUITY		**1,131,685,787**	1,147,636,616	**1,041,523,242**	976,462,536
Non-current liabilities					
Trade and other payables	19	**66,939,759**	60,691,283	**-**	-
Loans and borrowings	20	**222,936,160**	329,977,745	**3,452,986**	7,666,662
Deferred tax liabilities	21	**33,604,838**	34,033,032	**-**	-
Total non-current liabilities		**323,480,757**	424,702,060	**3,452,986**	7,666,662
Current liabilities					
Trade and other payables	19	**423,124,472**	434,821,925	**180,141,803**	126,502,474
Contract liabilities	12	**224,038,335**	273,047,583	**-**	-
Loans and borrowings	20	**189,096,951**	179,042,744	**42,333,336**	116,204,194
Current tax liabilities		**45**	3,997,819	**-**	-
Total current liabilities		**836,259,803**	890,910,071	**222,475,139**	242,706,668
TOTAL LIABILITIES		**1,159,740,560**	1,315,612,131	**225,928,125**	250,373,330
TOTAL EQUITY AND LIABILITIES		**2,291,426,347**	2,463,248,747	**1,267,451,367**	1,226,835,866

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	22	**274,927,629**	253,606,570	**70,992,000**	4,000,000
Cost of sales	23	**(230,911,061)**	(182,265,216)	**-**	-
Gross profit		**44,016,568**	71,341,354	**70,992,000**	4,000,000
Other income	24	**6,003,141**	9,006,267	**-**	-
Distribution expenses		**(1,429,923)**	(2,409,284)	**-**	-
Administrative expenses		**(15,631,868)**	(11,417,505)	**(1,066,936)**	(1,197,504)
Net impairment (losses)/gain on financial instruments		**(1,919,971)**	(1,542,962)	**-**	3,000,000
Other expenses		**(10,548,275)**	(43,390,400)	**(427,539)**	(505,470)
Operating profit		**20,489,672**	21,587,470	**69,497,525**	5,297,026
Finance income	25	**2,034,747**	1,290,723	**119,162**	5,891
Finance costs	26	**(11,490,482)**	(10,133,103)	**(4,064,807)**	(6,062,407)
Share of results of associates, net of tax		**(4,147)**	(85,873)	**-**	-
Profit/(Loss) before tax	27	**11,029,790**	12,659,217	**65,551,880**	(759,490)
Income tax (expense)/credit	28	**(7,486,719)**	(20,291,064)	**-**	38,684
Profit/(Loss) for the financial year		**3,543,071**	(7,631,847)	**65,551,880**	(720,806)
Other comprehensive income for the financial year		**-**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**3,543,071**	(7,631,847)	**65,551,880**	(720,806)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**484,796**	(13,952,146)	**65,551,880**	(720,806)
Non-controlling interests		**3,058,275**	6,320,299	**-**	-
		3,543,071	(7,631,847)	**65,551,880**	(720,806)
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
- Basic	29(a)	**0.04**	(1.09)		
- Diluted	29(b)	**0.04**	(1.04)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Attributable to owners of the Company						*Attributable to non-controlling interests of the Company*		
Group	**Note**	**Share Capital (Note 15) RM**	**Treasury Shares (Note 15) RM**	**Other Reserves (Note 17) RM**	**Irredeemable Convertible Preference Shares (Note 16) RM**	**Retained Earnings (Note 15) RM**	**Sub-total RM**	**Redeemable Preference Shares (Note 18) RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 1 July 2021		785,292,038	(25,290,710)	(47,425,855)	59,311,800	359,208,937	1,131,096,210	141,000	16,399,406	1,147,636,616
Total comprehensive income for the financial year										
Profit for the financial year, representing total comprehensive income		-	-	-	-	484,796	484,796	-	3,058,275	3,543,071
Transactions with owners										
Issuance of redeemable preference shares	18	-	-	-	-	-	-	10,000,000	-	10,000,000
Redemption of redeemable preference shares	18	-	-	-	-	(18,988,125)	(18,988,125)	(10,011,875)	-	(29,000,000)
Conversion of ICPS	16	986,205	-	-	(986,205)	-	-	-	-	-
Repurchase of treasury shares	15(b)	-	(491,174)	-	-	-	(491,174)	-	-	(491,174)
NCI share of purchase of a subsidiary	6(e)	-	-	-	-	-	-	-	(2,726)	(2,726)
Total transactions with owners		986,205	(491,174)	-	(986,205)	(18,988,125)	(19,479,299)	(11,875)	(2,726)	(19,493,900)
At 30 June 2022		**786,278,243**	**(25,781,884)**	**(47,425,855)**	**58,325,595**	**340,705,608**	**1,112,101,707**	**129,125**	**19,454,955**	**1,131,685,787**

Statements of Changes in Equity
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

		← *Attributable to owners of the Company* →						*Attributable to non-controlling interests of the Company*		
Group (continued)	**Note**	**Share Capital (Note 15) RM**	**Treasury Shares (Note 15) RM**	**Other Reserves (Note 17) RM**	**Irredeemable Convertible Preference Shares (Note 16) RM**	**Retained Earnings (Note 15) RM**	**Sub-total RM**	**Redeemable Preference Shares (Note 18) RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 1 July 2020		784,412,338	(25,290,710)	(47,425,855)	60,191,500	373,161,083	1,145,048,356	10,141,000	10,079,107	1,165,268,463
Total comprehensive loss for the financial year										
Loss for the financial year, representing total comprehensive loss		-	-	-	-	(13,952,146)	(13,952,146)	-	6,320,299	(7,631,847)
Transactions with owners										
Redemption of preference shares	18	-	-	-	-	-	-	(10,000,000)	-	(10,000,000)
Conversion of ICPS	16	879,700	-	-	(879,700)	-	-	-	-	-
Total transactions with owners		879,700	-	-	(879,700)	-	-	(10,000,000)	-	(10,000,000)
At 30 June 2021		785,292,038	(25,290,710)	(47,425,855)	59,311,800	359,208,937	1,131,096,210	141,000	16,399,406	1,147,636,616

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

		← *Attributable to owners of the Company* →				
Company	**Note**	**Share Capital (Note 15) RM**	**Treasury Shares (Note 15) RM**	**Irredeemable Convertible Preference Shares (Note 16) RM**	**Retained Earnings (Note 15) RM**	**Total Equity RM**
At 1 July 2021		785,292,038	(25,290,710)	59,311,800	157,149,408	976,462,536
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income		-	-	-	65,551,880	65,551,880
Transactions with owners						
Conversion of ICPS	16	986,205	-	(986,205)	-	-
Repurchase of treasury shares	15(b)	-	(491,174)	-	-	(491,174)
Total transactions with owners		986,205	(491,174)	(986,205)	-	(491,174)
At 30 June 2022		**786,278,243**	**(25,781,884)**	**58,325,595**	**222,701,288**	**1,041,523,242**
At 1 July 2020		784,412,338	(25,290,710)	60,191,500	157,870,214	977,183,342
Total comprehensive loss for the financial year						
Loss for the financial year, representing total comprehensive loss		-	-	-	(720,806)	(720,806)
Transaction with owners						
Conversion of ICPS, representing total transaction with owners	16	879,700	-	(879,700)	-	-
At 30 June 2021		785,292,038	(25,290,710)	59,311,800	157,149,408	976,462,536

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
Profit/(Loss) before tax		**11,029,790**	12,659,217	**65,551,880**	(759,490)
Adjustments for:					
Depreciation of investment properties		**92,972**	92,973	**-**	-
Depreciation of property, plant and equipment		**907,383**	845,830	**-**	-
Finance costs		**11,490,482**	10,133,103	**4,064,807**	6,062,407
Finance income		**(2,034,747)**	(1,290,723)	**(119,162)**	(5,891)
(Gain)/Loss on disposal of:					
- investment in an associate		**-**	40	**-**	-
- investment properties		**-**	10,152	**-**	-
- property, plant and equipment		**(224,498)**	(3,480)	**-**	-
Gain on reversal of depreciation from an investment property		**-**	(1,989,796)	**-**	-
Impairment loss on:					
- amount owing by an associate		**-**	4,542,962	**-**	-
- goodwill		**30,402**	-	**-**	-
- trade receivables		**1,240,834**	-	**-**	-
- other receivables		**679,137**	-	**-**	-
Inventories written down		**168,424**	25,164,726	**-**	-
Net amortisation on Class A shares classified as financial liabilities at amortised cost		**1,116,172**	1,116,172	**-**	-
Reversal of impairment loss on:					
- amount owing by an associate		**-**	(3,000,000)	**-**	(3,000,000)
- investment in an associate		**-**	(40)	**-**	-
Reversal of liquidated and ascertained damages income		**-**	428,000	**-**	-
Share of result of associates, net of tax		**4,147**	85,873	**-**	-
Written off of:					
- trade receivables		**25,642**	-	**-**	-
- other receivables		**940,052**	878,734	**126,600**	-
- property, plant and equipment		**-**	5	**-**	-
Operating profit before changes in working capital, carried forward		**25,466,192**	49,673,748	**69,624,125**	2,297,026
Net changes in working capital:					
Contract assets		**(6,297,318)**	784,133	**-**	-
Contract costs		**1,810,134**	3,749,780	**-**	-
Contract liabilities		**(49,009,248)**	112,926,887	**-**	-
Inventories		**89,179,502**	(61,491,523)	**-**	-
Trade and other receivables		**119,701,006**	(91,293,833)	**6,401,433**	(15,264)
Trade and other payables		**(10,762,861)**	41,087,509	**116,430**	(19,993)
Net cash generated from operations		**170,087,407**	55,436,701	**76,141,988**	2,261,769
Income tax paid		**(26,579,190)**	(22,793,645)	**(128,004)**	(55,281)
Income tax refunded		**245,734**	739,168	**-**	-
Interests paid		**(6,998,843)**	(15,300,975)	**-**	(42,504)
Interests received		**2,034,747**	1,290,723	**119,162**	5,891
Net cash from operating activities		**138,789,855**	19,371,972	**76,133,146**	2,169,875

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from investing activities					
(Advances to)/Repayment from subsidiaries		**-**	-	**(36,531,751)**	9,825,729
Additions to investment properties		**(9,423,413)**	(14,903,561)	**-**	-
Acquisition of property, plant and equipment		**(501)**	(6,281)	**-**	-
Investment in subsidiaries		**2,998**	-	**(7,002)**	(40,333,333)
Proceeds from disposal of property, plant and equipment		**224,500**	3,500	**-**	-
Proceeds from disposal of investment properties		**-**	3,500,000	**-**	-
Repayment from/(Advances to) associates		**-**	3,009,668	**(6,581)**	2,993,547
Net cash used in investing activities		**(9,196,416)**	(8,396,674)	**(36,545,334)**	(27,514,057)
Cash flows from financing activities	(a)				
Advances from subsidiaries		**-**	-	**53,515,897**	24,414,851
Change in pledged deposits		**(104,086)**	(176,630)	**1,019,797**	2,618,016
Drawdown of bank borrowings		**44,952,068**	109,632,691	**5,000,000**	77,200,000
Interest paid		**(6,773,984)**	(7,781,476)	**(4,064,807)**	(5,993,328)
(Placement)/Withdrawal of fixed deposits		**(1,554,513)**	677,633	**(1,554,513)**	677,633
Proceed from issuance of redeemable preference shares		**10,000,000**	-	**-**	-
Purchase of treasury shares		**(491,174)**	-	**(491,174)**	-
Redemption of redeemable preference shares		**(29,000,000)**	(10,000,000)	**-**	-
Repayment of bank borrowings		**(112,396,997)**	(89,330,644)	**(53,080,344)**	(64,533,334)
Repayment of lease liabilities		**(720,179)**	(246,975)	**-**	-
(Repayment to)/Advances from directors		**(492,998)**	(530,000)	**7,002**	-
Net cash (used in)/from financing activities		**(96,581,863)**	2,244,599	**351,858**	34,383,838
Net increase in cash and cash equivalents		**33,011,576**	13,219,897	**39,939,670**	9,039,656
Cash and cash equivalents at the beginning of the financial year		**86,457,779**	73,237,882	**(58,331,685)**	(67,371,341)
Cash and cash equivalents at the end of the financial year		**119,469,355**	86,457,779	**(18,392,015)**	(58,331,685)

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Analysis of cash and cash equivalents:					
Cash and bank balances	14	**159,469,355**	99,461,969	**21,607,985**	11,672,505
Fixed deposits placed with licensed banks	14	**18,278,468**	73,619,869	**4,793,637**	4,258,921
Islamic commercial paper	20	**(40,000,000)**	(70,000,000)	**(40,000,000)**	(70,000,000)
Bank overdraft	20	**-**	(4,190)	**-**	(4,190)
		137,747,823	103,077,648	**(13,598,378)**	(54,072,764)
Less: pledged deposits	14	**(16,352,626)**	(16,248,540)	**(2,867,795)**	(3,887,592)
Less: deposits with maturity more than 3 months	14	**(1,925,842)**	(371,329)	**(1,925,842)**	(371,329)
		119,469,355	86,457,779	**(18,392,015)**	(58,331,685)

(a) Reconciliation of liabilities arising from financing activities:

	At 1.7.2021 RM	Cash Flows RM	Non-cash Acquisition RM	Non-cash Fair Value Changes RM	At 30.6.2022 RM
Group					
Amount owing to directors	809,930	(492,998)	-	-	**316,932**
Loans and borrowings	438,233,171	(67,444,929)	-	-	**370,788,242**
Lease liabilities	783,128	(720,179)	1,181,920	-	**1,244,869**
Other payables - Class A shares	32,702,969	-	-	1,116,172	**33,819,141**
	472,529,198	(68,658,106)	1,181,920	1,116,172	**406,169,184**
Company					
Amount owing to a director	-	7,002	-	-	**7,002**
Amount owing to subsidiaries	126,089,394	53,515,897	-	-	**179,605,291**
Loans and borrowings	53,866,666	(48,080,344)	-	-	**5,786,322**
	179,956,060	5,442,555	-	-	**185,398,615**

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

(a) Reconciliation of liabilities arising from financing activities (continued):

	At 1.7.2020 RM	Cash Flows RM	Non-Cash Fair Value Changes RM	At 30.6.2021 RM
Group				
Amount owing to a director	1,339,930	(530,000)	-	809,930
Loans and borrowings	417,931,124	20,302,047	-	438,233,171
Lease liabilities	1,030,103	(246,975)	-	783,128
Other payables - Class A shares	31,586,797	-	1,116,172	32,702,969
	451,887,954	19,525,072	1,116,172	472,529,198
Company				
Amount owing to subsidiaries	101,674,543	24,414,851	-	126,089,394
Loans and borrowings	41,200,000	12,666,666	-	53,866,666
	142,874,543	37,081,517	-	179,956,060

(b) Total cash outflows for leases as a leasee:

	Note	Group 2022 RM	Group 2021 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	27	**33,950**	120,150
Payment relating to leases of low-value assets	27	**59,940**	59,877
Interest paid in relation to lease liabilities	26	**61,914**	47,782
Included in net cash (used in)/from financing activities:			
Payment of lease liabilities		**720,179**	246,975
Total cash outflows for leases		**875,983**	474,784

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Titijaya Land Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 October 2022.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

<u>Amendments/Improvements to MFRSs</u>

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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

Notes to the Financial Statements
(CONTINUED)

2. BASIS OF PREPARATION (continued)

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^ / 1 January 2023#
MFRS 3	Business Combinations	1 January 2022 / 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2022^ / 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 April 2021 / 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023 / 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022 / 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred / 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022 / 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

Notes to the Financial Statements
(CONTINUED)

2. BASIS OF PREPARATION (continued)

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

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

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements

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

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

Notes to the Financial Statements

(CONTINUED)

2. BASIS OF PREPARATION (continued)

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

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

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

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

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

The accounting policy for goodwill is set out in Note 3.7.

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

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

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

3.3 Financial instruments

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

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

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(a) Subsequent measurement

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

(i) Financial assets

For the purpose of subsequent measurement, financial assets are classified as financial assets at amortised cost.

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

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

<u>Debt instruments</u>
Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments at amortised cost.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets (continued)

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

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

(i) the contractual rights to receive the cash flows from the financial asset expire, or

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

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

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

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

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

(e) Offsetting of financial instruments

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

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

(b) Subsequent costs

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

(c) Depreciation

Freehold lands have an unlimited useful life and therefore are not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold lands and buildings	over the remaining lease period
Freehold buildings	2%
Computers	20%
Office equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Others	20%

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

(d) Derecognition

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases

(a) Definition of lease

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

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

(b) Lessee accounting

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

The Group presents right-of-use assets that do not meet the definition of investment properties in Note 8 and lease liabilities in Note 20.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Lease liability

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- 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 a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

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

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

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement 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 "other expenses" in the statements of comprehensive income.

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

Short-term leases and leases of low value assets

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

(c) Lessor accounting

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

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

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties

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

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Asset under construction included in investment properties is not depreciated as this asset is not yet available for its intended use.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

Investment in freehold land is stated at cost and is not depreciated as it has an indefinite life.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2%.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

3.8 Inventories

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

Property under development

Cost includes:

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

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.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of Islamic commercial paper, bank overdrafts, fixed deposits held as security values and deposits with maturity more than 3 months.

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

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

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

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

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

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

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

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

At each reporting date, 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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

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

Notes to the Financial Statements

(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets

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

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

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

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

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

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

3.12 Share capital

(a) Ordinary shares

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Share capital (continued)

(b) Preference shares

The redemption of preference shares may be mandatory or at the option of the Company, depending upon the terms of payments. If both dividend payment and redemption are at the option of the Company, the entire instrument is classified as equity.

If preference shares are issued with mandatory dividend payment and mandatory redemption, the entire instrument is a financial liability, which should be measured at amortised cost using the effective interest method. Dividend expense, calculated using the effective interest rate method, is recognised in profit or loss.

(c) Treasury shares

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

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

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3.14 Provisions

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

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income

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

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

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

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

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

(a) Property development

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

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

Notes to the Financial Statements

(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(a) Property development (continued)

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance does not create an asset with an alternative use to the Group but the Group does not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the properties have been completed and delivered to the customers.

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

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

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

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period ranges from 12 months to 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) Interest income

Interest income other than late payment interest income by house buyers and other trade receivables are recognised on an accrual basis.

(c) Dividend income

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

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

3.16 Borrowing costs

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

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

Notes to the Financial Statements

(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Borrowing costs (continued)

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

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

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

3.17 Income tax

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

(a) Current tax

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

(b) Deferred tax

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

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

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

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

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

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax (continued)

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

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

(c) Sales and services tax

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

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

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

3.18 Operating segments

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

3.19 Earnings per share

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

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

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

Notes to the Financial Statements

(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Fair value measurements (continued)

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

3.21 Contingencies

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

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

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

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

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories,* MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets,* are recognised as part of contract costs when all of the following criteria are met:

(a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;

(b) the costs generate or enhance resources of the Group and of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contract costs (continued)

(b) Amortisation

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

(c) Impairment

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

(a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less

(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

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

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

The Group has applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group otherwise would have recognised are one year or less.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Notes to the Financial Statements

(CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(a) Transfer of control in property development (Notes 10, 12, 13, 22 and 23)

The Group's property development activities comprise both "sell and build" model and "build and sell" model. For the purpose of revenue recognition, the directors use their judgement to determine whether control of residential and commercial properties under development is transferred to customers over time or at a point in time. The Group uses the criterion of control from the perspective of a customer, judged in relation to the customer's ability to obtain economic benefits of the asset under development. The Group considers that if the asset under development has been assigned to a customer and the asset has no alternative use to the Group and the Group has enforceable rights to payments, control of the asset is transferred over time to the customer. Revenue is recognised over time based on the progress towards complete satisfaction of performance obligation. If a customer does not obtain control when the asset is under development, such as in build and sell units, revenue is recognised at a point in time when the construction of the asset is completed and handed over to the customer.

(b) Property development revenue and expenses (Notes 10, 12, 13, 19(d), 22 and 23)

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

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(c) Impairment of investments in subsidiaries (Note 6)

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

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

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

The carrying amounts of investment in subsidiaries are disclosed in Note 6.

Notes to the Financial Statements
(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2022	Freehold lands and buildings RM	Computers RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Others RM	Right-of-use assets RM	Total RM
At cost									
At 1 July 2021	10,564,211	1,045,190	162,440	469,579	485,267	928,330	31,905	2,509,412	16,196,334
Additions	-	-	-	501	-	-	-	1,181,920	1,182,421
Disposal	-	-	-	-	(147,954)	-	-	(712,335)	(860,289)
At 30 June 2022	**10,564,211**	**1,045,190**	**162,440**	**470,080**	**337,313**	**928,330**	**31,905**	**2,978,997**	**16,518,466**
Accumulated depreciation									
At 1 July 2021	1,293,607	923,195	134,768	423,478	485,267	597,557	27,839	2,330,080	6,215,791
Depreciation charge for the financial year	211,734	71,146	9,697	15,089	-	166,376	1,839	431,502	907,383
Disposal	-	-	-	-	(147,954)	-	-	(712,333)	(860,287)
At 30 June 2022	**1,505,341**	**994,341**	**144,465**	**438,567**	**337,313**	**763,933**	**29,678**	**2,049,249**	**6,262,887**
Carrying amount									
At 30 June 2022	**9,058,870**	**50,849**	**17,975**	**31,513**	**-**	**164,397**	**2,227**	**929,748**	**10,255,579**

Group 2021	Freehold lands and buildings RM	Computers RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Others RM	Right-of-use assets RM	Total RM
At cost									
At 1 July 2020	10,564,211	1,045,190	162,440	487,844	485,267	926,080	27,874	2,509,412	16,208,318
Additions	-	-	-	-	-	2,250	4,031	-	6,281
Disposal	-	-	-	(14,978)	-	-	-	-	(14,978)
Written off	-	-	-	(3,287)	-	-	-	-	(3,287)
At 30 June 2021	10,564,211	1,045,190	162,440	469,579	485,267	928,330	31,905	2,509,412	16,196,334
Accumulated depreciation									
At 1 July 2020	1,082,321	840,658	124,361	419,792	485,267	428,209	26,067	1,981,526	5,388,201
Depreciation charge for the financial year	211,286	82,537	10,407	21,926	-	169,348	1,772	348,554	845,830
Disposal	-	-	-	(14,958)	-	-	-	-	(14,958)
Written off	-	-	-	(3,282)	-	-	-	-	(3,282)
At 30 June 2021	1,293,607	923,195	134,768	423,478	485,267	597,557	27,839	2,330,080	6,215,791
Carrying amount									
At 30 June 2021	9,270,604	121,995	27,672	46,101	-	330,773	4,066	179,332	9,980,543

Notes to the Financial Statements

(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Assets pledged as security

Freehold lands and buildings with a carrying amount of RM9,058,870 (2021: RM9,270,604) have been pledged as security to secure banking facilities granted to the Group as disclosed in Note 20.

(b) Right-of-use assets

The Group leases several assets including leasehold land, building and motor vehicles.

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

	Leasehold land RM	Building RM	Motor vehicles RM	Total RM
Group				
Carrying amount				
At 1 July 2020	6,816	-	521,070	527,886
Depreciation	(100)	-	(348,454)	(348,554)
At 30 June 2021	6,716	-	172,616	179,332
Additions	-	777,644	404,276	1,181,920
Disposal	-	-	(2)	(2)
Depreciation	(102)	(194,411)	(236,989)	(431,502)
At 30 June 2022	**6,614**	**583,233**	**339,901**	**929,748**

The Group leases land for its operation site. The leases for operation site generally have lease term of 99 years.

The Group also leases building and motor vehicles with lease term of 3 years and 7 to 9 years respectively.

6. INVESTMENT IN SUBSIDIARIES

	Note	Company 2022 RM	Company 2021 RM
Unquoted shares - at cost			
At 1 July 2021/2020		**348,718,847**	348,718,847
Additions		**7,002**	-
Less : Impairment loss	(a)	**(6,093,008)**	(6,093,008)
		342,632,841	342,625,839
Loans that are part of net investments	(b)	**897,358,751**	860,859,069
At 30 June		**1,239,991,592**	1,203,484,908

(a) Investment in subsidiaries that are individually determined to be impaired at the reporting date relate to subsidiaries that are inactive.

The recoverable amount was determined based on the higher of value in use from financial budgets approved by the management and fair value less costs to sell of assets.

Impairment testing for investment in subsidiaries

At 30 June 2022, the Company's investment in certain subsidiaries were tested for impairment due to impairment indicators noted where the carrying amount of investment costs are higher as compared to net assets of the related subsidiaries.

For the purpose of impairment testing, the recoverable amounts of certain subsidiaries were determined based on the greater of value-in-use and fair value less costs of disposal. The recoverable amounts were prepared based on financial budgets which cover a period of 3-5 years (2021: 3-9 years). The discount rate applied to the cash flow projections is approximately 9.07% (2021: 9.28%) per annum.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for investments in subsidiaries are most sensitive to the following assumptions:

(i) Projected gross margins – projected gross margin reflects the average historical gross margin adjusted for projected market and economic conditions and internal resource efficiency.

(ii) Discount rates approximately 9.07% (2021: 9.28%) – discount rates reflect management's estimate of the risks specific to these entities. In determining the appropriate discount rate for each entity, consideration has been given to the applicable weighted average cost of capital for each entity.

(iii) Revenue growth – the bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.

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

Notes to the Financial Statements
(CONTINUED)

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows:

Name of Company	Principal place of business/Country of incorporation	Effective ownership interest 2022	Effective ownership interest 2021	Principal activities
Direct subsidiaries				
Aman Kemensah Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Pin Hwa Properties Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
Titijaya Ventures Sdn. Bhd. *(formerly known as Titijaya Medicare Sdn. Bhd.)*	Malaysia	**100%**	100%	Trading in medicare equipment and product, property development and investment holding
Titijaya PMC Sdn. Bhd.	Malaysia	**100%**	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Titijaya Capital Sdn. Bhd.	Malaysia	**100%**	100%	Money lending business
Premsdale Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Titijaya South Asia Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Builders Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Sri Komakmur Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development and investment holding
Riveria City Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Ambang Sanjung Holdings Sdn. Bhd.	Malaysia	**70%**	-	Dormant
Bangga Induk Sdn. Bhd.	Malaysia	**100%**	-	Dormant
Indirect subsidiaries				
Subsidiaries of NPO Development Sdn. Bhd.				
Neu Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Zen Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiaries of Titijaya Ventures Sdn. Bhd. (formerly known as Titijaya Medicare Sdn. Bhd.)				
Aman Duta Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Ampang Avenue Development Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Tenang Sempurna Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiary of Ampang Avenue Development Sdn. Bhd.				
Nipah Valley Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiaries of Sri Komakmur Development Sdn. Bhd.				
Renofajar Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Blu Waterfront Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiary of Blu Waterfront Development Sdn. Bhd.				
Laksana Wawasan Sdn. Bhd.	Malaysia	**100%**	100%	Property investment

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows: (continued)

Names of directors of the Company's subsidiary(ies):

In addition to the directors listed in the Directors' Report, the following are the directors of some of the subsidiary(ies):

Adrian Cheok Eu Gene

Puan Sri Datin Chan Lian Yen

Qin Fei

Tan Sri Dato' Lim Soon Peng

Li Xinwen

Tsuyoshi Kojima

Lim Soon Koon *(Resigned on 30 July 2021)*

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2022	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Ambang Sanjung Holdings Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	**30%**	**30%**	**30%**	**30%**	**30%**	
Carrying amount of NCI	**(583,086)**	**6,940,175**	**6,970,104**	**6,130,825**	**(3,063)**	**19,454,955**
Net (loss)/profit allocated to NCI	**(4,154)**	**1,033,953**	**1,052,602**	**976,211**	**(337)**	**3,058,275**

2022	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Ambang Sanjung Holdings Sdn. Bhd. RM
Summarised statements of financial position					
As at 30 June 2022					
Non-current assets	**-**	**104,557,267**	**70,329,804**	**315,795,655**	**-**
Current assets	**60,623**	**251,441,385**	**48,606,685**	**193,061,329**	**10,000**
Non-current liabilities	**-**	**(13,961,239)**	**(49,199)**	**(156,195,980)**	**-**
Current liabilities	**(4,244)**	**(253,286,405)**	**(92,130,491)**	**(332,224,918)**	**(1,124)**
Net assets	**56,379**	**88,751,008**	**26,756,799**	**20,436,086**	**8,876**
Loans that are part of investment	**(2,000,000)**	**(65,617,090)**	**(3,523,120)**	**-**	**(19,086)**
	(1,943,621)	**23,133,918**	**23,233,679**	**20,436,086**	**(10,210)**

Notes to the Financial Statements
(CONTINUED)

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows: (continued)

2022	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Ambang Sanjung Holdings Sdn. Bhd. RM
Summarised statements of comprehensive income					
Financial year ended 30 June 2022					
Revenue	-	31,699,018	7,385,604	71,072,846	-
(Loss)/Profit for the financial year	(13,848)	3,446,510	3,508,674	3,254,038	(1,124)
Total comprehensive (loss)/income	(13,848)	3,446,510	3,508,674	3,254,038	(1,124)
Summarised cash flow information					
Financial year ended 30 June 2022					
Cash flows (used in)/from operating activities	(13,804)	(29,632,801)	(5,576,265)	8,832,009	(19,235)
Cash flows from/(used in) investing activities	-	7,385,604	-	(515,881)	-
Cash flows from/(used in) financing activities	-	15,157,797	(3,008,667)	3,859,051	29,223
Net (decrease)/increase in cash and cash equivalents	(13,804)	(7,089,400)	(8,584,932)	12,175,179	9,988

2021	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	
Carrying amount of NCI	(578,932)	5,906,222	5,917,502	5,154,614	16,399,406
Net (loss)/profit allocated to NCI	(518,221)	2,276,766	3,138,284	1,423,470	6,320,299

2021	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statements of financial position				
As at 30 June 2021				
Non-current assets	-	99,195,317	70,329,804	268,550,403
Current assets	74,427	260,228,196	59,194,239	186,312,977
Non-current liabilities	-	(35,710,517)	-	(150,689,468)
Current liabilities	(4,200)	(274,383,499)	(108,242,918)	(284,991,865)
Net assets	70,227	49,329,497	21,281,125	17,782,047
Loans that are part of investment	(2,000,000)	(29,642,090)	(1,556,120)	-
	(1,929,773)	19,687,407	19,725,005	17,182,047

Notes to the Financial Statements
(CONTINUED)

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows: (continued)

2021	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statements of comprehensive income				
Financial year ended 30 June 2021				
Revenue	-	91,745,703	21,342,496	38,593,416
(Loss)/Profit for the financial year	(1,727,406)	7,589,220	10,460,944	4,744,899
Total comprehensive (loss)/income	(1,727,406)	7,589,220	10,460,944	4,744,899
Summarised cash flow information				
Financial year ended 30 June 2021				
Cash flows (used in)/from operating activities	(17,983)	(27,195,147)	27,799,668	(19,238,313)
Cash flows used in investing activities	-	21,342,496	-	-
Cash flows from/(used in) financing activities	1,200	(445,168)	(31,342,422)	37,931,138
Net (decrease)/increase in cash and cash equivalents	(16,783)	(6,297,819)	(3,542,754)	18,692,825

(e) Effect on acquisition of subsidiaries are from the following:

On 9 August 2021, the Company had acquired 7,000 ordinary shares, representing 70% of the issued and paid up share capital of Ambang Sanjung Holdings Sdn. Bhd., for a total consideration of RM7,000.

On 21 April 2022, the Company had acquired 2 ordinary shares, representing 100% of the issued and paid up share capital of Bangga Induk Sdn. Bhd., for a total consideration of RM2.

The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiaries as at the dates of acquisition are as follows:

	Note	Group RM
Assets		
Cash on hand		10,000
Liabilities		
Other payables		(36,126)
Total identifiable net liabilities acquired		(26,126)
Goodwill arising on acquisition	9	30,402
Non-controlling interest's proportionate share of net identifiable liabilities		2,726
Fair value of consideration transferred		7,002

	Group RM
Fair value of consideration transferred	7,002
Less: Non-cash consideration	-
Consideration paid in cash	7,002
Less: Cash and cash equivalents of subsidiaries acquired	(10,000)
Net cash inflow on acquisitions	(2,998)

Notes to the Financial Statements
(CONTINUED)

7. INVESTMENT IN ASSOCIATES

	Group	
	2022 RM	**2021 RM**
Unquoted shares - at cost		
At 1 July 2021/2020	**499,000**	499,040
Disposal	**-**	(40)
At 30 June	**499,000**	499,000
Share of post-acquisition reserves		
At 1 July 2021/2020	**(139,422)**	(53,549)
Additions	**(4,147)**	(85,873)
At 30 June	**(143,569)**	(139,422)
	355,431	359,578

The associates are accounted for using the equity method in the consolidated financial statements.

Details of the associates are as follows:

Name of company	Principal place of business / Country of incorporation	Effective ownership interest 2022	Effective ownership interest 2021	Principal activities
Indirect associates held through Titijaya Ventures Sdn. Bhd. (formerly known as Titijaya Medicare Sdn. Bhd.)				
- Amona Titijaya Sdn. Bhd.*^	Malaysia	**40%**	40%	Property development
- Asas Dinasti Sdn. Bhd.	Malaysia	**40%**	40%	Dormant
Indirect associate held through Tulus Lagenda Sdn. Bhd.				
- BJ Properties Sdn. Bhd.*	Malaysia	**49%**	49%	Property development

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*
^ *Equity accounted for using unaudited management financial statements, auditors' report is not available.*

Notes to the Financial Statements
(CONTINUED)

7. INVESTMENT IN ASSOCIATES (continued)

(a) Summarised financial impact of material associates

The summarised financial information of material associates during the financial year is as follows:

Group	BJ Properties Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
2022			
Assets and liabilities:			
Non-current assets	**95,469,733**	**5,421,489**	**100,891,222**
Current assets	**21,596,537**	**27,933**	**21,624,470**
Current liabilities	**(104,159,313)**	**(4,591,511)**	**(108,750,824)**
Net assets	**12,906,957**	**857,911**	**13,764,868**
Results:			
Loss for the financial year	**(1,098,074)**	**(17,449)**	**(1,115,523)**
Total comprehensive loss	**(1,098,074)**	**(17,449)**	**(1,115,523)**
2021			
Assets and liabilities:			
Non-current assets	96,516,933	5,421,489	101,938,422
Current assets	22,577,913	34,521	22,612,434
Current liabilities	(105,304,462)	(4,580,650)	(109,885,112)
Net assets	13,790,384	875,360	14,665,744
Results:			
Loss for the financial year	(1,053,045)	(11,081)	(1,064,126)
Total comprehensive loss	(1,053,045)	(11,081)	(1,064,126)

(b) The Group has not recognised its share of losses of Asas Dinasti Sdn. Bhd. and BJ Properties Sdn. Bhd. amounting to RM2,832 (2021: RM2,601) and RM534,981 (2021: RM513,044) respectively because the Group's cumulative share of losses has exceeded its investments in these associates and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM5,433 (2021: RM4,618) and RM1,048,025 (2021: RM872,903) respectively.

(c) On 28 August 2020, Aman Duta Sdn. Bhd. ("ADSB") had disposed its entire equity interests in Usima Property Sdn. Bhd. ("UPSB"). Consequently, UPSB ceased to be an associate of ADSB since the previous financial year.

Notes to the Financial Statements

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8. INVESTMENT PROPERTIES

Group	Freehold lands RM	Buildings RM	Construction in progress RM	Total RM
Costs				
At 1 July 2020	71,359,169	68,708,668	51,947,793	192,015,630
Addition	-	-	14,903,561	14,903,561
Disposal	(3,510,152)	-	-	(3,510,152)
Reversal	-	(64,060,055)	-	(64,060,055)
At 1 July 2021	67,849,017	4,648,613	66,851,354	139,348,984
Addition	-	306,080	9,117,333	9,423,413
Transferred from inventories	-	-	17,135,595	17,135,595
At 30 June 2022	**67,849,017**	**4,954,693**	**93,104,282**	**165,907,992**
Accumulated depreciation				
At 1 July 2020	-	6,013,261	-	6,013,261
Depreciation charge for the financial year	-	92,973	-	92,973
Reversal	-	(1,989,796)	-	(1,989,796)
At 30 June 2021	-	4,116,438	-	4,116,438
Depreciation charge for the financial year	-	92,972	-	92,972
At 30 June 2022	**-**	**4,209,410**	**-**	**4,209,410**
Carrying amount				
At 30 June 2022	**67,849,017**	**745,283**	**93,104,282**	**161,698,582**
At 30 June 2021	67,849,017	532,175	66,851,354	135,232,546

Buildings consist of retail shop lots, office units and a food court.

	2022 RM	2021 RM
Fair value of investment properties (excluding construction in progress)	**95,504,725**	91,428,000
Rental income generated	**326,821**	1,232,251
Direct operating expenses arising from: - income generating investment properties	**186,019**	224,027

(a) Fair value information

The fair value of investment properties (excluding construction in progress) of approximately RM95,504,725 (2021: RM91,428,000) is determined based on the valuation performed by the independent professional valuers with relevant experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 3 hierarchy.

There are no Level 1 or Level 2 investment properties or transfers between Level 1 and Level 2 fair values during the financial year.

Fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

Notes to the Financial Statements
(CONTINUED)

8. INVESTMENT PROPERTIES (continued)

(b) The investment properties with net carrying amount of RM102,222,519 (2021: RM93,103,186) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

(c) During the financial year, a subsidiary has transferred properties under construction (classified as inventories) to investment properties as a result of the change of use of these properties.

(d) In the previous financial year, a subsidiary has cancelled the acquisition of a property (classified as investment properties) from a fellow subsidiary which was classified as inventories.

9. GOODWILL ON CONSOLIDATION

	Note	Goodwill RM
Group		
Cost		
At 1 July 2020/2021		3,706,047
Additions - acquired separately	6(e)	30,402
At 30 June 2022		**3,736,449**
Accumulated impairment loss		
At 1 July 2020/2021		1,643,370
Impairment loss		30,402
At 30 June 2022		**1,673,772**
Carrying amount		
At 30 June 2022		**2,062,677**
At 30 June 2021		2,062,677

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group performed impairment review on goodwill annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation using 5 years cash flows projections from financial budgets and projects approved by the management. The key assumptions for the value in use calculation are number of development units sold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimated discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 9.07% (2021: 9.28%) has been applied in arriving at the present value of future cash flows. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case assumptions would cause the carrying values of the CGUs to exceed its recoverable amounts.

Notes to the Financial Statements
(CONTINUED)

10. INVENTORIES

	Group	
	2022 RM	2021 RM
Non-current:		
At lower of cost or net realisable value		
Property held for development		
- Freehold lands	**202,829,171**	202,829,171
- Leasehold lands	**215,002,212**	215,002,212
- Development costs	**603,815,067**	546,816,451
Total inventories (non-current)	**1,021,646,450**	964,647,834
Current:		
At lower of cost or net realisable value		
Property under development		
- Freehold lands	**128,613**	6,236,702
- Leasehold lands	**62,665,395**	82,592,090
- Development costs	**280,524,494**	332,452,534
	343,318,502	421,281,326
Completed properties	**132,866,840**	211,449,224
Total inventories (current)	**476,185,342**	632,730,550
Total inventories (non-current and current)	**1,497,831,792**	1,597,378,384

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM218,798,965 (2021: RM175,322,770). In addition, the expense recognised in the profit or loss include the following:

	Group	
	2022 RM	2021 RM
Inventories written down	**168,424**	25,164,726

(b) Freehold lands and leasehold lands included in the properties held for development of RM229,516,835 (2021: RM229,516,835) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

(c) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group	
	2022 RM	2021 RM
Borrowing costs capitalised	**6,936,929**	15,169,731

Notes to the Financial Statements
(CONTINUED)

11. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current:					
Trade					
Trade receivables	(a)	**545,770**	250,859	**-**	-
Current:					
Trade					
Trade receivables from contracts with customers	(a)	**88,586,362**	152,949,050	**-**	-
Stakeholder sum	(a)	**1,350,000**	204,721	**-**	-
		89,936,362	153,153,771	**-**	-
Less: impairment loss for trade receivables	(a)	**(3,470,735)**	(2,229,901)	**-**	-
		86,465,627	150,923,870	**-**	-
Non-trade					
Amounts owing by:					
- subsidiaries	(b)	**-**	-	**284,826**	252,757
- associates	(b)	**5,328,881**	5,305,630	**23,819**	17,238
Other receivables	(c)	**193,370,209**	251,054,754	**744,142**	6,676,096
GST refundable		**-**	640,719	**-**	126,600
Deposits	(d)	**109,855,112**	108,949,578	**54,500**	54,500
Prepayments		**142,608**	490,331	**-**	469,479
		308,696,810	366,441,012	**1,107,287**	7,596,670
Less: impairment loss on:					
- subsidiaries	(b)	**-**	-	**(203,267)**	(203,267)
- associates	(b)	**(5,286,823)**	(5,286,823)	**(371)**	(371)
- other receivables	(c)	**(679,137)**	-	**-**	-
		302,730,850	361,154,189	**903,649**	7,393,032
Total trade and other receivables (current)		**389,196,477**	512,078,059	**903,649**	7,393,032
Total trade and other receivables (non-current and current)		**389,742,247**	512,328,918	**903,649**	7,393,032

Notes to the Financial Statements

(CONTINUED)

11. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Included in the trade receivables of the Group is an amount of RM1,350,000 (2021: RM204,721) deposited with a lawyer as stakeholders' sum from house buyers.

The Group's normal trade credit terms ranges from 14 days to 90 days (2021: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The reconciliation of movement in the accumulated impairment losses of trade receivables is as follows:

	Group	
	2022 RM	2021 RM
At 1 July 2021/2020	**2,229,901**	2,229,901
Charge for the financial year	**1,240,834**	-
At 30 June	**3,470,735**	2,229,901

The above trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 34(b)(i).

(b) Amounts owing by subsidiaries and associates

The amounts owing by subsidiaries and associates are non-trade in nature, unsecured, interest-free and receivable upon demand in cash.

The reconciliation of movement in the accumulated impairment losses of amounts owing by associates is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 July 2021/2020	**5,286,823**	3,743,861	**371**	3,000,371
Charge for the financial year	**-**	4,542,962	**-**	-
Reversal of impairment loss	**-**	(3,000,000)	**-**	(3,000,000)
At 30 June	**5,286,823**	5,286,823	**371**	371

The above impairment losses that are individually determined at the reporting date relate to subsidiaries and associates that have difficulty in repaying the advances.

(c) Other receivables

(i) Included in the other receivables of the Group is an advance paid to a joint development project amounting to RM182,559,339 (2021: RM232,863,431).

(ii) Included in the other receivables of the Group and the Company are amounts of RM468,998 (2021: RM451,340) and RM183,418 (2021: RM165,750) due from an entity in which the directors of the Group are trustees.

Notes to the Financial Statements
(CONTINUED)

11. TRADE AND OTHER RECEIVABLES (continued)

(c) Other receivables (continued)

(iii) Included in the other receivables of the Group is an amount of RM4,853,109 (2021: RM5,770,257) due from a subsidiary of the holding company.

(iv) The reconciliation of movement in the accumulated impairment losses of other receivables is as follows:

	Group	
	2022 RM	2021 RM
At 1 July 2021/2020	-	-
Charge for the financial year	679,137	-
At 30 June	679,137	-

(d) Deposits

Included in deposits of the Group is an amount of RM103,697,666 (2021: RM103,777,666) paid in connection to development project. The deposit of RM103,672,800 (2021: RM103,672,800) paid to an associate was funded through bank borrowing and secured by a third party charge over a parcel of leasehold land.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 RM
Contract assets relating to property development contracts	6,297,318	-
Contract liabilities relating to property development contracts	(224,038,335)	(273,047,583)

(a) Significant changes in contract balances

	2022		2021	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	231,644,943	-	149,876,272
Increase due to consideration received from customers, but revenue not recognised	-	(183,828,454)	-	(257,712,459)
Increase as a result of changes in the measure of progress	-	-	-	(5,137,834)
Transfer from contract liabilities recognised at the beginning of the year to payables	-	1,192,759	-	47,134
Increase due to revenue recognised for work completed on properties sold but not yet billed	6,297,318	-	-	-
Transfers from contract assets recognised at the beginning of the period to receivables	-	-	(784,133)	-

Notes to the Financial Statements
(CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Revenue recognised in relation to contract balances

	Group 2022 RM	Group 2021 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**231,644,943**	149,876,272

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

13. CONTRACT COSTS

Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM4,196,629 (2021: RM7,025,164).

14. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	**159,469,355**	99,461,969	**21,607,985**	11,672,505
Short-term deposits	**18,278,468**	73,619,869	**4,793,637**	4,258,921
	177,747,823	173,081,838	**26,401,622**	15,931,426

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term deposits	**18,278,468**	73,619,869	**4,793,637**	4,258,921
Less: pledged deposits	**(16,352,626)**	(16,248,540)	**(2,867,795)**	(3,887,592)
Less: deposits with maturity more than 3 months	**(1,925,842)**	(371,329)	**(1,925,842)**	(371,329)
	-	57,000,000	**-**	-
Cash and bank balances	**159,469,355**	99,461,969	**21,607,985**	11,672,505
Islamic commercial paper (Note 20)	**(40,000,000)**	(70,000,000)	**(40,000,000)**	(70,000,000)
Bank overdraft (Note 20)	**-**	(4,190)	**-**	(4,190)
	119,469,355	86,457,779	**(18,392,015)**	(58,331,685)

Notes to the Financial Statements
(CONTINUED)

14. CASH AND SHORT-TERM DEPOSITS (continued)

(a) Included in the deposits placed with licensed banks of the Group and the Company, RM16,352,626 (2021: RM16,248,540) and RM2,867,795 (2021: RM3,887,592) are pledged to the licensed banks to secure credit facilities granted to subsidiaries and a third party as disclosed in Note 20.

(b) Deposits placed with licensed banks of the Group and the Company earn interest at rates ranging from 1.30% to 3.35% (2021: 1.15% to 3.35%) and 1.85% to 3.35% (2021: 1.85% to 3.35%) per annum.

(c) Included in cash and bank balances of the Group are amount of RM15,630,826 (2021: RM13,473,696) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS

	Group and Company			
	Ordinary Shares		← *Amount* →	
	Share capital [Issued and fully paid up (no par value)] Unit	Treasury shares Unit	Share capital [Issued and fully paid up (no par value)] RM	Treasury shares RM
At 1 July 2020	1,357,967,910	(83,572,100)	784,412,338	(25,290,710)
Conversion of ICPS to ordinary shares	1,066,300	-	879,700	-
At 30 June 2021	1,359,034,210	(83,572,100)	785,292,038	(25,290,710)
Conversion of ICPS to ordinary shares	1,195,400	-	986,205	-
Repurchase of treasury shares	-	(2,041,000)	-	(491,174)
At 30 June 2022	**1,360,229,610**	**(85,613,100)**	**786,278,243**	**(25,781,884)**

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company converted 1,195,400 (2021: 1,066,300) new ordinary shares of RM0.825 (2021: RM0.825) each arising from the conversion of 11,954,000 (2021: 10,663,000) units of irredeemable convertible preference shares ("ICPS") on the basis of 1 new ordinary share for every 10 units of ICPS.

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

Notes to the Financial Statements
(CONTINUED)

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS (continued)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 2,041,000 of its issued ordinary shares from the open market at an average price of RM0.24 per share. The net total consideration paid for repurchase including transaction costs was RM491,174.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

(c) Retained earnings

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS")

	Group and Company			
	2022 Unit	**2021 Unit**	**2022 RM**	**2021 RM**
Issued ICPS				
At 1 July 2021/2020	**718,930,798**	729,593,798	**59,311,800**	60,191,500
Conversion of ICPS to ordinary shares	**(11,954,000)**	(10,663,000)	**(986,205)**	(879,700)
At 30 June	**706,976,798**	718,930,798	**58,325,595**	59,311,800

During the financial year, 11,954,000 (2021: 10,663,000) units of ICPS has been converted to ordinary shares at RM0.825 (2021: RM0.825) each on the basis of 10 units of ICPS for every 1 existing ordinary share.

The salient features of the ICPS are as follows:

(a) Dividend rate

Subject to the compliance Section 131 of Companies Act 2016, the Company has full discretion over the declaration of dividends. Dividend declared and payable annually in arrears are non-cumulative.

The dividends of the ICPS shall be paid in priority over the ordinary shares.

(b) Tenure

The tenure is 5 years commencing from and inclusive of the date of issuance of the ICPS.

(c) Maturity date

The maturity date of the ICPS immediately preceding the 5th anniversary from the date of issuance (27 September 2017).

Notes to the Financial Statements
(CONTINUED)

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS") (continued)

The salient features of the ICPS are as follows: (continued)

(d) Conversion rights

Each ICPS carries the entitlement to convert into new ordinary shares at the conversion ratio through surrender of the ICPS. No adjustment to the conversion price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash, otherwise, shall be given in respect of the disregarded fractional entitlement.

The ICPS can be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date, and it had been fixed at either 10 ICPS to be converted into 1 new ordinary share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new ordinary share.

(e) Rights of the ICPS holders

The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except the following circumstances until and unless such holders convert their ICPS into new shares:

(i) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;

(ii) on a proposal to reduce the Company's share capital;

(iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;

(iv) on a proposal that directly affects their rights and privileges attached to the ICPS;

(v) on a proposal to wind-up the Company; and

(vi) during the winding-up of the Company.

17. OTHER RESERVE

Other reserve arose from the difference between the purchase consideration and the issued share capital of the subsidiary acquired, namely NPO Development Sdn. Bhd. upon consolidation in respect of business combinations under common control.

18. REDEEMABLE PREFERENCE SHARES ("RPS")

	Group	
	2022 RM	**2021 RM**
Issued RPS		
At 1 July 2021/2020	**141,000**	10,141,000
Issued during the financial year	**10,000,000**	-
Redeemed during the financial year	**(10,011,875)**	(10,000,000)
At 30 June	**129,125**	141,000

Notes to the Financial Statements
(CONTINUED)

18. REDEEMABLE PREFERENCE SHARES ("RPS") (continued)

The redeemable preference shares were issued by a subsidiary of the Company, Nipah Valley Sdn. Bhd. ("NVSB").

During the financial year, NVSB has issued 1,000,000 units of RPS for RM10,000,000. A total of 250,000 units at the value of RM40 per unit and 1,187,500 units at the value of RM16 per unit were redeemed during the financial year.

In the previous financial year, a total of 625,000 units at the value of RM16 per unit were redeemed.

The main features of the redeemable preference shares are as follows:

(a) Right to dividends

The preference shares shall not confer upon the holders the right to be paid out of the profits of the subsidiary available for the payment any fixed or rate of dividend which pre-determined in respect of any financial year or other period for which the subsidiary's accounts are made up. However, the Board of Directors of the subsidiary of the Company reserves the right and sole discretion right to declare or not declare any dividend to be paid to the holder of preference shares.

(b) The right to rank in regard to dividends and return of capital in priority to the ordinary shares.

(c) The holders shall not have the same rights as ordinary shareholders to receive notice of or to attend or vote at any general meeting of the subsidiary unless the business of the subsidiary includes the consideration of a reduction for the reducing of capital or for the winding up or reconstruction of the subsidiary or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the preference shares.

(d) The preference shares shall be redeemed on a date to be determined by the Board of the subsidiary of the Company and authorised by the ordinary shareholders.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current:					
Trade					
Trade payables	(a)	**33,120,618**	27,988,314	**-**	-
Non-trade					
Class A shares of a subsidiary classified as financial liability	(f)	**33,819,141**	32,702,969	**-**	-
Total trade and other payables (non-current)		**66,939,759**	60,691,283	**-**	-
Current:					
Trade					
Trade payables	(a)	**62,856,109**	62,975,133	**-**	-
Non-trade					
Amounts owing to:	(b)				
- subsidiaries		**-**	-	**179,605,291**	126,089,394
- directors		**316,932**	809,930	**7,002**	-
Other payables	(c)	**65,621,022**	74,784,294	**92,110**	92,110
GST payable		**-**	25,263	**-**	-
Accruals	(d)	**289,653,942**	290,561,635	**437,400**	320,970
Refundable deposits	(e)	**4,676,467**	5,665,670	**-**	-
		360,268,363	371,846,792	**180,141,803**	126,502,474
Total trade and other payables (current)		**423,124,472**	434,821,925	**180,141,803**	126,502,474
Total trade and other payables (non-current and current)		**490,064,231**	495,513,208	**180,141,803**	126,502,474

Notes to the Financial Statements
(CONTINUED)

19. TRADE AND OTHER PAYABLES (continued)

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (2021: 30 days to 90 days).

Included in trade payables is an amount of RM57,925,421 (2021: RM52,814,683) held as retention sum payable to contractors.

(b) Amounts owing to subsidiaries and directors

The amounts owing to subsidiaries and directors are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

(c) Other payables

(i) Included in other payables is an amount of RM28,837 (2021: RM28,837) owing to companies in which certain directors have interests.

(ii) Included in other payables is an amount of RM22,280,509 (2021: RM32,280,509) owing to a shareholder of a subsidiary. The amount due is unsecured, interest-free and repayable on demand in cash.

(d) Accruals

(i) Included in accruals are an amount totalling RM276,392,881 (2021: RM284,167,388) which represents costs accrued for the development projects by the Group.

(ii) Included in accruals is an amount totalling RM8,291,019 (2021: RM4,654,584) which represents dividend payable to Tokyu Land Asia Pte. Ltd. ("TLA") arising from the Class A shares of a subsidiary.

(e) Refundable deposits

Included in deposits are in relation to partial payments received from purchaser towards the sales of development properties.

(f) Class A shares of a subsidiary classified as financial liabilities

	Group			
	2022 Unit	2021 Unit	2022 RM	2021 RM
Class A shares of a subsidiary				
At 1 July 2021/2020	**39,400,000**	39,400,000	**32,702,969**	31,586,797
Net amortisation on Class A shares classified as financial liabilities at amortised cost	**-**	-	**1,116,172**	1,116,172
At 30 June	**39,400,000**	39,400,000	**33,819,141**	32,702,969

On 16 December 2019, Riveria City Sdn. Bhd. ("RCSB") had issued of 39,400,000 units of Class A shares for RM39,400,000 to a subscriber, TLA, for the purpose of expanding the property development business with certain terms and conditions as stated in the subscription agreement. The Class A shareholder is entitled to receive annual dividend and annual capital reduction.

Notes to the Financial Statements

(CONTINUED)

19. TRADE AND OTHER PAYABLES (continued)

(f) Class A shares of a subsidiary classified as financial liabilities (continued)

The main features of the Class A shares are as follows:

(i) Right to Annual Dividends

At the end of each financial year, TLA shall be entitled to receive as dividend or any distribution whatsoever, 30% of such amount attributable to the Net Profit of Project Riveria, subject to the Cash Flow Availability.

On any payment of dividends or distributions at any time, the Class A shares shall rank in priority to ordinary shares ("OS") and redeemable preference shares ("RPS") of RCSB. RPS holder shall not be entitled to any dividends or distributions until and unless the Class A shareholder have first received the dividend and capital reduction for the particular financial year.

(ii) Annual Capital Reduction

At the end of each financial year, TLA shall be entitled to require RCSB to return such amount of capital to TLA by carrying out a share capital reduction exercise for such number of Class A shares at RM1 per share for an amount equivalent to 30% of the Net Cash Flow less the Annual Dividend to be paid for that financial year to TLA.

In the event if the Net Cash Flow is less than zero, such deficiency amount shall be carried forward to the following financial year.

(iii) Subscriber's Rights

RCSB shall not directly or indirectly vary or affect rights, privileges, or conditions attached to the Class A shares, or the exercise of any of those rights, privileges or conditions without the prior approval of the Class A Shareholders.

Any shares of RCSB ranking pari passu with existing Class A shares shall be deemed to be a variation of the rights, privileges or conditions attached to the Class A shares.

(iv) Winding up preference

On a winding up, TLA is conferred the right to receive, in priority to any payment to the RPS holders of RCSB and the ordinary shares holders, cash payment in full of the Subscription Price, less the amount of Annual Dividends distributed and Annual Capital Reduction made, and after the payment and discharge of all debts and liabilities of RCSB to its secured and unsecured creditors and the cost of such winding up, provided that after the aforesaid cash payments are made in full, and after RPS holder and ordinary shares holders are paid the subscription price of the ordinary shares, TLA shall rank pari passu with the Titijaya Land Berhad ("TLB") in any further distribution of any surplus assets. Any such further distribution shall be limited to surplus assets or profit arising out of or in connection with Project Riveria.

(v) Seniority

Class A shares shall rank senior to all other equity of RCSB. RPS shall rank senior to all equity of RCSB other than Class A shares.

(g) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 34(b)(ii).

Notes to the Financial Statements
(CONTINUED)

20. LOANS AND BORROWINGS

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current:					
Term loans	(a)	**218,992,871**	304,465,961	**3,452,986**	7,666,662
Lease liabilities	(b)	**818,289**	511,784	**-**	-
Bridging loans	(c)	**3,125,000**	25,000,000	**-**	-
		222,936,160	329,977,745	**3,452,986**	7,666,662
Current:					
Term loans	(a)	**117,420,371**	39,567,210	**2,333,336**	2,000,004
Lease liabilities	(b)	**426,580**	271,344	**-**	-
Bridging loans	(c)	**31,250,000**	25,000,000	**-**	-
Revolving credits	(d)	**-**	44,200,000	**-**	44,200,000
Islamic commercial paper	(e)	**40,000,000**	70,000,000	**40,000,000**	70,000,000
Bank overdraft	(f)	**-**	4,190	**-**	4,190
		189,096,951	179,042,744	**42,333,336**	116,204,194
		412,033,111	509,020,489	**45,786,322**	123,870,856
Total loans and borrowings:					
Term loans	(a)	**336,413,242**	344,033,171	**5,786,322**	9,666,666
Lease liabilities	(b)	**1,244,869**	783,128	**-**	-
Bridging loans	(c)	**34,375,000**	50,000,000	**-**	-
Revolving credits	(d)	**-**	44,200,000	**-**	44,200,000
Islamic commercial paper	(e)	**40,000,000**	70,000,000	**40,000,000**	70,000,000
Bank overdraft	(f)	**-**	4,190	**-**	4,190
		412,033,111	509,020,489	**45,786,322**	123,870,856

(a) Term loans

The term loans of the Group and of the Company bear interests at rates ranging from 3.60% to 5.70% and 3.96% (2021: 3.60% to 5.70% and 3.96%) per annum respectively.

Included in the term loans of the Group is an amount of RM40,000,000 (2021: RM40,000,000) from a subsidiary of a corporate shareholder in a subsidiary.

Notes to the Financial Statements

(CONTINUED)

20. LOANS AND BORROWINGS (continued)

(b) Lease liabilities

The lease liabilities bear interest at the effective interest rates ranging from 4.07% to 5.72% (2021: 4.78% to 5.72%) per annum.

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group	
	2022 RM	2021 RM
Minimum lease payments:		
- within twelve months	**468,830**	303,919
- later than 1 year and not later than 5 years	**805,296**	540,269
- later than 5 years	**56,398**	-
	1,330,524	844,188
Less: Future finance charges	**(85,655)**	(61,060)
Present value of minimum lease payments	**1,244,869**	783,128
Analysis of present value of minimum lease payments		
- not later than one year	**426,580**	271,344
- later than 1 year and not later than 5 years	**763,178**	511,784
- later than 5 years	**55,111**	-
	1,244,869	783,128

(c) Bridging loans

The bridging loans bear interests at rate of 3.86% (2021: 3.86%) per annum.

(d) Revolving credits

The revolving credits of the Group and of the Company bear interests rate at rates ranging from 3.60% to 4.50% (2021: 3.74% to 4.50%) per annum.

(e) Islamic commercial paper

The Islamic commercial paper of the Group and of the Company is unsecured and bears interests at rates ranging from 5.00% to 5.10% (2021: 5.10%) per annum.

(f) Bank overdraft

In the previous financial year, the bank overdraft of the Group and of the Company bore interest at rate of 4.22% per annum.

(g) The loans and borrowings of the Group and of the Company are secured by way of:

(i) first and third party first, second and third legal charge over the Group's land held for development disclosed in Note 10;

(ii) first legal charged over the land held for development as disclosed in Note 10;

(iii) legal assignment and charge over the investment properties of subsidiaries as disclosed in Note 8;

(iv) specific debenture over all the fixed and floating assets on the property development land as disclosed in Note 10;

(v) legal charge over ordinary shares of a subsidiary and cash deposits with bank of subsidiaries as disclosed in Note 14;

(vi) power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;

20. LOANS AND BORROWINGS (continued)

(g) The loans and borrowings of the Group and of the Company are secured by way of (continued):

(vii) first party deed of assignment and power of attorney over the property of a subsidiary as disclosed in Note 5;

(viii) assignment of all the rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;

(ix) assignment of subsidiary's Housing Development Act Account and Project Development Account of the projects;

(x) master trade agreement for a Islamic banking facilities;

(xi) personal, joint and several guarantee by certain directors of the Company and its subsidiaries;

(xii) letter of subordination debts to subordinate all advances by the Company and certain directors of a subsidiary;

(xiii) letter of undertaking from the directors, a shareholder of a subsidiary and a subsidiary;

(xiv) corporate guarantee from the Company and a subsidiary;

(xv) legal charge and assignment over Finance Service Reserve and Escrow Account and all proceeds therein of a subsidiary;

(xvi) Memorandum of Charge over entire paid up capital of the Chargor for the land;

(xvii) debenture incorporating a fixed and floating charges for all monies owing or payable under facilities over present and future assets of a subsidiary; and

(xviii) legal assignment of insurance by Chargor.

21. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	As at 1 July 2020 RM	Recognised in profit or loss (Note 28) RM	As at 30 June 2021 RM	Recognised in profit or loss (Note 28) RM	As at 30 June 2022 RM
Group					
Deferred tax liabilities:					
Property, plant and equipment	(73,115)	(878)	(73,993)	-	**(73,993)**
Investment properties	(15,124,832)	-	(15,124,832)	-	**(15,124,832)**
Inventories:					
- Development expenditures	(367,019)	(3,698,729)	(4,065,748)	428,194	**(3,637,554)**
- Land held for property development	(14,768,459)	-	(14,768,459)	-	**(14,768,459)**
	(30,333,425)	(3,699,607)	(34,033,032)	428,194	**(33,604,838)**
Deferred tax assets:					
Property, plant and equipment	-	(4,023)	(4,023)	103,188	**99,165**
Unutilised tax losses	-	-	-	3,803,166	**3,803,166**
Inventories:					
- Development expenditures	3,017,746	787,976	3,805,722	(2,582,963)	**1,222,759**
- Provision for liquidated ascertained damages	-	55,656	55,656	150,876	**206,532**
	3,017,746	839,609	3,857,355	1,474,267	**5,331,622**
	(27,315,679)	(2,859,998)	(30,175,677)	1,902,461	**(28,273,216)**

Notes to the Financial Statements
(CONTINUED)

21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

	Group	
	2022 RM	2021 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	**5,331,622**	3,857,355
Deferred tax liabilities	**(33,604,838)**	(34,033,032)
	(28,273,216)	(30,175,677)

Unrecognised deferred tax assets

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

	Group	
	2022 RM	2021 RM
Temporary differences	**12,892,950**	13,190,052
Unutilised tax losses	**38,193,393**	23,862,045
Unabsorbed capital allowance	**391,349**	290,102
	51,477,692	37,342,199

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

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unutilised tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028).

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2022 RM	2021 RM
2028	**11,140,886**	11,368,571
2029	**3,983,222**	3,983,222
2031	**8,444,405**	8,510,252
2032	**14,624,880**	-

Notes to the Financial Statements
(CONTINUED)

22. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contract customers:				
Timing of revenue recognition:				
Over time				
Property development	**164,093,629**	158,636,830	**-**	-
At a point in time				
Sale of completed properties	**96,980,936**	76,301,294	**-**	-
Sale of a land	**13,596,750**	17,563,392	**-**	-
Revenue from other source:				
Timing of revenue recognition:				
At a point in time				
Rental income from investment property	**201,017**	1,097,699	**-**	-
Dividend income from subsidiaries	**-**	-	**70,992,000**	4,000,000
Others	**55,297**	7,355	**-**	-
	274,927,629	253,606,570	**70,992,000**	4,000,000

23. COST OF SALES

	Group	
	2022 RM	2021 RM
Property development costs	**130,965,739**	102,941,837
Costs of completed properties sold	**86,218,030**	71,876,419
Costs of a land sold	**13,604,750**	7,665,646
Direct operating expenses arising from investment properties	**122,542**	140,581
Reversal of costs accrued for development projects	**-**	(359,267)
	230,911,061	182,265,216

Notes to the Financial Statements
(CONTINUED)

24. OTHER INCOME

	Group	
	2022 RM	**2021 RM**
Administrative fee received	**276,518**	128,144
Forfeiture income	**1,169,798**	2,215,129
Gain on reversal of depreciation from an investment property	-	1,989,796
Gain on disposal of property, plant and equipment	**224,498**	3,480
Government grant	**1,987,171**	-
Liquidated and ascertained damages income	-	28,000
Miscellaneous income	**621,319**	628,897
Non-refundable deposit income	-	93,300
Rental income	**1,529,437**	2,747,968
Waiver of tax penalty	-	1,066,283
Others	**194,400**	105,270
	6,003,141	9,006,267

25. FINANCE INCOME

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Interest income on short-term deposits	**476,409**	464,046	**94,997**	-
Other interest income	**1,558,338**	826,677	**24,165**	5,891
	2,034,747	1,290,723	**119,162**	5,891

Notes to the Financial Statements
(CONTINUED)

26. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on:				
- Bank overdrafts	-	83,462	-	42,504
- Bridging loans	**508,422**	556,662	-	-
- Class A shares	**4,654,584**	1,887,124	-	-
- Islamic commercial paper	**3,078,086**	3,596,178	**3,078,086**	3,596,178
- Lease liabilities	**61,914**	47,782	-	-
- Revolving credits	**674,918**	2,267,682	**674,918**	2,267,682
- Term loans	**2,512,558**	1,360,954	**311,803**	129,468
- Others	-	333,259	-	26,575
	11,490,482	10,133,103	**4,064,807**	6,062,407

27. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving of profit/(loss) before tax:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- statutory audit				
- current year	**411,000**	422,000	**92,000**	92,000
- non-statutory audit fees	**22,000**	7,000	**7,000**	7,000
Expenses relating to short-term leases	**33,950**	120,150	-	-
Expenses relating to low value assets	**59,940**	59,877	-	-
Loss on disposal of investment in an associate	-	40	-	-
Loss on disposal of investment properties	-	10,152	-	-
Net amortisation on Class A shares classified as financial liabilities at amortised cost	**1,116,172**	1,116,172	-	-
Reversal of impairment loss on investment in an associate	-	(40)	-	-
Reversal of liquidated and ascertained damages income	-	428,000	-	-
Written off of:				
- trade receivables	**25,642**	-	-	-
- other receivables	**940,052**	878,734	**126,600**	-
- property, plant and equipment	-	5	-	-

Notes to the Financial Statements

(CONTINUED)

28. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial years ended 30 June 2022 and 30 June 2021 are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**9,545,684**	17,191,864	**-**	-
- (Over)/Underprovision in the previous financial years	**(156,504)**	239,202	**-**	(38,684)
	9,389,180	17,431,066	**-**	(38,684)
Deferred tax: (Note 21)				
- Origination of temporary differences	**1,192,069**	1,104,203	**-**	-
- (Over)/Underprovision in the previous financial years	**(3,094,530)**	1,755,795	**-**	-
	(1,902,461)	2,859,998	**-**	-
Income tax expense recognise in profit or loss	**7,486,719**	20,291,064	**-**	(38,684)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Profit/(Loss) before tax	**11,029,790**	12,659,217	**65,551,880**	(759,490)
Tax at Malaysian statutory income tax rate of 24%	**2,647,150**	3,038,212	**15,732,451**	(182,278)
Share of results of associates	**955**	20,610	**-**	-
Real property gain tax	**846,793**	-	**-**	-
Adjustments:				
- Non-deductible expenses	**4,150,835**	14,003,187	**1,103,616**	1,691,335
- Income not subject to tax	**(300,538)**	(1,335,766)	**(16,836,067)**	(1,509,057)
- Deferred tax not recognised on tax losses, capital allowances and temporary differences	**3,647,912**	3,588,817	**-**	-
- Utilisation of previously unrecognised tax losses, capital allowances and temporary differences	**(255,394)**	(1,018,993)	**-**	-
- (Over)/Underprovision of income tax in the previous financial years	**(156,504)**	239,202	**-**	(38,684)
- Over)/Underprovision of deferred tax in the previous financial years	**(3,094,530)**	1,755,795	**-**	-
Income tax expense/(credit)	**7,486,719**	20,291,064	**-**	(38,684)

29. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

Basic earnings/(loss) per share are based on the profit/(loss) for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2022	**2021**
Profit/(Loss) attributable to owners of the Company (RM)	**484,796**	(13,952,146)
Weighted average number of ordinary shares for basic earnings per share (units)	**1,274,790,350**	1,274,663,131
Basic earnings/(loss) per ordinary share (sen)	**0.04**	(1.09)

(b) Diluted

Diluted earnings/(loss) per share are based on the profit/(loss) for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2022	**2021**
Profit/(Loss) attributable to owners of the Company (RM)	**484,796**	(13,952,146)
Weighted average number of ordinary shares for basic earnings per share (units)	**1,274,790,350**	1,274,663,131
Effect of dilution from: Conversion of ICPS	**70,697,680**	71,893,080
Weighted average number of ordinary shares for basic earnings per share (units)	**1,345,488,030**	1,346,556,211
Diluted earnings/(loss) per ordinary share (sen)	**0.04**	(1.04)

Notes to the Financial Statements
(CONTINUED)

30. GUARANTEES

(a) Financial guarantees

The corporate guarantees, guaranteed by the Company for credit facilities granted to subsidiaries are as follows:

	Company	
	2022 RM	2021 RM
Corporate guarantees for credit facilities granted to subsidiaries	**365,260,020**	384,624,605

(b) Bank guarantees

The bank guarantees, guaranteed by the Group and the Company issued to authorities and a third party for joint development project is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bank guarantees issued to authorities	**6,180,422**	5,380,068	**4,907,742**	4,107,388
Bank guarantees issued to a third party for joint development project	**1,000,000**	5,016,232	**1,000,000**	5,016,232
	7,180,422	10,396,300	**5,907,742**	9,123,620

31. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company as disclosed in Note 1;

(ii) Subsidiaries of the Company and the ultimate holding company;

(iii) Associates;

(iv) Corporate shareholder of subsidiaries and their related companies;

(v) Entities in which directors have substantive financial interest;

(vi) Close members of the family of directors; and

(vii) Key management personnel of the Group's and of the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

Notes to the Financial Statements
(CONTINUED)

31. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Subsidiaries				
Project management fee				
- Titijaya PMC Sdn. Bhd.	**-**	-	**(72,000)**	(72,000)
Dividend income				
- Pin Hwa Properties Sdn. Bhd.	**-**	-	**9,000,000**	-
- Safetags Solution Sdn. Bhd.	**-**	-	**43,992,000**	4,000,000
- Epoch Property Sdn. Bhd.	**-**	-	**18,000,000**	-
Corporate shareholder of a subsidiary				
Interest expense on Class A shares payable				
- Tokyu Land Asia Pte. Ltd.	**4,654,584**	1,887,124	**-**	-
Subsidiary of a corporate shareholder of a subsidiary				
Interest expense on term loan paid				
- TLMY Sdn. Bhd.	**2,280,000**	2,276,860	**-**	-
Subsidiary of the ultimate holding company				
Billing to/back charge of construction costs				
- Amakmur Development Sdn. Bhd.	**1,122,430**	1,350,058	**-**	-

Significant outstanding balances with related parties at the end of the reporting date are as disclosed in Notes 11, 19 and 20.

(c) Compensation of key management personnel

	Group	
	2022 RM	2021 RM
Included in staff costs were remunerations for key management personnel other than directors		
- Short-term employee benefits	**1,104,234**	1,021,561
- Defined contribution plan	**119,095**	115,589
	1,223,329	1,137,150

Other key management personnel comprise persons other than the directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

Notes to the Financial Statements
(CONTINUED)

32. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term employee benefits	**9,483,706**	9,880,619	**447,600**	337,670
Defined contribution plans	**986,438**	1,096,398	**-**	-
	10,470,144	10,977,017	**447,600**	337,670

Included in employee benefits expenses are:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors				
Executive directors				
- Fees	**125,200**	87,640	**125,200**	87,640
- Other emoluments	**2,060,148**	1,888,001	**-**	-
Non-executive directors				
- Fees	**262,900**	184,030	**262,900**	184,030
- Other emoluments	**59,500**	66,000	**59,500**	66,000
	2,507,748	2,225,671	**447,600**	337,670

The monetary value of benefits-in-kind (which were not included in the above directors' remuneration) of the Group received by certain directors of the Company amounted to RM525,960 (2021: RM150,336).

The number of the directors whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2022	2021
Executive Directors:		
RM1 - RM50,000	**-**	1
RM50,001 - RM100,000	**-**	1
RM300,001 - RM350,000	**1**	-
RM550,001 - RM600,000	**1**	1
RM600,001 - RM650,000	**1**	1
RM650,001 - RM700,000	**1**	1
RM700,001 - RM750,000	**-**	-
RM750,001 - RM800,000	**-**	-
RM800,001 - RM850,000	**-**	-
RM850,001 - RM900,000	**-**	-
RM900,001 - RM950,000	**-**	-
Non-executive Directors:		
RM1 - RM50,000	**-**	3
RM50,001 - RM100,000	**5**	2

33. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	**Products and services**
Property development	Development of housing and commercial units for sales
Investment holding and others	Investment holding and others

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associates, deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Notes to the Financial Statements
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33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2022					
Revenue					
Revenue from external customers		274,671,315	256,314	-	274,927,629
Inter-segment revenue	A	(3,007,839)	80,477,585	(77,469,746)	-
Total revenue		271,663,476	80,733,899	(77,469,746)	274,927,629
Results					
Segment results		27,324,409	64,958,486	(71,793,223)	20,489,672
Finance income		1,886,332	148,415	-	2,034,747
Finance costs		(6,991,088)	(4,499,394)	-	(11,490,482)
Share of results of associates		-	-	(4,147)	(4,147)
Profit before tax	B	22,219,653	60,607,507	(71,797,370)	11,029,790
Income tax expense		(9,015,610)	1,494,321	34,570	(7,486,719)
Net profit for the financial year	B	13,204,043	62,101,828	(71,762,800)	3,543,071
Assets					
Segment assets		2,432,964,301	1,643,506,053	(1,824,266,932)	2,252,203,422
Investment in associates		95,000	404,000	(143,569)	355,431
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		2,831,622	2,500,000	-	5,331,622
Current tax assets		31,083,190	390,005	-	31,473,195
Total assets	C			(1,822,347,824)	2,291,426,347
Liabilities					
Segment liabilities		1,589,820,392	298,102,117	(761,786,832)	1,126,135,677
Current tax liabilities		45	-	-	45
Deferred tax liabilities		3,711,546	-	29,893,292	33,604,838
Total liabilities	D			(731,893,540)	1,159,740,560
Other segment information					
Acquisition of property, plant and equipment		778,145	404,276	-	1,182,421
Additions to investment properties		-	6,508,774	2,914,639	9,423,413
Depreciation of investment properties		92,972	-	-	92,972
Depreciation of property, plant and equipment		290,636	616,747	-	907,383
Expenses relating to short-term leases		33,950	1,140,000	(1,140,000)	33,950
Expenses relating to low value assets		6,352	53,588	-	59,940
Finance costs		6,991,088	4,499,394	-	11,490,482
Finance income		(1,886,332)	(148,415)	-	(2,034,747)
Gain on disposal of property, plant and equipment		(38,000)	(186,498)	-	(224,498)
Impairment loss on:					
- goodwill		-	-	30,402	30,402
- trade receivables		1,240,834	-	-	1,240,834
- other receivables		679,137	-	-	679,137
Inventories written down		168,424	-	-	168,424
Net amortisation on Class A shares classified as financial liabilities at amortised cost		1,116,172	-	-	1,116,172
Net gain on RPS classified as financial liabilities at amortised cost		3,245,243	-	(3,245,243)	-
Written off of:					
- trade receivables		-	25,642	-	25,642
- other receivables		813,452	126,600	-	940,052

Notes to the Financial Statements
(CONTINUED)

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2021					
Revenue					
Revenue from external customers		253,380,541	1,105,054	(879,025)	253,606,570
Inter-segment revenue	A	41,758,365	11,324,903	(53,083,268)	-
Total revenue		295,138,906	12,429,957	(53,962,293)	253,606,570
Results					
Segment results		50,255,003	(735,710)	(27,931,823)	21,587,470
Finance income		1,251,938	38,785	-	1,290,723
Finance costs		(3,341,665)	(6,546,644)	(244,794)	(10,133,103)
Share of results of associates		-	-	(85,873)	(85,873)
Profit/(Loss) before tax	B	48,165,276	(7,243,569)	(28,262,490)	12,659,217
Income tax expense		(20,277,178)	(615,171)	601,285	(20,291,064)
Net profit/(loss) for the financial year	B	27,888,098	(7,858,740)	(27,661,205)	(7,631,847)
Assets					
Segment assets		2,596,445,600	1,590,081,696	(1,748,084,852)	2,438,442,444
Investment in associates		95,000	404,000	(139,422)	359,578
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		3,857,355	-	-	3,857,355
Current tax assets		18,374,796	151,897	-	18,526,693
Total assets	C			(1,746,161,597)	2,463,248,747
Liabilities					
Segment liabilities		1,679,129,340	339,823,349	(741,371,409)	1,277,581,280
Current tax liabilities		3,958,232	39,587	-	3,997,819
Deferred tax liabilities		4,070,302	69,438	29,893,292	34,033,032
Total liabilities	D			(711,478,117)	1,315,612,131
Other segment information					
Acquisition of property, plant and equipment		4,031	2,250	-	6,281
Additions to investment properties		-	10,423,250	4,480,311	14,903,561
Depreciation of investment properties		92,973	-	-	92,973
Depreciation of property, plant and equipment		97,369	1,410,206	(661,745)	845,830
Expenses relating to short-term leases		120,150	-	-	120,150
Expenses relating to low value assets		17,839	42,038	-	59,877
Finance costs		3,341,665	6,546,644	244,794	10,133,103
Finance income		(1,251,938)	(38,785)	-	(1,290,723)
Gain on reversal of depreciation from an investment property		-	(1,989,796)	-	(1,989,796)
Gain on disposal of property, plant and equipment		(3,480)	-	-	(3,480)
Impairment loss on:					
- amount owing by an associate		-	4,542,962	-	4,542,962
Inventories written down		20,381,459	-	4,783,267	25,164,726
Loss on disposal of investment in an associate		-	40	-	40
Loss on disposal of investment properties		-	10,152	-	10,152
Net amortisation on Class A shares classified as financial liabilities at amortised cost		1,116,172	-	-	1,116,172
Net gain on RPS classified as financial liabilities at amortised cost		(7,393,758)	-	7,393,758	-
Reversal of impairment loss on:					
- amount owing by an associate		-	(3,000,000)	-	(3,000,000)
- investment in an associate		-	(40)	-	(40)
Reversal of liquidated and ascertained damages income		428,000	-	-	428,000
Written off of:					
- other receivables		878,544	190	-	878,734
- property, plant and equipment		-	5	-	5

Notes to the Financial Statements

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33. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A Inter-segment revenue

Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss

(Loss)/Profit from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2022 RM	2021 RM
Amount due from holding company	**(179,605,291)**	(126,089,394)
Amount due from subsidiaries	**(508,736,521)**	(561,314,360)
Investment in subsidiaries	**(1,268,708,046)**	(1,232,201,362)
Intra group transactions	**134,702,034**	173,443,519
	(1,822,347,824)	(1,746,161,597)

D Reconciliation of liabilities

	2022 RM	2021 RM
Amount due to holding company	**(284,826)**	(252,756)
Amount due to subsidiaries	**(688,260,246)**	(687,354,264)
Intra group transactions	**(43,348,468)**	(23,871,097)
	(731,893,540)	(711,478,117)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

Notes to the Financial Statements
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34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position:

	Carrying amount RM	Amortised cost RM
At 30 June 2022		
Financial assets:		
Group		
Trade and other receivables	389,599,639	389,599,639
Cash and short-term deposits	177,747,823	177,747,823
Total financial assets	567,347,462	567,347,462
Company		
Trade and other receivables	903,649	903,649
Cash and short-term deposits	26,401,622	26,401,622
Total financial assets	27,305,271	27,305,271
Financial liabilities:		
Group		
Trade and other payables	(490,064,231)	(490,064,231)
Loans and borrowings	(412,033,111)	(412,033,111)
Total financial liabilities	(902,097,342)	(902,097,342)
Company		
Trade and other payables	(180,141,803)	(180,141,803)
Loans and borrowings	(45,786,322)	(45,786,322)
Total financial liabilities	(225,928,125)	(225,928,125)

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position: (continued)

	Carrying amount RM	Amortised cost RM
At 30 June 2021		
Financial assets:		
Group		
Trade and other receivables	511,197,868	511,197,868
Cash and short-term deposits	173,081,838	173,081,838
Total financial assets	684,279,706	684,279,706
Company		
Trade and other receivables	6,796,953	6,796,953
Cash and short-term deposits	15,931,426	15,931,426
Total financial assets	22,728,379	22,728,379
Financial liabilities:		
Group		
Trade and other payables	(495,487,945)	(495,487,945)
Loans and borrowings	(509,020,489)	(509,020,489)
Total financial liabilities	(1,004,508,434)	(1,004,508,434)
Company		
Trade and other payables	(126,502,474)	(126,502,474)
Loans and borrowings	(123,870,856)	(123,870,856)
Total financial liabilities	(250,373,330)	(250,373,330)

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to the Group's and the Company's financial risk management policies.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements

(CONTINUED)

.34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	2022 RM	2021 RM
Group		
Trade receivables:		
Property development	**87,011,397**	151,174,729
Contract assets:		
Property development	**6,297,318**	-

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows:

		Trade receivables				
	Contract assets	Current	1-30 days past due	31-75 days past due	>75 days past due	Total
At 30 June 2022						
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross carrying amount at default	**6,297,318**	**40,794,285**	**6,132,320**	**16,026,161**	**27,529,366**	**90,482,132**
At 30 June 2021						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	-	124,622,326	8,560,563	3,562,219	16,659,522	153,404,630

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.11(a) for the Company's other accounting policies for impairment of financial assets.

Financial guarantees contract

The maximum credit risk that the Company is exposed to from corporate guarantees amounted to RM365,260,020 (2021: RM384,624,605).

Currently, the Company considers the financial guarantees to be of low credit risk as the guarantee are provided as credit enhancement to the subsidiaries' secured borrowings.

As at the reporting date, there have no losses arising from the financial guarantees and undertakings provided by the Company. The fair value of the financial guarantee has not been recognised since the fair value on initial recognition is not material.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2022					
Financial liabilities:					
Trade and other payables	**490,064,231**	**423,124,472**	**70,120,618**	**2,400,000**	**495,645,090**
Lease liabilities	**1,244,869**	**468,830**	**805,296**	**56,398**	**1,330,524**
Loans and borrowings	**410,788,242**	**201,943,708**	**223,985,121**	**18,978,931**	**444,907,760**
	902,097,342	**625,537,010**	**294,911,035**	**21,435,329**	**941,883,374**
At 30 June 2021					
Financial liabilities:					
Trade and other payables (excluding GST payable)	495,487,945	434,796,662	64,988,314	2,400,000	502,184,976
Lease liabilities	783,128	303,919	540,269	-	844,188
Loans and borrowings	508,237,361	194,793,772	261,294,613	102,127,626	558,216,011
	1,004,508,434	629,894,353	326,823,196	104,527,626	1,061,245,175

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

		Contractual cash flows			
Company	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2022					
Financial liabilities:					
Trade and other payables	**180,141,803**	**180,141,803**	**-**	**-**	**180,141,803**
Loans and borrowings	**45,786,322**	**42,525,651**	**3,517,854**	**-**	**46,043,505**
	225,928,125	**222,667,454**	**3,517,854**	**-**	**226,185,308**
At 30 June 2021					
Financial liabilities:					
Trade and other payables	126,502,474	126,502,474	-	-	126,502,474
Loans and borrowings	123,870,856	116,927,314	8,076,412	-	125,003,726
	250,373,330	243,429,788	8,076,412	-	251,506,200

In respect of those undiscounted repayment obligations arising from corporate guarantee and undertakings provided by the Group and the Company as disclosed in Note 34(b)(i) to the financial statements, there was no indication as at the reporting date that any subsidiary would default. In the event of a default by the subsidiaries, the financial guarantee could be called on demand.

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and short-term deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

Group:	Change in basis point	Effect on profit/(loss) for the financial year RM	Effect on equity RM
At 30 June 2022	**+50**	**(1,560,995)**	**(1,560,995)**
	-50	**1,560,995**	**1,560,995**
At 30 June 2021	+50	(1,931,302)	(1,931,302)
	-50	1,931,302	1,931,302

Company:			
At 30 June 2022	**+50**	**(173,988)**	**(173,988)**
	-50	**173,988**	**173,988**
At 30 June 2021	+50	(470,709)	(470,709)
	-50	470,709	470,709

(c) Fair values measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2021: no transfer in either directions).

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM	Fair value of financial instruments not carried at fair value — Fair Value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
At 30 June 2022					
Financial liabilities					
Borrowings:					
- Islamic commercial paper	**40,000,000**	**-**	**-**	**40,000,000**	**40,000,000**
- Bridging loans	**34,375,000**	**-**	**-**	**34,375,000**	**34,375,000**
- Term loans	**336,413,242**	**-**	**-**	**336,413,242**	**336,413,242**
At 30 June 2021					
Financial liabilities					
Borrowings:					
- Revolving credits	44,200,000	-	-	44,200,000	44,200,000
- Islamic commercial paper	70,000,000	-	-	70,000,000	70,000,000
- Bridging loans	50,000,000	-	-	50,000,000	50,000,000
- Term loans	344,033,171	-	-	344,033,171	344,033,171
- Bank overdraft	4,190	-	-	4,190	4,190
Company					
At 30 June 2022					
Financial liabilities					
Borrowings:					
- Islamic commercial paper	**40,000,000**	**-**	**-**	**40,000,000**	**40,000,000**
- Term loans	**5,786,322**	**-**	**-**	**5,786,322**	**5,786,322**
At 30 June 2021					
Financial liabilities					
Borrowings:					
- Revolving credits	44,200,000	-	-	44,200,000	44,200,000
- Islamic commercial paper	70,000,000	-	-	70,000,000	70,000,000
- Term loans	9,666,666	-	-	9,666,666	9,666,666
- Bank overdraft	4,190	-	-	4,190	4,190

Notes to the Financial Statements
(CONTINUED)

35. COMMITMENTS

(a) Lease commitments - as lessee

The Group have various lease contracts as at 30 June 2022. The future lease payments for these non-cancellable lease contracts are as follows:

	Group	
	2022 **RM**	**2021** **RM**
- Within one year	**333,960**	241,020
- Between 1 and 5 years	**417,768**	1,359,152
- More than 5 years	**-**	442,874
	751,728	2,043,046

(b) Operating lease commitments - as lessor

The Group leases several of its properties which have remaining lease term between one to four years.

The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group	
	2022 **RM**	**2021** **RM**
- Not later than one year	**2,430,932**	2,638,715
- One to two years	**1,999,230**	2,245,171
- Two to three years	**542,998**	810,541
- Three to four years	**-**	14,850
	4,973,160	5,709,277

36. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Group's and the Company's objective is to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

The capital structure of the Group and the Company consists of equity attributable to the owner of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

36. CAPITAL MANAGEMENT (continued)

The debt-to-equity ratio is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total liabilities	**1,159,740,560**	1,315,612,131	**225,928,125**	250,373,330
Equity attributable to the owners of the Company	**1,112,101,707**	1,131,096,210	**1,041,523,242**	976,462,536
Debt-to-equity ratio	**104%**	116%	**22%**	26%

The Group and the Company are in compliance with all externally imposed capital requirements.

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

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

(a) On 12 November 2021, Tamarind Heights Sdn. Bhd., a wholly-owned subsidiary of the Group had entered into a Deed of Discharge and Release with Golden Vogue Sdn. Bhd. pursuant to the Joint Venture Agreement which was announced on 17 November 2017.

(b) On 27 March 2022, City Meridian Development Sdn. Bhd. ("CMDSB"), a wholly-owned subsidiary of the Group had entered into a Letter of Intent ("LOI") with DHL Properties (M) Sdn. Bhd. ("DHL") to negotiate in good faith the proposal for the Built-To-Suit and subsequent lease by DHL of the area situated at Lot 12174, No Hakmilik 4022, Mukim 12, Daerah Barat Daya, Pulau Pinang. LOI had been extended several times and the LOI has been expired by 15 June 2022.

On 15 June 2022, Aman Duta Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, entered into an agreement to build-and-let with DHL ("Agreement"). The purpose of the Agreement is to set forth the terms and conditions in respect of the construction and letting of a logistics commercial complex to be constructed on a portion of the land measuring approximately 26,688 square metre situated at Lot 12174, No Hakmilik 4022, Mukim 12, Daerah Barat Daya, Pulau Pinang in accordance with the agreed architectural design, layout and building specification agreed by DHL and approved by the appropriate authorities.

(c) On 26 September 2022, all remaining ICPS of the Company that are not converted shall be automatically converted into new ordinary shares of the Company at the conversion ratio of ten (10) ICPS for one (1) new share of the Company.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **LIM POH YIT** and **LIM PUAY FUNG**, being two of the directors of Titijaya Land Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 87 to 169 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows for the financial year then ended.

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

LIM POH YIT
Director

LIM PUAY FUNG
Director

Kuala Lumpur
Date: 13 October 2022

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **LIM POH YIT**, being the director primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on page 87 to 169 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LIM POH YIT
Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 13 October 2022.

Before me,

HADINUR MOHD SYARIF (No. W76)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 87 to 169.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue and corresponding costs recognition for property development activities [Notes 4(a), 4(b), 10, 12, 13, 19(d), 22 and 23 to the financial statements]

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to the proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development costs.

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA) (CONTINUED)

KEY AUDIT MATTERS (continued)

Group (continued)

Revenue and corresponding costs recognition for property development activities [Notes 4(a), 4(b), 10, 12, 13, 19(d), 22 and 23 to the financial statements] (continued)

Our response:

Our audit procedures on the selected samples of major projects included, among others:

- reading the terms and conditions of the agreements with customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the Group's major assumptions to contractual terms and discussing with the project manager on the changes in the assumptions from the previous financial year;
- comparing the computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificates;
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year; and
- comparing the Group's assessment on the potential reduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates and estimated delivery dates, progress reports, interview of relevant project personnel and correspondence from solicitors.

Company

Investment in subsidiaries [Notes 4(c) and 6 to the financial statements]

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

Our response:

Our audit procedures included, among others:

- evaluating the cash flow projections and the Company's forecasting procedures;
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions.

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA) (CONTINUED)

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.

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA) (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTERS

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2024 J
Chartered Accountant

Kuala Lumpur
Date: 13 October 2022

ANALYSIS OF SHAREHOLDINGS

ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 6 OCTOBER 2022

Total Number of Issued Shares	:	1,430,927,289 ordinary shares (inclusive treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share held
Treasury Shares held as at 6 October 2022	:	90,996,700 ordinary shares

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 100	24	0.86	718	0.00
100 – 1,000	229	8.18	133,607	0.01
1,001 – 10,000	1,235	44.11	7,334,906	0.55
10,001 – 100,000	1,058	37.79	37,080,190	2.77
100,001 - 66,996,528 *(less than 5% of the issued shares)*	248	8.86	687,285,460	51.29
66,996,529 and above *(5% and above issued shares)*	6	0.20	608,095,708	45.38
Total	**2,800**	**100.00**	**1,339,930,589**	**100.00**

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor *(Retired)*	-	-	-	-
Lim Poh Yit	66,101,628	4.93	764,964,774 (a)	57.09
Lim Puay Fung	490,000	0.04	764,964,774 (a)	57.09
Dato' Faizal Bin Abdullah	3,000,000	0.22	-	-
Chin Kim Chung	720,000	0.05	-	-
Dato' Mohd Ibrahim Bin Mohd Nor	-	-	-	-
Datuk Seri Ch'ng Toh Eng	500,000	0.04	-	-
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	35,000	0.00	920,000 (b)	0.07

Notes:-

* Excluding a total of 90,996,700 ordinary shares bought-back by the Company and retained as treasury shares as at 6 October 2022.

(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 ("Act") by virtue of his/her substantial shareholdings in Titijaya Group Sdn. Bhd. ("**TGSB**").

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by ISY Holdings Sdn. Bhd.

Analysis of Shareholdings
(CONTINUED)

SUBSTANTIAL ORDINARY SHAREHOLDERS
(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	%*	Indirect Shareholdings	% *
Tan Sri Dato' Khoo Chai Kaa	-	-	69,230,934 [(a)]	5.17
Brem Properties Sdn. Bhd.	-	-	69,230,934 [(a)]	5.17
Brem Holding Berhad	-	-	69,230,934 [(a)]	5.17
Titi Kaya Sdn. Bhd.	69,230,934	5.17	-	-
Lim Poh Yit	66,101,628	4.93	764,964,774 [(b)]	57.09
Lim Puay Fung	490,000	0.04	764,964,774 [(b)]	57.09
Titijaya Group Sdn. Bhd.	764,964,774	57.09	-	-

Notes:-
* Excluding a total of 90,996,700 ordinary shares bought-back by the Company and retained as treasury shares as at 6 October 2022.
(a) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by Titi Kaya Sdn. Bhd.
(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS
(According to the Register of Depositors as at 6 October 2022)

No.	Name of Shareholders	No. of Shares	% *
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	194,700,000	14.53
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (6000103)	96,400,000	7.19
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	89,000,000	6.64
4	TITIJAYA GROUP SDN. BHD.	86,764,774	6.48
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN. BHD. (MAYBANK SG)	72,000,000	5.37
6	TITI KAYA SDN. BHD.	69,230,934	5.17
7	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	61,800,000	4.61
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66589 T CL)	51,700,000	3.86
9	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	49,248,960	3.68

Analysis of Shareholdings
(CONTINUED)

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	% *
10	TITIJAYA GROUP SDN. BHD.	40,800,000	3.04
11	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	40,268,560	3.01
12	TOKYU LAND ASIA PTE. LTD.	39,655,172	2.96
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	38,130,000	2.85
14	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.54
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.54
16	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	32,000,000	2.39
17	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	23,500,000	1.75
18	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	18,804,600	1.40
19	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT-AMBANK (M) BERHAD FOR SUTERA BANGSA SDN. BHD. (SMART)	18,363,000	1.37
20	OOI CHIENG SIM	16,826,760	1.26
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	16,500,000	1.23
22	LIM POH YIT	13,397,028	1.00
23	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	12,921,300	0.96
24	PARK AVENUE CONSTRUCTION SDN. BHD.	12,000,000	0.90
25	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	11,013,000	0.82
26	LEW ASSETS SDN. BHD.	7,558,210	0.56
27	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	6,400,000	0.48
28	PROGEREX SDN. BHD.	5,982,780	0.45
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	5,831,400	0.44
30	TAN HOE HONG	3,860,000	0.29

LIST OF TOP 10 PROPERTIES

No.	Location	Usage	Tenure	Land Area (sq. ft)	NBV RM	Age of the Building (years)	Date of Revaluation / Acquisition
1	Lot 1233 (PT 110), Section 69, Jalan Sultan Abdul Samad, Brickfields, Kuala Lumpur	On Going Development Project Riveria Future Development Future Project	99 year lease expiring on 11 March 2114	132,640	371,581,918	-	21/03/2018
2	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	On Going Development Project Neu Suites, Newton Future Development Future Project	99 year lease expiring on 20 May 2113	263,974	366,212,291	-	08/11/2016
3	Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang	Land Future Development	99 year lease expiring on 2 April 2095	889,530	191,103,480	-	22/09/2021
4	Town Lease 017526475, Jalan Fuad Stephens District of Kota Kinabalu, Sabah	On Going Mix-Development Project The Shore	99 year lease expiring on 31 December 2071	79,323	141,973,326	-	23/11/2017
5	Lot 85722, 85723, Mukim Bukit Raja, District Petaling	On Going Development Project Seiring Future Development Future Project	Freehold	1,810,354	59,471,359	-	18/12/2017
6	Lot No. PT 2562 Section 13, Bandar Shah Alam, Petaling, Selangor	Commercial Land, Monfort, TRIO Agriculture Land, Monfort, TRIO	Freehold	701,979	54,646,346	-	29/01/2021
7	Town Lease 117508684, Jalan Pantai, District of Lahat Datu, Sabah	Future Development Project FPCC	99 year lease expiring on 31 December 2087	1,048,489	27,136,890	-	23/11/2017
8	Lot PT 18223, Mukim Ulu Kelang, District of Gombak, Selangor	Future Development Project Embun @ Kemensah	Freehold	641,152	26,270,642	-	03/07/2007
9	Lebuh Sungai Kapar Indah, Sungai Kapar Indah 2, Mukim of Kapar, Klang, Selangor Darul Ehsan	Future Development Seri Residensi	Freehold	1,032,938	21,596,033	-	20/01/2017
10	LOT 11979 Mukim Ampang Negeri Wilayah Persekutuan Kuala Lumpur	Residential Future Development	99 year lease expiring on 14 August 2113	296,546	19,628,543	-	28/09/2017

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting ("**AGM**") of TITIJAYA LAND BERHAD ("**Company**") will be held at Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**
2. To approve the payment of Directors' fees amounting to RM388,100.00 for the financial year ended 30 June 2022. **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 30 November 2022 until the next AGM of the Company in year 2023. **Ordinary Resolution 2**
4. That the following Directors who retire pursuant to Clause 122 of the Company's Constitution, have expressed their intention not to seek re-election:- **[Please refer to Note (c)]**
   (i) Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*
   (ii) Dato' Mohd Ibrahim Bin Mohd Nor
   (iii) Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
5. To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. **Ordinary Resolution 3**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION** **Ordinary Resolution 4**
   Authority to Issue Shares pursuant to the Companies Act 2016

   "**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being;

   THAT the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad;

   AND THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

   AND FURTHER THAT pursuant to Section 85 of the Companies Act 2016 which is to be read together with Clause 17 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company pursuant to the Companies Act 2016."

Notice of the Tenth Annual General Meeting
(CONTINUED)

7. **ORDINARY RESOLUTION** **Ordinary Resolution 5**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Titijaya Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Part A, Section 2.5 of the Circular to Shareholders dated 28 October 2022, provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
(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 Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;-

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

8. **ORDINARY RESOLUTION** **Ordinary Resolution 6**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back")

"**THAT** subject to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

Notice of the Tenth Annual General Meeting

(CONTINUED)

8. **ORDINARY RESOLUTION (continued)**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back") (continued) — **Ordinary Resolution 6**

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will 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 after that date is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;-

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

9. **Retirement of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director**
That Datuk Seri Ch'ng Toh Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, has indicated his intention to retire as an Independent Non-Executive Director of the Company and will not seek retention in accordance with the Malaysian Code on Corporate Governance 2021. — **[Please refer to Note (h)]**

10. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
TAN LEY THENG (SSM PC No.: 201908001685) (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
28 October 2022

Notice of the Tenth Annual General Meeting

(CONTINUED)

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **23 November 2022** shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
2. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the appointer is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at One Capital Market Services Sdn. Bhd. at Level 18, Plaza VADS, No.1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTE (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(a) Ordinary Resolution 1 – Directors' Fees

For the financial years ended 30 June 2020 and 30 June 2021, the Directors' fees had been reduced to RM271,670 (30% reduction) when compared to the amount of RM388,100 approved at the Seventh AGM held on 28 November 2019.

The amount of Directors' fees of up to RM388,100 for the financial year ended 30 June 2022 (2021: RM271,670) under the proposed Ordinary Resolution 1, is the reinstated amount to its original quantum and will only be made if the said Ordinary Resolution 1 is passed at the Tenth AGM of the Company.

(b) Ordinary Resolution 2 – Benefits of Directors

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits to the Non-Executive Directors up to an amount of RM100,000.00 with effect from 30 November 2022 until the next AGM of the Company in year 2023 ("**Period**"). The Directors' benefits payable for the Period comprise the following:-

Description	Non-Executive Director	Remarks
Meeting Allowance		The meeting allowance shall only be paid whenever meetings are called during the Period
(a) Board Meeting	RM1,000 per meeting	
(b) Audit Committee Meeting	RM800 per meeting	
(c) Board Risk Management Committee Meeting	RM800 per meeting	
(d) Remuneration Committee Meeting	RM500 per meeting	
(e) Nomination Committee Meeting	RM500 per meeting	
(f) General Meeting	RM1,000 per meeting	
(g) Ad-hoc/special/emergency Meeting, if any	RM500 per meeting	
Insurance Allowance	RM2,000 per year	-

Notice of the Tenth Annual General Meeting

(CONTINUED)

(c) Re-election of Directors

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), Dato' Mohd Ibrahim Bin Mohd Nor and Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir ("**Retiring Directors**") are standing for re-election as Directors of the Company.

The Board has, through the Nomination Committee ("**NC**"), considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The Board endorsed the NC's recommendation on the re-election of the Retiring Directors.

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), Dato' Mohd Ibrahim Bin Mohd Nor and Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir who retire in accordance with Clause 122 of the Company's Constitution, have expressed their intention not to seek re-election. Hence, they will hold office as Directors until the conclusion of the Tenth AGM of the Company.

(d) Ordinary Resolution 3 – Re-appointment of Auditors

The performance and effectiveness of Baker Tilly Monteiro Heng PLT had been evaluated by the Audit Committee ("**AC**"), which included an assessment of the independence and objectivity of Baker Tilly Monteiro Heng PLT.

The AC, being satisfied with the performance, suitability and independence of Baker Tilly Monteiro Heng PLT as external auditors, had recommended to the Board that Baker Tilly Monteiro Heng PLT be re-appointed at the Tenth AGM and its remuneration be determined by the Board. The Board in turn had endorsed the AC's recommendation.

(e) Ordinary Resolution 4

Authority to Issue Shares Pursuant to the Companies Act 2016

The Company had been granted a general mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 by its shareholders at the Ninth AGM of the Company held on 25 November 2021 ("**Previous Mandate**").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

The proposed Ordinary Resolution 4, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund-raising activities, including but not limited to placement of shares for the purpose of funding Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 17 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 4, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

(f) Ordinary Resolution 5

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Ordinary Resolution 5, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Notice of the Tenth Annual General Meeting
(CONTINUED)

Detailed information of the Proposed Renewal of Shareholders' Mandate is set out in Part A of the Circular/Statement to Shareholders dated 28 October 2022 circulated together with this Annual Report.

(g) Ordinary Resolution 6

Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed adoption of the Ordinary Resolution 6, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Circular/Statement to Shareholders dated 28 October 2022 circulated together with this Annual Report.

(h) Retirement of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and has served the Board in that capacity for a cumulative term of more than nine (9) years.

At the Ninth AGM of the Company held on 25 November 2021, Datuk Seri Ch'ng Toh Eng was retained to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

Datuk Seri Ch'ng Toh Eng has indicated his intention to retire as an Independent Non-Executive Director at the Tenth AGM of the Company. Hence, Datuk Seri Ch'ng Toh Eng shall hold office as an Independent Non-Executive Director until the conclusion of the Tenth AGM of the Company.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no Directors standing for election as Director of the Company at the Tenth Annual General Meeting.

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FORM OF PROXY

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

TITIJAYA LAND BERHAD

[Registration No. 201201024624 (1009114-M)]

*I/We,

Full Name (In Block):	**CDS Account No.:**	**No. of Shares Held:**
Address:	**NRIC/Passport/Registration No.:**	
	Contact No.:	**Email Address:**

being a *member / members of **TITIJAYA LAND BERHAD ("Company")**, do hereby appoint:

First Proxy "A"

Full Name (In Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
Address:	**Email:**	**No. of Shares**	**%**
	Contact:		

*AND

***Second Proxy "B"**

Full Name (In Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
Address:	**Email:**	**No. of Shares**	**%**
	Contact:		

*or failing him/her, the CHAIRMAN OF THE MEETING as * my/our proxy to vote for * me/us on * my/our behalf at the Tenth Annual General Meeting ("AGM") of the Company to be held at Dorsett Grand Subang, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 10:00 a.m. or at any adjournment thereof.

**strike out whichever not applicable*

My / Our proxy(ies) is / are to vote as indicated below:-

	ORDINARY RESOLUTION	**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees amounting to RM388,100.00 for the financial year ended 30 June 2022.		
2.	To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 30 November 2022 until the next AGM of the Company in year 2023.		
3.	To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration.		
4.	Authority to Issue Shares pursuant to the Companies Act 2016.		
5.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
6.	Proposed Renewal of Authority for the Company to Purchase its Own Shares.		

Please indicate with an "X" in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ________day of ____________________2022.

____
Signature of Member/Common Seal

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 23 November 2022 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
2. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the appointer is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at One Capital Market Services Sdn. Bhd. at Level 18, Plaza VADS, No.1, Jalan Tun Mohd Fuad, Taman Tun Dr Ismail, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

PLEASE FOLD ALONG THIS LINE (1)

Postage Stamp

The Registrar
TITIJAYA LAND BERHAD
[Registration No. 201201024624 (1009114-M)]

Level 18, Plaza VADS,
No. 1, Jalan Tun Mohd Fuad,
Taman Tun Dr Ismail,
60000 Kuala Lumpur.

PLEASE FOLD ALONG THIS LINE (2)

1300 22 9898
www.titijaya.com.my

TITIJAYA LAND BERHAD Registration No. 201201024624 (1009114-M)

Head Office
N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Fax: 03-8022 9888 Email: sales@titijaya.com.my