



Y&G 集團
CORPORATION BHD
196501000612 (6403-X)

ANNUAL REPORT 2023

To Strive To Be Relevant,
Together We Build A Sustainable Tomorrow

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Form of Proxy

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Eight Annual General Meeting (“**58th AGM**” or “**Meeting**”) of **Y&G CORPORATION BHD.** (“**the Company**”) will be held and conducted on a virtual basis through live streaming and online remote voting via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. from the Broadcast Venue at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia on **Wednesday, 29 May 2024 at 11.00 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note B)**
2. To approve the payment of Directors’ fees of up to RM320,000 for the financial year ended 31 December 2023. **Ordinary Resolution 1**
(Please refer to Note C)
3. To re-elect the following Directors who retire by rotation pursuant to Clause 137 of the Company’s Constitution:
 - (i) En. Mohd Shafizan bin Shahbudin; and **Ordinary Resolution 2**
 - (ii) Mr. Tan Kak Teck **Ordinary Resolution 3**
 To re-elect the following Directors who retire by casual vacancy pursuant to Clause 122 of the Company’s Constitution:
 - (iii) Mr. Lee Szed Kee; and **Ordinary Resolution 4**
 - (iv) Ms. Amy Chan Chen Chen **Ordinary Resolution 5**
(Please refer to Note D)
4. To re-appoint Messrs. T. H. Kuan & Co. as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**
(Please refer to Note E)

AS SPECIAL BUSINESS

To consider and if thought fit, pass with or without any modifications, the following resolutions:

5. ORDINARY RESOLUTION

Payment of Directors’ Allowances to Non-Executive Directors

“**THAT** the payment of Directors’ allowances of up to RM12,500 per month to Non-Executive Directors of the Company for the period commencing 1 June 2024 to the date of the next annual general meeting be and is hereby approved.”

Ordinary Resolution 7
(Please refer to Note F)

6. ORDINARY RESOLUTION

Proposed Retention of Independent Non-Executive Director

“**THAT** Mr. Tan Kak Teck, who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, shall continue to act as Independent Non-Executive Director of the Company.”

Ordinary Resolution 8
(Please refer to Note G)

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. ORDINARY RESOLUTION

Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting (“**Mandate**”);

Ordinary Resolution 9
(Please refer to Note H)

THAT approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 and Clause 68 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

AND THAT the Board of Directors of the Company be exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate.”

8. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
Y&G CORPORATION BHD.

CHANG NGEE CHUANG (MAICSA 7077854) (SSM PC No. 201908001421)
Company Secretary
Kuala Lumpur
29 April 2024

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

A. Appointment of Proxy(ies)

(i) The 58th AGM will be held and conducted on a virtual basis through live streaming and online remote voting using remote participation and voting (“**RPV**”) facilities.

(ii) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 58th AGM.

No member(s) or proxy(ies)/corporate representative(s)/attorney(s) shall be physically present or allowed to enter the Broadcast Venue on the day of the 58th AGM.

(iii) A member of the Company entitled to attend and vote is entitled to appoint another person as his/her/its proxy to exercise all or any of his/her/its rights to attend, participate (including to pose questions to the Board of Directors (“**Board**”) of the Company) and vote in his/her/its stead.

A member who wishes to appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote at the 58th AGM via the RPV facilities must request his/her/its proxy(ies)/corporate representative(s)/attorney(s) to register himself/herself/themselves for the RPV facilities at www.swsb.com.my. Please read and follow the procedures as set out in the Administrative Guide of the 58th AGM which can be downloaded from Company’s announcement on Bursa Malaysia Berhad’s website at www.bursamalaysia.com in order to register, participate and vote remotely via the RPV facilities.

(iv) A member of the Company may appoint not more than two (2) proxies to attend the Meeting, provided that the member specifies the proportion of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

(v) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

(vi) Where a member 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. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(vii) The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the share registrar office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

A. Appointment of Proxy(ies) (Cont'd)

- (viii) Subject to the Constitution, members may deposit the instrument appointing the proxy(ies) by electronics means by way of submitting the instrument to the e-mail address ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (ix) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
- (x) For the purpose of determining a member who shall be entitled to attend the 58th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 80(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 May 2024. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 May 2024 shall be eligible to attend, participate and vote at the Meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
- (xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Note on Ordinary Business

B. Audited Financial Statements for the Financial Year Ended 31 December 2023

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

C. Ordinary Resolution 1: Payment of Directors' Fees

Section 230(1) of the Companies Act 2016 provides that the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the financial year ended 31 December 2023.

D. Ordinary Resolutions 2 to 5: Re-election of Directors

En. Mohd Shafizan bin Shahbudin and Mr. Tan Kak Teck ("Retiring Directors"), who retire by rotation in accordance with Clause 137 of the Company's Constitution, are eligible and have offered themselves for re-election as Directors at the 58th AGM of the Company.

Mr. Lee Szed Kee and Ms. Amy Chan Chen Chen ("Retiring Directors"), who retire in accordance with Clause 122 of the Company's Constitution, are eligible and have offered themselves for re-election as Directors at the 58th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

D. Ordinary Resolutions 2 to 5: Re-election of Directors (Cont'd)

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 58th AGM, the Board through its Nomination Committee had assessed the Retiring Directors, and considered the following:

- (a) The Directors' performance and contribution;
- (b) The Directors' skills, experience and strength in qualities;
 - (i) The level of independence demonstrated by the Independent Non-Executive Director;
 - (ii) The Directors' ability to act in the best interest of the Company in decision-making; and
 - (iii) The Directors' fitness and propriety with reference to the Directors' Fit and Proper Policy.

The Retiring Directors had abstained themselves from all deliberations and decisions on their own respective proposed re-election as Directors at the Board of Directors' Meeting.

E. Ordinary Resolution 6: Re-appointment of Auditors

The Audit and Risk Committee ("ARC") has assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Messrs. T. H. Kuan & Co. as External Auditors of the Company for the financial year ending 31 December 2024. The Board has reviewed the recommendation of the ARC and recommended the same for the shareholders' approval at the 58th AGM of the Company.

Explanatory Notes on Special Business

F. Ordinary Resolution 7: Payment of Directors' Allowances to Non-Executive Directors

Ordinary Resolution 7 is to approve the payment of Directors' allowances to the five (5) Non-Executive Directors of the Company of up to RM12,500 per month for the period commencing 1 June 2024 to the date of the next annual general meeting. The Board is of the view that it is just and equitable for the Directors to be paid the allowances for them to discharge their responsibilities and render their services to the Company.

G. Ordinary Resolution 8: Proposed Retention of Independent Non-Executive Director

The proposed Ordinary Resolutions 8, if passed, will allow Mr. Tan Kak Teck to continue to act as Independent Non-Executive Directors to fulfil the requirement of Paragraph 15.02 of Bursa Securities' Main Market Listing Requirements. The full details of the Board's justification and recommendations for the retention of Mr. Tan Kak Teck as Independent Non-Executive Directors are set out on page 45 & 46 of the Corporate Governance Overview Statement in the Annual Report 2023.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021, the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

G. Ordinary Resolution 8: Proposed Retention of Independent Non-Executive Director (Cont'd)

Under the two-tier voting process, shareholders' votes will be cast in the following manner at the Meeting:

- Tier 1: Only the *Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than *Large Shareholders votes

*Large Shareholder means a person who –

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- is the largest shareholder of voting shares in the Company;
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

H. Ordinary Resolution 9: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 9 is proposed pursuant to Sections 75 and 76 of the Companies Act 2016 for the purpose of obtaining a renewed general mandate ("Renewed General Mandate"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of ordinary shares issued pursuant to the Renewed General Mandate does not exceed ten per centum (10%) of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Renewed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier. This Renewed General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Ordinary Resolution 9, if passed, would be tantamount to shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares pursuant to the Renewed General Mandate, which will result in a dilution to the shareholders' shareholdings in the Company.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the Fifty-Seven Annual General Meeting of the Company held on 31 May 2023 and it will lapse at the conclusion of this 58th AGM.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Personal Data Privacy:

By lodging of a completed Form of Proxy with the share registrar office of the Company for appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate and vote at the 58th AGM and any adjournment thereof, a member of the Company is hereby: (i) consenting to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) or corporate representative(s) or attorney(s) appointed for the 58th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 58th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warranting that where the member discloses the personal data of the member's proxy(ies) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(s) for the Purposes ("**Warranty**"); and (iii) agreeing that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING NOTICE OF FIFTY-EIGHT ANNUAL GENERAL MEETING (“58th AGM”)

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. No individual is seeking election as a Director of the Company at the 58th AGM.
2. Details of the general mandate to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note H of the Notice of 58th AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Boon Hong @ Lee Boon Keong	Non-Independent Non-Executive Chairman
Dato' Sri Yap Seng Yew	Managing Director
Datin Sri Gan Li Li	Deputy Managing Director
Dato' Yap Jun Jien	Executive Director
Mohd Shafizan Bin Shahbudin	Non-Independent Non-Executive Director
Tan Kak Teck	Independent Non-Executive Director
Lee Szed Kee	Independent Non-Executive Director
Amy Chan Chen Chen	Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Tan Kak Teck (Chairman)
 Lee Boon Hong @ Lee Boon Keong
 Mohd Shafizan Bin Shahbudin
 Lee Szed Kee
 Amy Chan Chen Chen

REMUNERATION COMMITTEE

Dato' Yap Jun Jien (Chairman)
 Lee Boon Hong @ Lee Boon Keong
 Mohd Shafizan Bin Shahbudin
 Lee Szed Kee
 Amy Chan Chen Chen

REGISTERED OFFICE

2nd Floor, No. 2, Jalan Sri Hartamas 8
 Sri Hartamas, 50480 Kuala Lumpur
 Wilayah Persekutuan (KL)
 Email : cosec@shareworks.com.my
 Tel : 03 - 6201 1120
 Fax : 03 - 6201 3121

AUDITORS

T. H. Kuan & Co. (AF : 1216)
 Chartered Accountants
 No. 26A, Jalan 21/19, SEA Park,
 46300 Petaling Jaya,
 Selangor Darul Ehsan.
 Tel : 03 - 7875 8200 Fax: 03 - 78771820

PRINCIPAL BANKERS

Hong Leong Bank Berhad
 AmBank (M) Berhad
 Alliance Bank Malaysia Berhad
 RHB Bank Berhad

NOMINATION COMMITTEE

Mohd Shafizan Bin Shahbudin (Chairman)
 Lee Boon Hong @ Lee Boon Keong
 Tan Kak Teck
 Lee Szed Kee
 Amy Chan Chen Chen

COMPANY SECRETARY

Chang Ngee Chuang
 (MAICSA 7077854)
 SSM PC No. 201908001421

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
 No. 2-1, Jalan Sri Hartamas 8
 Sri Hartamas, 50480 Kuala Lumpur
 Wilayah Persekutuan (KL)
 Email : ir@shareworks.com.my
 Tel : 03 - 6201 1120 Fax : 03 - 6201 3121

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
 (Main Market)
 Stock Code : 7003
 Stock Name : Y&G

WEBSITE

www.ygcorp.com.my

DIRECTORS' PROFILE

LEE BOON HONG @ LEE BOON KEONG

Non-Independent Non-Executive Chairman

aged 71, Male, Malaysia

Mr. Lee was appointed to the Board on 11 March 2005 and re-designated as an Independent Non-Executive Chairman on 12 May 2008. He was further re-designated to Non-Independent Non-Executive Chairman on 1 June 2023. He holds a BA (Hons) degree in Interior Architecture, University of Teesside (formerly known as Teesside Polytechnic), United Kingdom. He currently serves on the Board of Directors of an oil palm plantation company. Mr. Lee serves as a member of the Audit and Risk Committee, Remuneration Committee and Nomination Committee of the Company. He does not have any conflict of interest with the Company, and is not having any family relationship with any Directors and/or major shareholders of the Company.

DATO' SRI YAP SENG YEW

Managing Director/Key Senior Management

aged 65, Male, Malaysia

Dato' Sri Yap was appointed as the Executive Director of the Company on 20 December 2004 and re-designated as Managing Director on 11 March 2005. Upon the completion of his studies, he ventured into the business of property development, building construction and civil engineering industries. Over the past 30 years, he has been actively involved in the management of various developments, and hence has gathered extensive experience and expertise especially in the housing and property development sectors. Dato' Sri Yap is a major shareholder of the Company and he is the spouse of the Deputy Managing Director, Datin Sri Gan Li Li and father of the Executive Director, Dato' Yap Jun Jien and father of a major shareholder, Mr. Yap Jun Wei. He does not have any conflict of interest with the Company.

DATIN SRI GAN LI LI

Deputy Managing Director/Key Senior Management

aged 63, Female, Malaysia

Datin Sri Gan was appointed as the Executive Director of the Company on 20 December 2004 and then re-designated as Deputy Managing Director on 11 March 2005. She has been actively involved in the operations of the Company over the years and amassed vast experience in the housing and property development businesses. Datin Sri Gan is a major shareholder of the Company and she is the spouse of Dato' Sri Yap Seng Yew and mother of Dato' Yap Jun Jien and Mr. Yap Jun Wei. She does not have any conflict of interest with the Company.

DATO' YAP JUN JIEN

Executive Director/Key Senior Management

aged 42, Male, Malaysia

Dato' Yap was appointed as the Executive Director of the Company on 1 December 2007. He has also served as the Chairman of the Company's Remuneration Committee since 1 December 2007. He holds a Civil Engineering degree from the University of Nottingham, United Kingdom. Dato' Yap is a major shareholder of the Company and he is the son of Dato' Sri Yap Seng Yew and Datin Sri Gan Li Li. He is also the brother of Mr. Yap Jun Wei, a major shareholder of the Company. He does not have any conflict of interest with the Company.

DIRECTORS' PROFILE (Cont'd)

MOHD SHAFIZAN BIN SHAHBUDIN

Non-Independent Non-Executive Director

aged 50, Male, Malaysia

Encik Mohd Shafizan was appointed to the Board on 11 March 2005. He was re-designated to Non-Independent Non-Executive on 1 June 2023. An advocate and solicitor by profession, he graduated from University of Malaya with a LLB (Hons) degree. He is the Chairman of the Company's Nomination Committee and also a member of both Audit and Risk Committee and Remuneration Committee. He does not have any conflict of interest with the Company, and is not having any family relationship with any Directors and/or major shareholders of the Company.

TAN KAK TECK

Independent Non-Executive Director

aged 65, Male, Malaysia

Mr. Tan was appointed to the Board on 3 October 2014. A Chartered Accountant by profession, he is a member of Malaysian Institute of Accountants and a Fellow Member of Association of Chartered Certified Accountants. He is the Chairman of the Audit and Risk Committee and a member of Nomination Committee of the Company. Currently, he is a partner of a Chartered Accountant firm in Kuala Lumpur. Mr. Tan does not have any conflict of interest with the Company, and is not having any family relationship with any directors and/or major shareholders of the Company.

LEE SZED KEE

Independent Non-Executive Director

aged 63, Male, Malaysia

Mr. Lee was appointed to the Board on 29 August 2023. A Chartered Accountant by profession, he graduated from University of Malaya with Bachelor's Degree of Accounting (HONS) and is a member of Malaysian Institute of Accountants. He is a member of the Company's Audit and Risk, Remuneration and Nomination Committees. Mr Lee does not have any conflict of interest with the Company, and is not having any family relationship with any directors and/or major shareholders of the Company.

AMY CHAN CHEN CHEN

Independent Non-Executive Director

aged 39, Female, Malaysia

Ms. Amy was appointed to the Board on 29 August 2023. She holds a Bachelor's Degree (Hons) in Mass Communication, University Sains Malaysia. She is a member of the Company's Audit and Risk, Remuneration and Nomination Committees. Ms. Amy does not have any conflict of interest with the Company, and is not having any family relationship with any directors and/or major shareholders of the Company.

DIRECTORS' PROFILE (Cont'd)

KEY SENIOR MANAGEMENT's PROFILE

YAP JUN WEI

Key Senior Management

aged 40, Male, Malaysia

Mr Yap was appointed as the Corporate cum Project Planning Manager of the Company and its subsidiaries since 2 January 2009. He graduated with a B.Sc Actuarial Science from London School of Economics and a Master of Philosophy from University of Cambridge, United Kingdom. He is responsible for the corporate affairs, project development planning and marketing of the Group. He is a major shareholder of the Company. He is the son of Dato' Sri Yap Seng Yew and Datin Sri Gan Li Li and the brother of Dato' Yap Jun Jien. He does not have any conflict of interest with the Company.

OTHER INFORMATION

Directorship in other Public Companies and Listed Companies

None of the Directors/Key Senior Management holds any directorship in other public companies and listed companies.

Conviction of Offences

Other than traffic offences, if any, the Directors/Key Senior Management have not been convicted of any offences within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

Attendance of Board Meetings

The Directors' attendance of the Board of Directors' Meetings for the financial year 2023 is presented on page 41 of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year ended 31 December 2023 (“**FY2023**”), the principal activities of the Group remain as property development.

ECONOMIC OVERVIEW

Malaysia reported a Gross Domestic Product (“GDP”) of 3.7% in 2023 (2022: 8.7%). Overall, Malaysia’s economic performance in 2023 was normalised to 3.7%, after a strong growth registered in the previous year. This was mainly due to the slower global trade, the global tech downcycles, geopolitical tensions and tighter monetary policies. Export, however, remained subdued due to prolonged weakness in external demand. Household spending remained supported by improving labour market conditions and easing cost pressures.

The unemployment rate fell to the pre-pandemic level of 3.3% (2022: 3.6%).

For 2023, the inflation declined to 2.5%. (2022: 3.0%)

Source: Bank Negara Malaysia (“BNM”) & Department of Statistics Malaysia (“DOSM”)

OVERVIEW OF BUSINESS AND OPERATIONS

FY2023 unfolded with new challenges and opportunities.

In comparison to the financial year ended 31 December 2022 (“**FY2022**”), the property sector experienced a recovery and growth in terms of transactions and value for the year under review. This development is primarily underpinned by the full resumption of economic activities and the lifting of any movement restrictions. However, the property sector continues to face challenges in rising building material costs, and workforce shortages which impact construction activity and productivity.

The status quo results of the 6-state Election in 2023 where the current unity government parties hold on to the states’ administration of Selangor, Penang and Negeri Sembilan, pose no danger at the federal level. It would hopefully put a stop to the political instability and create an environment that will be able to attract more investors as well as promote economic growth.

In FY2023, the Group has neither acquired nor disposed of any land and therefore, the land bank stands at 269.7 acres.

The construction works of Project Trifolia which consists of 3 blocks of apartments and shops (589 units), were completed with Certificate of Completion and Compliance (“CCC”) obtained in June 2023. The completed timeline was within the extended timeline granted by the Ministry of Housing and Local Government. Out of the 3 blocks of Apartment, Block B and Block C were 99.7% sold in 2023. The Group commenced the handover of the vacant possession to Purchasers in July 2023 for Block B and Block C.

In July 2023, the Group launched the remaining block of Project Trifolia (Block A) which features 120 completed units of apartments for sale. By December 2023, the Group has achieved a remarkable take-up rate of 91%.

Moving forward, the Group remains committed to sourcing for potential and strategic land banks, in line with its objective of sustaining its core business as a property developer. In addition, the Group would continue with its prudent strategy with regards to embarking on new property development projects plans and launches.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF FINANCIAL RESULTS

In FY2023, the Group reported a lower revenue of RM38.7 million, compared to RM64.8 million in FY2022, representing a decrease of 40% or RM26.1 million. The drop in revenue was mainly due to the low inventory for sale and the absence of new project launch.

On the back of the shrink in revenue as abovementioned, the Group's profit after tax decreased by RM3.4 million to RM6.3 million in FY2023 compared to RM9.7 million reported in FY2022.

The Group's balance sheet remains solid and robust.

Land Held for Property Development ("LHFPD"), Inventories, Trade Receivables ("TR"), remain as the major components of the Group's assets.

The Group's Net Tangible Asset expanded by RM6.3 million as compared to FY2022. The increase can be largely attributed to the following factors:

- The increase in LHFPD by RM22.8 million was mainly due to the earthworks commencement for the forthcoming new launch projects and construction materials purchased during the year.
- The increase in Inventories by RM3.9 million was mainly due to the addition of Project Trifolia (Block A) after its completion with CCC obtained.
- The increase in TR by RM16.1 million was mainly due to the billing issued but yet to be settled by the Purchasers or their end-financiers for Project Trifolia (Block A). Such debts with aging from 30 days to 60 days are from Purchasers who have obtained end-financing.

As compared to FY2022, save for the lower revenue mentioned above, there were no significant changes to the components of the Group's income and expenses for FY2023.

Notwithstanding the above, the shareholder's equity has increased to RM318.9 million (FY2022: RM312.6 million) with net tangible assets of RM1.46 (FY2022: RM1.43) per share. The market capitalization was higher at RM183.5 million as compared to FY2022 (FY2022: RM154.0 million) based on its closing market price of RM0.84 per share as of the last trading day in FY2023.

For further information about our financial results, please kindly refer to our past Five (5) Years' Financial Highlights on page 62 of this Annual Report.

DIVIDEND

The Board of Directors ("Board") acknowledges the importance of rewarding and providing a return to shareholders yearly through the payment of dividends. However, in light of the near to medium-term global macroeconomic uncertainties, heightened geopolitical tension, weakening currency, and escalating energy prices, the Board is of the view that conserving the cash as well as retaining the financial flexibilities for upcoming new launch projects and acquisition of strategic landbank prevail. As such, the Board does not recommend the payment of any dividend at the forthcoming 58th AGM.

The Board remains committed to achieving long-term growth and delivering sustainable returns for shareholders. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management to ensure the shareholders may participate in the profits of the Group in the future.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

OUTLOOK AND FUTURE PROSPECTS

In 2024, Malaysia's medium to long-term growth outlook remains favourable, supported by a resilient domestic financial system.

The removal of subsidies plan under Budget 2024 is expected to exert upward pressure on inflation in the near term. Nevertheless, the Government's commitment to containing living costs, increasing wage growth and enhancing welfare reflects a proactive stance.

In the 2024 Budget, the government's fiscal policies such as the full exemption on stamp duty for first-time house buyers, the increase of the Housing Credit Guarantee Scheme to RM10 billion, and the liberalisation of Malaysia My Second Home demonstrate the government's commitment to stimulating the property market.

In view of the completion of ongoing projects and low inventory for sale in FY2023, in 2024, the Group will be focusing on launching at least two new projects.

In addition, the Group is committed to leveraging and monetising the existing inventories to further enhance the financial position of the Group.

On top of that, the existing land bank on hand would enable the Group to deliver sustainable long-term growth for all stakeholders.

Concurrently, the Group will continue to drive sales momentum and intensify its marketing strategies of utilising digital marketing and virtual technologies and participating in various digital events to increase the visibility and awareness of its projects, hence generating new leads, and boosting sales. In addition, we strive to work closely with the end financiers and potential home buyers to address and overcome the issues of stringent financing and loan rejection.

Moving ahead, the Group's priority is to actively keep an eye on its liquidity and cash flow whilst adopting prudent risk management and rigorous cost-optimisation measures to ensure business sustainability.

The Group will continue to leverage its strategic objectives and enhance its business processes and corporate governance while focusing on building quality and value engineering. These objectives include investing in land banking opportunities for creating long-term value for our stakeholders.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Y&G Corporation Bhd. and its subsidiaries (“**the Group**”) have progressed significantly over the years in our sustainability performance and are pleased to present our Sustainability Statement. Despite the challenging environment, the Group remained resilient and resolute in its commitment to embedding sustainability in its business.

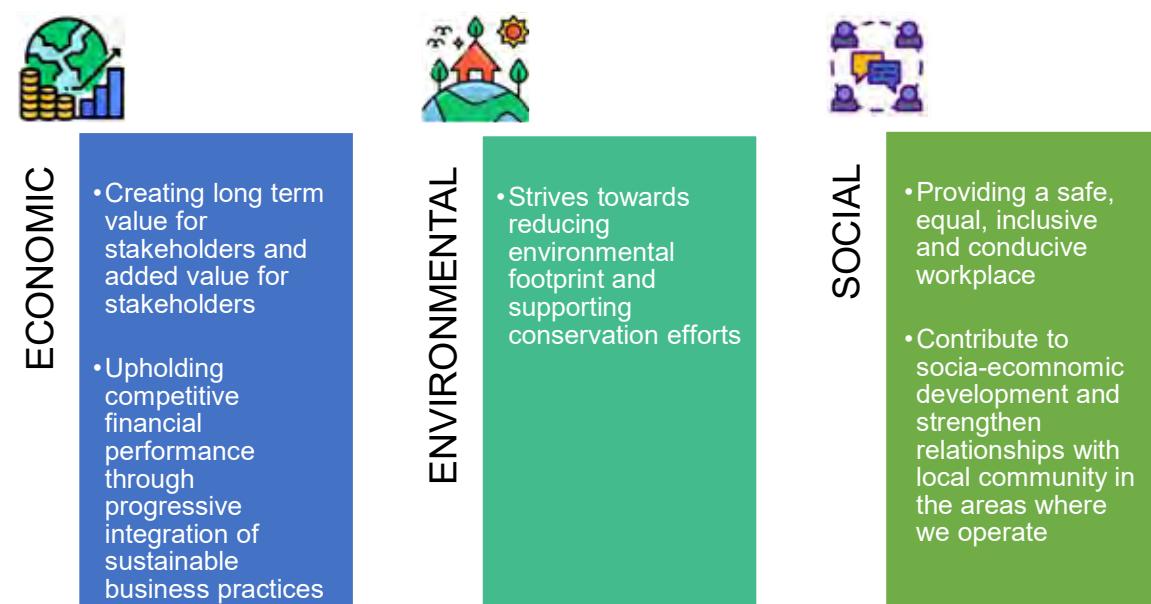
In this statement, we disclose progress in Economic, Environmental, and Social (“**EES**”) practices and approaches to embed sustainability throughout our operations in Malaysia for the financial year ended 31 December 2023 (“**FY2023**”). It has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines and Bursa Malaysia Securities Berhad’s Sustainability Reporting Guidelines.

This Statement has been developed according to Bursa Malaysia’s Main Market Listing Requirements, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (“**GRI**”) Standards, and the United Nations Sustainable Development Goals (“**UNSDG**”).

In our efforts to adapt our EES reporting and strategies, we welcome and value your suggestions and comments that can be directed to:-

Head of Finance: Mr. Yap Yoon Sin
 Email : yoonsin.yap@ygc当地
 Mail Address : Lot G-01, Ground Floor,
 Tower B, PJ City Development,
 No.15A, Jalan 219, Seksyen 51A,
 46100 Petaling Jaya,
 Selangor Darul Ehsan.

While pursuing our business goals, we are committed to developing and publishing an overarching Sustainability Policy which consists of three guiding pillars as follows:-



SUSTAINABILITY STATEMENT

(Cont'd)

ABOUT THIS STATEMENT (Cont'd)

Our sustainability goals and efforts align with our commitment to be a positive contributor to people, communities, stakeholders and the environment. Sustainability practices underline our operations and are integrated into our organisational culture, stakeholder engagement, governance and processes.

SUSTAINABILITY GOVERNANCE STRUCTURE

Strong corporate governance is essential and vital to sustainable business operations. The Board of Directors ("Board") strive to always uphold a high standard of ethical behaviour in all aspects of our business. The Board abide by all the relevant laws, regulations and industry best practices in the jurisdictions that we operate.

The Board have streamlined the governance structure by consolidating the responsibilities of the Sustainability Committee under the Sustainability Reporting Working Group ("SRWG"). The SRWG comprises several key management personnel from finance, project, marketing, human resources & general administration and corporate planning, which was formed in 2019, overseeing the identification, implementation, monitoring and reporting on the sustainability strategies and practices of the Group. The SRWG works together with the Executive Director and comes under the direct purview of the Board to drive the sustainability strategy of the Group.

The sustainability governance structure is illustrated below:



SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY POLICY (“the Policy”)

The Group’s sustainability extends to the development of a Sustainability Policy. To ensure the Policy remains relevant to our operations, we commit to review the Policy on a periodical basis.

The Policy is endeavour to:

- Continuously assess and address significant economic, environmental and social concerns on our operations and incorporate these considerations into our business planning, decision-making and execution processes to ensure sustainability;
- Ensure compliance with relevant legislation, standards, policies and procedures;
- Ensure business activities are conducted ethically and transparently;
- Define targets and track sustainability performance;
- Improve efficiency in our operations;
- Maintain relationships with our stakeholders as we drive our sustainability journey; and
- Attract, develop, and retain talents by committing to fair employment practices, provision of career training and competitive remuneration packages.

STAKEHOLDERS’ ENGAGEMENT

Effective and continuous engagement and communication with our stakeholders are integral to business operations and enable us to assist the Group in determining our sustainability approach. We continue to align and adapt the Group’s focus to the changing priorities of our stakeholders. Through constant engagement with all stakeholders, we build mutual trust and gain better insight into the community’s needs as well as market trends which enables us to effectively formulate the Group’s sustainability strategies and practices.

The table below outlines the stakeholder groups, their area of interest and our methods of engagement during the reporting period:

Stakeholder	Area of interests	Methods of communication
Shareholders and Investors 	<ul style="list-style-type: none"> ❖ Return on investment ❖ Financial performance ❖ Branding ❖ Company's strategies and updates ❖ Corporate governance ❖ Risk management 	<p>Quarterly and as needed</p> <ul style="list-style-type: none"> • Corporate announcements <p>Annually</p> <ul style="list-style-type: none"> • Annual reports • Annual general meeting <p>Ongoing</p> <ul style="list-style-type: none"> • Company's website <p>As needed</p> <ul style="list-style-type: none"> • Investor relations • One-to-one or group meetings • Site visits

SUSTAINABILITY STATEMENT (Cont'd)

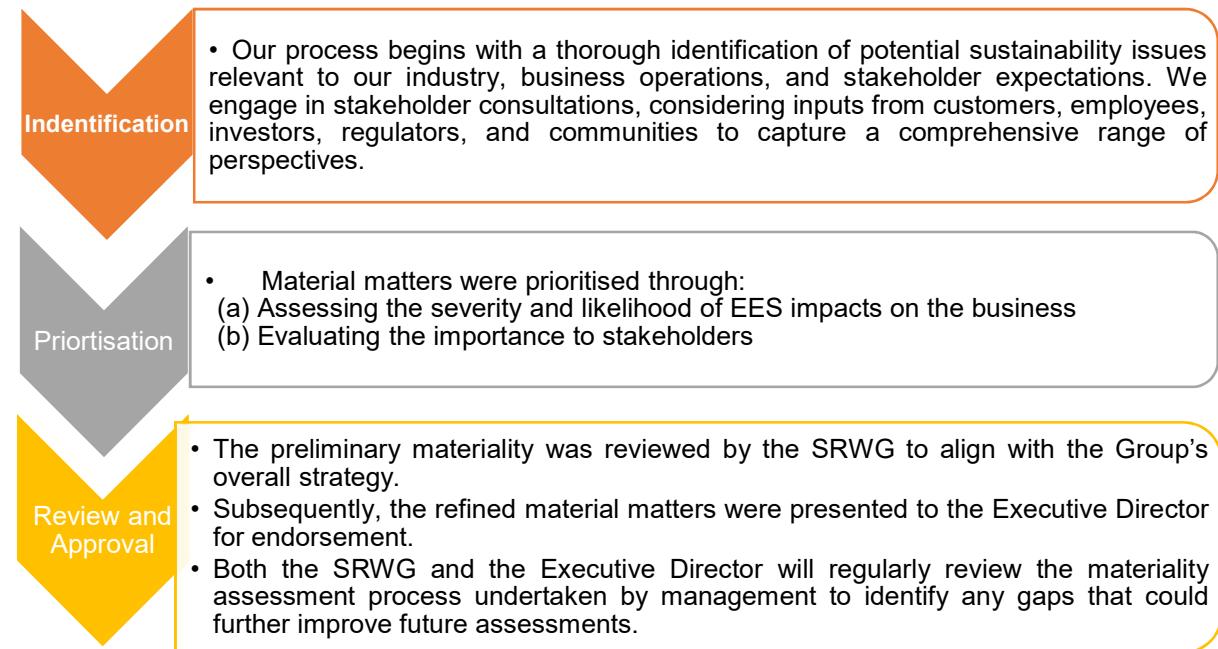
STAKEHOLDERS' ENGAGEMENT (Cont'd)

Stakeholder	Area of interests	Methods of communication
Customers (existing and potential) 	<ul style="list-style-type: none"> ❖ Community activities and programmes ❖ Company's development and updates ❖ Project launches ❖ Customer engagements ❖ Quality of products 	Ongoing <ul style="list-style-type: none"> • Company's website • Events and engagement sessions • Social media • Customer care services • Marketing materials • Sales galleries • Customer satisfaction survey
Employees 	<ul style="list-style-type: none"> ❖ Career development and opportunities ❖ Remuneration, welfare and benefits ❖ Training and skills enhancement ❖ Workplace health and safety ❖ Work-life balance 	Annually <ul style="list-style-type: none"> • Performance appraisal • Team building activities Ongoing <ul style="list-style-type: none"> • Regular meetings • Sports & Social Club's activities • Festive Lunch & Dinner • Training & development
Government/ Regulatory Authorities 	<ul style="list-style-type: none"> ❖ Compliance with the latest laws and regulations ❖ Annual reporting ❖ Approvals and permit 	Ongoing <ul style="list-style-type: none"> • Receipt of updates from regulators • Participate in industry conferences and meetings • Regular consultations • Site inspections/audits As needed <ul style="list-style-type: none"> • Formal meetings
Suppliers and contractors 	<ul style="list-style-type: none"> ❖ Fair procurement ❖ Sustainable partnerships ❖ Quality & timely delivery ❖ Legal compliance ❖ Occupational health & safety 	Ongoing <ul style="list-style-type: none"> • Trainings and briefings • Events and engagement sessions • Meetings and discussions • Tendering and procurement process • Suppliers/contractors audit and performance evaluation
Community and the Public 	<ul style="list-style-type: none"> ❖ Societal contributions ❖ Socio-environmental impact from operations ❖ Local community support ❖ Corporate social responsibility initiatives 	Ongoing <ul style="list-style-type: none"> • Community engagement programmes • Social media • Strategic partnership

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT

Our materiality assessment process comprises three (3) phases:



MATERIAL SUSTAINABILITY MATTERS

In our pursuit of integrating sustainability into our business operations and practices, we regularly review and assess the relevance of our material sustainability matter. For FY2023, the following nine (9) material sustainability matters from the previous reporting period were deemed to still be relevant to our businesses and stakeholders.

Sustainability Matters	UNSGDs	
Economic		
Financial Performance		
Sustainable Procurement and Supply Chain Management		
Corporate Governance and Business Ethics - Anti-Corruption		

SUSTAINABILITY STATEMENT (Cont'd)

MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Sustainability Matters		UNSGDs		
Environmental				
Pollution and Waste Management		 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	 15 LIFE ON LAND
Energy and Water Management		 6 CLEAN WATER AND SANITATION	 7 AFFORDABLE AND CLEAN ENERGY	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social				
Data Privacy and Security		 16 PEACE, JUSTICE AND STRONG INSTITUTIONS		
Community/ Society Support		 8 DECENT WORK AND ECONOMIC GROWTH	 11 SUSTAINABLE CITIES AND COMMUNITIES	
Human Capital – Diversity and Equal Opportunity		 5 GENDER EQUALITY	 8 DECENT WORK AND ECONOMIC GROWTH	 10 REDUCED INEQUALITIES
Labour Practice and Standards - Talent Management, and Employee Development and Engagement		 4 QUALITY EDUCATION	 8 DECENT WORK AND ECONOMIC GROWTH	
Health and Safety		 3 GOOD HEALTH AND WELL-BEING	 8 DECENT WORK AND ECONOMIC GROWTH	
Product and Service Responsibility		 8 DECENT WORK AND ECONOMIC GROWTH	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	

1. ECONOMIC

Financial Performance

Financial performance sustainability is a foundational element for Y&G's overall success. It not only supports day-to-day operations but also enables the pursuit of long-term goals related to economic, environmental, social, and governance considerations. By integrating these principles with financial sustainability, we can contribute positively to both its bottom line and the well-being of society and the environment.

Our strategy for maintaining and achieving strong economic performance involves implementing our business strategy. This strategy encompasses staying informed about market trends, ensuring a healthy balance sheet and robust cash flow, embracing technological advancements, addressing identified risks relevant to our business, and pursuing market expansion.

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC (Cont'd)

Financial Performance (Cont'd)

Despite persevering through the challenging years, our Group managed to remain profitable in FY2023.

During FY2023, the business landscape was affected by the hike in material costs. Inflationary pressures and a lack of foreign workers have further impacted the construction progress.

In FY2022, the Overnight Policy Rate was raised four times by Bank Negara Malaysia due to rising and persistent inflation. In May 2023, the Overnight Policy Rate was raised by 0.25% to 3.0% impacting the borrowing costs and homebuyer financing eligibility.

In the face of these challenging market conditions, we remain resilient and adaptable through our prudent resource management.

Despite the challenging times in FY2023, the Group's financial indicators have largely been stable as we continued to focus our priority on driving sustainable growth and creating long-term value for stakeholders while remaining resilient in softening market conditions.

The Group still managed to generate RM38.7 million in revenue and a profit after tax of RM6.3 million in FY2023. We remain positive towards the future of the property market and will continue to be prudent in maintaining stable financials as the base for sustainable long-term growth which will enable us to execute our objectives in creating value over the coming years.

The Group is also aware of the importance of replenishing our land bank in strategic areas to ensure the continuity of our business and sustainable growth. In this regard, we continuously perform feasibility studies and assess market demand in our efforts to acquire land banks at suitable sites to ensure adequate long-term land bank supply.

In respect of project launches, the Group has several projects planned in the pipeline aimed to cater to affordable and mid-market segments. In this regard, the Group will continue to monitor the market demand and conditions closely to ensure the launches are done in a timely manner in line with the recovery of the property market. In the meantime, the Group will continue to increase its efforts to convert unsold inventories and ongoing projects into sales.

Further information on our financial performance can be found in:

- Management Discussion and Analysis : Pages 13 to 15
- Audited Financial Statements : Pages 63 to 149

Sustainable Procurement and Supply Chain Management

As we strive to become a sustainable property developer, we manage our supply chain across the entire life cycle of the project from its initiation and development stages to subsequent construction and operation stages. Supply chain management is key to the Group's economic performance and competitiveness. Hence, designing sustainability into our procurement and supply chain enables us to manage risks of business disruption and rising costs.

SUSTAINABILITY STATEMENT (Cont'd)

1. Economic (Cont'd)

Sustainable Procurement and Supply Chain Management (Cont'd)

Our projects' main contractors are selected by our Contract Department ("CD") via tender and/or selection process. The CD has a formalised standard operating procedure ("SOP") in place for tender and/or selection processes and priorities for local businesses.

To ensure the provision of quality products and services, we evaluate, monitor and assess the service quality of suppliers and contractors based on their work progress. In line with this approach, we have established a set of criteria to assure the robust selection of reliable contractors, suppliers and consultants as well as formulated an SOP to effectively manage our supply chain.

The Group is committed to promoting business opportunities and building the capacity of local contractors, suppliers and consultants across operations and throughout the supply chain to ensure that we effectively contribute to the local economy. The Group ensures that they abide by the relevant regulations established by the Department of Environment as well as the Department of Occupational Safety and Health.

In FY2023, 100% of contractors, suppliers and consultants engaged by our Group were sourced from local businesses that adhere to the Group's product quality expectations, cost-effectiveness and business ethics standards. The Group recognises that engaging with local suppliers and supporting local businesses are fundamental to creating economic value and growth for the Malaysian economy.

For FY2023, the total procurement of construction materials, and its related spending were RM20.6 mil and were entirely spent on local contractors and suppliers.

Corporate Governance and Business Ethics – Anti-Corruption

The Group acknowledges the importance of transparency and integrity throughout the business operation. The Group is committed to the principles and best practices of corporate governance to ensure that standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long-term shareholders' value and returns to our stakeholders.

At Y&G, we unwaveringly uphold a policy of zero tolerance towards bribery and corruption across our organisational spectrum and supply chain. Aligned with industry standards and regulatory amendments, our Anti-Bribery and Corruption Policy ("ABC Policy") delineates clear expectations on the solicitation, offering, or acceptance of gifts and gratuities.

Violators of the ABC Policy or involvement in prohibited acts will face stringent disciplinary actions, including potential suspension or termination, and legal recourse if necessary. Remarkably, our diligent efforts resulted in zero recorded instances of bribery and corruption throughout FY2023.

In addition, our Code of Conduct and Ethics identifies and emphasises the areas of ethical risk, providing a framework to guide the actions and behaviours of all our directors and employees.

SUSTAINABILITY STATEMENT (Cont'd)

1. Economic (Cont'd)

Corporate Governance and Business Ethics – Anti-Corruption (Cont'd)

The Group has various policies in place that establish the rules of conduct and governance within the organisation can be found at the Company's website, www.ygcorp.com.my:

- a. Board Charter;
- b. Terms of References of the Board Committees;
- c. Code of Conduct and Ethics;
- d. Investor Relations Disclosure Policy;
- e. Remuneration Policy;
- f. Whistle Blowing Policy; and
- g. Anti-Bribery and Corruption Policy.

Our commitment to combating corruption involves educating our employees on its negative consequences. Through awareness campaigns, we strive to foster a profound understanding of the importance of ethical behaviour and the adverse effects of corruption on both our organization and society.

Y&G is committed to ensuring the integrity of its operations through systematic bribery and corruption risk assessments. We oversee an internal corruption monitoring system, incorporating operating guidelines that cover record-keeping, relevant policies, procedures, and expected behaviours. Additionally, our internal audit plays a vital role in identifying compliance with our internal policies and procedures.

We initiated discreet observations, starting at the top management level, to prevent any manipulation of power for personal gain through bribery and corruption.

Our commitment continues as we actively contribute to identifying and mitigating corruption risks across various facets of our operations, ensuring the ongoing integrity and transparency of our business practices.

2. ENVIRONMENTAL

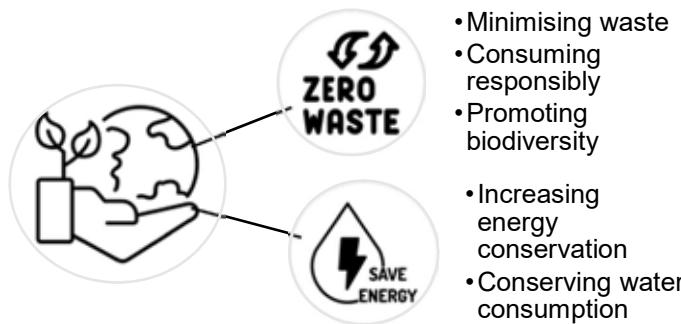
We understand that our business value chain contributed to the environmental footprint through the consumption of energy, water and generation of waste. We aim to strike a balance between development and conservation. Through our pollution and waste management as well as energy and water conservation efforts we are committed to reducing the environmental impact of our business and operations.

In the property development segment, there is a rising trend for eco-friendly development projects with sustainability as a key decision criterion. This includes homes and buildings designed with environmentally friendly features to prevent global warming as well as increased provisions for adequate green spaces that promote a healthier and more sustainable lifestyle. In this regard, we strive to incorporate more green initiatives in our projects to reflect our commitment towards promoting sustainability.

SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL (Cont'd)

Going forward we will continue to monitor our impact on the environment and evaluate our operations to identify new opportunities where we can incorporate practical sustainability initiatives and enhance our performance in environmental conservation.



Pollution and Waste Management

In FY2023, our Group emphasize Reduce, Reuse, Recycle, Repair and Refuse across project sites and offices, inculcating environmental awareness among our employees on approaches to promote conservation.

In today's environmentally conscious world, fostering sustainability within the workplace has become a critical initiative. In our corporate office, we continue to encourage our employees to think before printing to reduce paper usage as well as practice the good culture of recycling waste materials. Waste papers, newspapers, boxes and other recyclable materials were packed separately in the waste bin for collection. Employees are also encouraged to reuse envelopes, papers and boxes, as well as double-sided printing as much as possible. Other simple green habit practices are encouraged such as the usage of electronic softcopies to reduce paper usage, going digital for meetings and presentations, switching off lights during lunchtime and after hours as well as reducing the use of plastic items for lunch takeaways. These actions are a good starting point to inculcate environmentally friendly values among employees and collectively make a substantial impact in waste reduction and energy conservation. Moving forward, the Group will seek more ways to curb its paper usage as it systematically digitalises more facets of its organisation to enhance workflow and productivity.

Office recycling programs not only contribute to environmental conservation but also showcase a company's commitment to reducing its carbon footprint. Establishing an efficient recycling system within an office space is a multi-faceted approach that involves planning, education, and ongoing maintenance. In June 2023, our Group launched a robust office recycling campaign to reduce waste, conserve resources, and promote a greener workplace. By reducing waste, conserving resources, and engaging employees, companies can make a significant impact on both the environment and their corporate culture.

SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL (Cont'd)

Pollution and Waste Management (Cont'd)



LAUNCH OF RECYCLING

Being a responsible developer, we continue to encourage our contractors to dispose of all the scheduled wastes and non-hazardous solid wastes generated to the approved disposal facilities and regulated landfills respectively.

In regard to our projects, the Group:

- ✓ Comply with all relevant laws, in particular the Environmental Quality Act 1974 and the Environmental Impact Assessment ("EIA") Report, if required. The EIA Report includes pollution, control and discharge of effluent and satisfy the noise, visual impact, aerial pollution and vibration parameters required in respect of our projects;
- ✓ Ensures the incorporation of appropriate mitigative, rehabilitative, restoration and enhancement measures in its planning, design and implementation works;
- ✓ Gives due consideration to the preservation and social implications of water, noise and air quality, soil, flora and fauna within the site of our project land; and
- ✓ Ensures that our project land is appropriately landscaped to enhance visual amenity.

We are pleased to highlight that there was no fine or penalty imposed by the relevant authority in FY2023.

SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL (Cont'd)

Energy and Water Management

Energy Conservation

The use of a significant amount of energy can create a negative environmental impact in the form of greenhouse gas emissions, whether directly or indirectly, which contribute to global warming. As the climate crisis continues to take its toll, we recognise the need to be responsible for the way we consume energy. Monitoring water, electricity and fuel consumption enables us to understand and take necessary steps to conserve energy in areas where it can be conserved.

To further enhance energy efficiency, we have initiated the replacement of traditional lighting with energy-saving LED lights, and all air-conditioners are turned off after working hours.

Water Conservation

As a socially and environmentally responsible company, we recognise the critical importance of water in sustaining life and the environment, and we place a strong emphasis on water conservation. Responsible water usage is essential for mitigating environmental impact, supporting biodiversity, and ensuring the well-being of communities. By prioritising water conservation, we aim to contribute to community well-being, ensuring a sustainable and equitable water supply for present and future generations. This commitment helps maintain the delicate balance of ecosystems, sustain aquatic habitats, and preserve biodiversity.

At Y&G, we have implemented a comprehensive approach to water conservation that encompasses the following key initiatives:

- Fostering a culture of awareness and responsibility among our employees in adopting water-conscious behaviours, enhancing our collective impact on water conservation.
- Minimising water wastage through regular inspections and implementing scheduled maintenance for facilities such as toilets and pantries.

Furthermore, the Group is exploring a rainwater harvesting system for our construction sites. This initiative has the potential to reduce costs in the long term, prevent soil erosion, and mitigate the risk of flooding by controlling runoff.

A summary of the water and electricity consumptions in FY2023, compared to the financial year ended 31 December 2022 ("FY2022"), is provided below:

i) Water & Electricity Consumption

	FY2023	FY2022	Change
Water Consumption (m³)	14,259	2,142	12,117
Electricity Consumption (kwh)	74,173	42,110	32,063

The increase in consumption was due to the enlarged property portfolio in FY2023.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL

Data Privacy and Security

In an era dominated by digital transformation, ensuring the security and privacy of data has become paramount. Our commitment to protecting sensitive information aligns seamlessly with the principles set forth in the Personal Data Protection Act 2010 ("PDPA") of Malaysia. This legislation serves as the cornerstone for responsible and ethical handling of personal data.

All companies within Y&G Group and employees are strictly adhere to the personal data privacy and could not disclose the data without prior consent from relevant parties.

The PDPA underscores the importance of obtaining clear and informed consent before collecting and processing personal data. We prioritise transparency by providing individuals with clear information on how their data will be used, enabling them to make informed decisions. Consent is sought in a manner that is easily understandable, and individuals are kept informed of any changes in data processing activities. For example, a clear note regarding personal data protection is included in our notice of general meeting, proxy form and other documents. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority. Additionally, our data retention and destruction policy guide us in keeping data for as long as necessary and securely disposing it when it is no longer needed.

We respect individuals' rights to access and correct their personal data, as outlined in the PDPA. Our procedures facilitate easy access to personal information, and we have mechanisms in place to promptly address requests for corrections. This commitment ensures that the data in our possession is accurate and up to date.

In the event of a data breach, our incident response plan is activated swiftly with immediate containment, thorough investigation, and transparent communication with affected parties and relevant authorities. This proactive stance not only mitigates potential risks but also upholds our commitment to accountability.

Our commitment to data security and privacy is not static; it's a dynamic and ongoing process. We continuously monitor changes in the regulatory landscape, ensuring that our practices evolve in tandem with emerging threats and legal requirements. This commitment to continuous compliance underscores our dedication to safeguarding the privacy of personal data entrusted to us.

By embracing these principles, we not only protect the interests of our stakeholders but also contribute to building a trustworthy digital ecosystem in Malaysia.

As of 31 December 2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Community/ Society Support

We strongly believe that cultivating a positive relationship between businesses and communities enhances social inclusion and yields tangible and favourable outcomes over the long term.

Our commitment to sustainability extends beyond our business operations to the communities we serve. Recognising the integral role communities play in our broader ecosystem, we prioritise initiatives that contribute to their well-being and development. This commitment not only aligns with our values but is also strategically intertwined with the sustainability of our company.

Community support is a cornerstone of our sustainability strategy. Engaging with and uplifting the communities around us not only fulfils our corporate social responsibility but also creates a positive and reciprocal relationship that enhances the long-term viability of our business. By addressing societal needs and investing in community well-being, we foster goodwill, strengthen our brand, and contribute to the creation of resilient and thriving societies.

(a) Total Amount Invested in the Community:

Our financial commitment to community development is a tangible demonstration of our dedication to sustainability. In the reporting period, we proudly invested RM15,734 in communities where the target beneficiaries are external to our company. These investments encompass a range of initiatives, from education and healthcare to environmental conservation.

(b) Total Number of Beneficiaries:

The impact of our community investments is measured not just in dollars but in the lives positively affected. Over the past year, our efforts have directly benefited many individuals within these communities. We collaborate with local stakeholders to ensure our initiatives address specific needs, creating a meaningful and lasting impact.

We believe in the power of sustainable partnerships. By engaging with local organizations, NGOs, and community leaders, we ensure that our initiatives are aligned with the real needs of the people we aim to support. This collaborative approach not only enhances the effectiveness of our programs but also empowers communities to become active participants in their own development.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Community/ Society Support (Cont'd)

In February 2023, our directors, along with 15 employees and their family members visited the Tzu-Chi Jing Si Hall. The team members were whole-heartedly inspired by the Tzu-Chi's missions of charity, medicine, education, and humanitarianism. On the same day, the team also visited the Tzu-Chi recycling centre at Kepong and participated in sorting out the recyclable items. It was truly an educational experience on responsible waste management and recycling. These efforts aim to inspire behavioural change and empower both employees and their family members to adopt more sustainable practices while contributing to the community.



TZU-CHI'S JING SI HALL



TZU-CHI'S RECYCLING CENTRE

With our endeavour to embed health consciousness among the employees, in May 2023, the Group organised a conference in collaboration with the Tzu-Chi Foundation Malaysia. All employees in the corporate office attended the conference to further enhance their understanding of the power of food as medicine.



THE POWER OF FOOD CONFERENCES WITH TZU-CHI MEMBERS

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Human Capital

Promoting diversity and inclusivity in the workplace provides us with a competitive advantage by allowing us to accumulate and harness a broad spectrum of knowledge, perspectives, and ideas. Consistent with this commitment, we actively promote equal employment opportunities and non-discrimination, encouraging diversity in terms of gender, race, religion, age, and nationality.

We believe in harnessing the collective strength and diversity of our workforce to drive sustainability in our business. The Group is committed to fostering innovative ideas, recognising and rewarding performance, and supporting our people in achieving their professional development goals through continuous investment in their career development. We also advocate for workforce diversity, equality and inclusivity.

Diversity and Equal Opportunity

The Group adopts a meritocracy policy, where all employees are rewarded based on an annual performance review. This performance-based reward system motivates the employees to strive for excellence and put the Group's interest as a top priority.

While the Group does not set specific numerical targets for diversity in terms of gender, race and age, we are dedicated in enhancing workplace diversity at all levels. Our recruitment and career development practices uphold the principles of equal opportunity, focusing on competence and experience when selecting candidates for new positions, especially considering the technical nature of the tasks involved.

We strongly support equitable gender representation on our Board and aim to achieve a minimum of 30% women representation at the Board level. The percentage of women directors increased from 16.67% in FY2022 to 25% in FY2023. A chart depicting gender and age group distribution of directors is provided in Page 44.

As at 31 December 2023, our group workforce comprises 46 employees.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Human Capital (Cont'd)

Diversity and Equal Opportunity (Cont'd)

The following charts show our employee demographics by gender, ethnicity, age as well as employment type as at 31 December 2023.



Our Group maintains a zero-tolerance policy towards all forms of harassment & discrimination in terms of race, ethnicity, religion, gender, nationality, age and disability.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Labour Practice and Standards

Talent Management

We hold the firm belief that our employees constitute our most invaluable assets, serving as the driving force behind our success and continual growth. We are dedicated to the recruitment, development, and retention of high-performing individuals, fostering a work environment that is both conducive and empowering. Moreover, we make investments in development programs to guarantee that our employees stay competitive, progressive, and well-prepared for the future.

We implement a forward-looking appraisal system, providing constant feedback and guidance throughout the year to keep employees challenged and focused on their career paths. The annual review conducted at the middle of the year is used to set the target for the following year. This dynamic appraisal approach, conducted more frequently, aligns with the preferences of employees seeking real-time feedback for self-improvement.

The ongoing development of our employees is paramount to the continued success of the Group. We place great value on mentoring to provide support, nurture talent, and groom our employees in their career development. Our goal is to invest in learning and development programs that will equip them with the necessary skill set and capabilities to build and empower a future-ready workforce. We firmly believe that by investing in our employees' skills, the Group will enhance its adaptability and resourcefulness in today's digital age, with our employees serving as the driving force behind the necessary changes. Additionally, focusing on the development of our employees' interpersonal and communication skills will contribute to an improved experience for our customers.

Employee Development and Engagement

Investing in the development of our employees is crucial for their well-being and supports overall business growth. Talent development within the organization aids in retaining high-quality and valued workers.

During FY2023, the Group continues to provide various external training and development programmes to assist our employees in upskilling themselves by keeping abreast of current developments and staying agile.

To keep our business sustainable, we instil the highest possible ethical standards in our employees and all of our practices as reflected in the Code of Conduct and Ethics and Whistle Blowing Policy to create a corporate culture of professionalism and ethical mannerism. This in turn provides confidence to our stakeholders when conducting any dealings with the Group. In FY2023, the Group did not report any non-compliance issues.

In FY2023, the Group organised a wide range of engagement activities among our employees through the Group's Sports Club to enhance the interaction among employees.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Labour Practice and Standards (Cont'd)

Employee Development and Engagement (Cont'd)



BOWLING COMPETITION



TEAM BUILDING @ PORT DICKSON

As part of our Corporate Social Responsibilities, during our team-building event at Port Dickson, our employees initiated environmental conservation by cleaning the beach. Through these activities, the employees build a sense of camaraderie and pride in being part of the Group dedicated to fostering a cleaner and healthier environment for future generations.



BEACH CLEANING @ PORT DICKSON

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Labour Practice and Standards (Cont'd)

Employee Development and Engagement (Cont'd)

The trainings provided to the employees during FY2023 are summarised below:

Employee Category	Percentage of Employee	Total Hours of Training
Executive	72.22% (26/36)	428
Non-Executive	30.00% (3/10)	42

During FY2023, only a total of 4 employees choose to pursue new opportunities beyond our organization. While employee turnover is a natural aspect of any dynamic workforce, we continually strive to understand the factors contributing to these transitions. As part of our commitment to continuous improvement, we conduct exit interviews to gather valuable insights from departing employees, enabling us to identify areas for enhancement and ensuring that their departure is a positive and mutually beneficial experience.

In our commitment to upholding human rights and fostering a positive workplace environment, we are pleased to report that there were no substantiated complaints concerning human rights violations within the Group for FY2023. This reflects our ongoing dedication to maintaining ethical standards and respecting the rights of our employees.

Health and Safety

The Group recognise the importance of being resilient in addressing the challenges of occupational safety and health as a key component within our sustainability framework. The Group has implemented stringent SOPs as governed by the Department of Occupational Safety and Health at our construction sites to safeguard the well-being, safety and health of our employees, contractors, and the public at large. Through the establishment of a healthy, safe, and favourable workplace environment, our objective is to mitigate the occurrence of injuries and illnesses among individuals operating within our premises. This, in turn, contributes to heightened efficiency and increased productivity.

The Group ensures that various safety and health measures and controls are in place so that our business operations can operate safely. We expect all levels of our workforce, business partners, suppliers, and sub-contractors to adhere to necessary safety and health measures to minimise risk within our workplace.

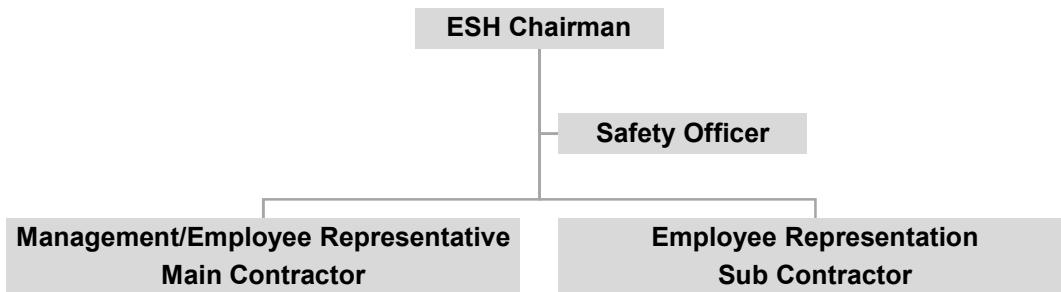
Our primary goal is achieving zero fatalities, and our Group ensures that the safety and health procedures and processes comply with the statutory requirements.

Additionally, safety, health and environmental aspects are integrated into our procurement processes. Our contractors must comply with our site and safety requirements as well as the Department of Occupational Safety and Health's requirements regarding environmental safety and health. Failure to comply may result in penalties imposed on the main contractor throughout the contract period with us. The Environmental, Safety and Health ("ESH") Committee chart for our projects is as follows:

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Health and Safety (Cont'd)



To promote safety and health, and compliance with relevant authorities, the Group maintains insurance policies for its projects throughout the construction period as well as during the defects liability period as follows:

- (a) a contractors' all-risk policy against loss or damage to its projects from fire, flood, storm, tempest, lightning, explosion, aircraft or anything dropped therefrom, aerial objects bursting, overflowing water tanks, apparatus or pipes, earthquake, riot, civil commotion and etc.
- (b) a policy against any liability including the third party for each incident (the number of incidents is unlimited) that may arise in projects.

Our training initiatives encompass both knowledge-based and skills-based programs, addressing crucial subjects such as emergency response, hazard and risk management, as well as health awareness. Periodical reviews are conducted to ensure the ongoing relevance of these programs.

During FY2023, no material incidents related to work-related injuries or fatalities were recorded at the site.

Below is a summary of trainings, lost-time incidents and fatalities at our construction sites during FY2023:

	Employee	Contractor
Number of employees and contractors trained on health and safety standards	90	KLK Construction Sdn Bhd
Lost Time Incident Rate	0	KLK Construction Sdn Bhd
Number of work-related fatalities	0	KLK Construction Sdn Bhd

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL (Cont'd)

Products and Services Responsibility

Maintaining and improving the quality of products and services is an essential aspect of strengthening our market positioning and contributes to an organisation's business success. As such, we ensure that the needs of our customers are met so that our property sales continue to grow.

Products

As a responsible developer, the Group recognises that quality and on-time and innovative delivery of its property products are vital for the sustainable growth of the Group and continuously seeks to improve its business approaches and processes in this area.

The construction quality of the appointed Main Contractors for each of our projects is closely monitored. The Group has appointed an in-house Quality Assurance/Quality Control team to carry out quality inspection during construction and issuance of non-conformance reports as and when necessary. Our appointed project consultants will also conduct periodic site visits/inspections.

Services

We continue to maintain close relationships with our customers through social media platforms where we post our latest launched projects, promotion packages and upcoming events in our sales galleries. In ensuring our customers' satisfaction towards our products and services we also work closely with customers to obtain feedback. Any inquiries from customers shall be promptly dealt.

Responsible Marketing

The Group is committed to delivering good quality products and services to our customers and conducting responsible customer engagement and communication to gauge their concerns and expectations about our products and services to meet their needs.

We regularly review and update our marketing materials and various social media platforms to ensure that the information and promotions presented are correct and up to date.

We constantly update, support and assist our sales agents so that our customers will have confidence in our products and transactions can be seamlessly concluded. We expect our sales agents to market our products responsibly and ensure that information is properly presented to our house buyers.

During FY2023, the support/engagement provided to our sales agent includes (but is not limited) to the following:

- a) Regular briefings to share project information and receive feedback from sales agents;
- b) Providing digital brochures for sales agents to do marketing;
- c) Providing project models and 3D visual show units for sales agents to do marketing; and
- d) Tier-commission structure to incentivise sales agents.

In FY2023, the Group did not receive any significant complaints from any of our sales agents and customers.

SUSTAINABILITY STATEMENT (Cont'd)

INDEPENDENT ASSURANCE

To enhance the creditability of this Sustainability Statement, this Sustainability Statement has been reviewed by our internal auditor.

MOVING FORWARD

Sustainability is an integral part of our business strategy. We believe in the synergy of strengthening corporate sustainability while safeguarding the longevity and success of our business.

The Group recognises that embedding sustainability into the business is a continuous and evolving practice. The Group will strive to enhance and achieve the Group's long-term sustainable growth and make the Group's brand synonymous with strength, reliability and value creation.

As we embark on our path to improve our sustainability performance, we look forward to achieving more milestones for the Group. We remain steadfast in our commitment to sustainability strategies and goals.

This Sustainability Statement was approved by the Board on 5th April 2024.

SUSTAINABILITY STATEMENT (Cont'd)

The Sustainability Table originates from Bursa Malaysia ESG Reporting Platform which is outlined in the Main Listing Requirements and adhering to the stipulated enhanced sustainability reporting criteria

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	15,734.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	100
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	45.00
Management Above 50	Percentage	55.00
Executive Under 30	Percentage	13.60
Executive Between 30-50	Percentage	77.40
Executive Above 50	Percentage	9.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	75.00
Non-executive/Technical Staff Above 50	Percentage	25.00
Gender Group by Employee Category		
Management Male	Percentage	65.00
Management Female	Percentage	35.00
Executive Male	Percentage	36.40
Executive Female	Percentage	63.60
Non-executive/Technical Staff Male	Percentage	100.00
Non-executive/Technical Staff Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	37.50
Above 50	Percentage	62.50
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	74,173.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	258
Executive	Hours	280
Non-executive/Technical Staff	Hours	14
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	4
Non-executive/Technical Staff	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	90
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	14,259.000000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Y&G Corporation Bhd. ("Y&G" or "the Company") presents this Corporate Governance ("CG") Overview Statement ("CG Statement") to provide shareholders and investors with an overview of the CG practices of the Company under the leadership of the Board during the financial year ended 31 December 2023 ("FY2023"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Board constantly strives to ensure that good corporate practices are carried out throughout the Group as fundamental to fulfilling its responsibilities, which include protecting and enhancing shareholder value as well as the financial performance of the Group.

This CG Statement is prepared in compliance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the CG Report 2023 of the Company ("CG Report") which is available at the Company's website, www.ygcorp.com.my.

The CG Report provides the details on how the Company has applied the principles laid down in the MCCG during FY2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A1. Board's Responsibilities

The Board collectively leads and is responsible for the long-term success of the Company and its subsidiary ("Group") and the delivery of sustainable value to its shareholders and stakeholders, including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board leads and directs the Group towards promoting long-term growth and delivering short-term objectives via its strategic planning and directions with effective leadership.

In fostering a strong CG culture in the Group, the Board has formalised and adopted the following policies which the public can refer to on the Company's website at www.ygcorp.com.my :

- a. Board Charter;
- b. Terms of Reference of the Board Committees;
- c. Directors' Fit and Proper Policy;
- d. Code of Conduct and Ethics;
- e. Investor Relations Disclosure Policy;
- f. Remuneration Policy;
- g. Grievance Procedure;
- h. Whistle Blowing Policy; and
- i. Anti-Bribery and Corruption Policy.

The Board has established three (3) Board Committees namely, Audit and Risk Committee ("ARC"), Nomination Committee ("NC") and Remuneration Committee ("RC") to assist in its oversight function on specific responsibility areas; the details of which are set out in the Board Charter and this Annual Report. Each Committee operates under respective terms of references and reports to the Board with their recommendations. The ultimate responsibility for decisions on all important matters, however, lies entirely with the Board.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A1. Board's Responsibilities (Cont'd)

The Board delegates specific powers to the Board Committees, Group Non-Independent Non-Executive Chairman, Managing Director (“**MD**”), Deputy Managing Director (“**Deputy MD**”), Executive Director (“**ED**”) and Group Non-Independent Non-Executive. The day-to-day management of subsidiaries is headed by the Senior Management team and under the leadership of the MD, Deputy MD and ED.

The Board is assisted by an experienced, competent and knowledgeable Company Secretary who gives clear and sound advice on regulatory, and governance matters to the Board. The Company Secretary also ensures timely and appropriate information flow within the Board.

Group Governance Framework

The governance framework of the Group is illustrated below:



CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A1. Board's Responsibilities (Cont'd)

Board of Directors' Meetings ("Board Meetings")

The Board met every quarter during the FY2023 to deliberate and approve, amongst others the development of various on-going and future projects, unaudited quarterly results, audited financial statements, regulatory updates, corporate governance and compliance. All proceedings of the Board Meetings were minuted, presented in the next meeting for confirmation and signed by the Chairman of the Meeting. At the Board Meetings, the Management Team presented papers about each issue raised for discussion or as supplementary information, and consultants (including the Internal Auditor) were invited to provide further insight and/or share advice and opinions on matters about governance, internal controls and risk management. The Chairman constantly promotes constructive, healthy debate and the Directors are given the chance to freely express their views.

To facilitate the Directors' time planning, a planned annual meeting calendar is prepared and circulated to them before the beginning of each year. It provides the scheduled dates for meetings of the Board, Board Committees and the annual general meeting. The Directors and Principal Officer are also constantly advised of the closed periods for dealings in securities based on the targeted dates of announcement of the Group's quarterly results and annual financial results.

During FY2023, the Board met five (5) times and the attendance record for each Director at the meetings of the Board and Board Committees are tabulated below:

Board of Directors	Meeting Attendance
Mr. Lee Boon Hong @ Lee Boon Keong <i>Non-Independent Non-Executive Chairman</i>	5/5 meetings
Dato' Sri Yap Seng Yew <i>Managing Director</i>	5/5 meetings
Datin Sri Gan Li Li <i>Deputy Managing Director</i>	5/5 meetings
Dato' Yap Jun Jien <i>Executive Director</i>	5/5 meetings
Encik Mohd Shafizan Bin Shahbudin <i>Non-Independent Non-Executive Director</i>	4/5 meetings
Mr. Tan Kak Teck <i>Independent Non-Executive Director</i>	5/5 meetings
Mr. Lee Szed Kee <i>Independent Non-Executive Director</i>	2/2 meetings
Ms. Amy Chan Chen Chen <i>Independent Non-Executive Director</i>	2/2 meetings

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A1. Board's Responsibilities (Cont'd)

Board of Directors' Meetings ("Board Meetings") (Cont'd)

Audit and Risk Committee		Nomination Committee		Remuneration Committee	
<u>Chairman</u>		<u>Chairman</u>		<u>Chairman</u>	
Mr. Tan Kak Teck	5/5	Encik Mohd Shafizan Bin Shahbudin	1/1	Dato' Yap Jun Jien	1/1
<u>Member</u>		<u>Member</u>		<u>Member</u>	
Mr. Lee Boon Hong @ Lee Boon Keong	5/5	Mr. Lee Boon Hong @ Lee Boon Keong	1/1	Mr. Lee Boon Hong @ Lee Boon Keong	1/1
Encik Mohd Shafizan Bin Shahbudin	4/5	Mr. Tan Kak Teck	1/1	Encik Mohd Shafizan Bin Shahbudin	1/1
Mr. Lee Szed Kee	2/2	Mr. Lee Szed Kee	0/1	Mr. Lee Szed Kee	0/1
Ms. Amy Chan Chen Chen	2/2	Ms. Amy Chan Chen Chen	0/1	Ms. Amy Chan Chen Chen	0/1

As part of the annual assessment on Directors, the Board was satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities and this was demonstrated by their above attendance record.

Directors' Training

Directors' training is important to enable the Directors to equip themselves with the knowledge to discharge their duties more effectively.

The Directors are encouraged to evaluate their training needs continuously and undergo other relevant training programmes/seminars/webinars to further enhance their knowledge and expertise.

The Directors acknowledge that continuous education is vital for the Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to equip themselves with the necessary skills and knowledge to effectively discharge their duties.

During FY2023, all the Directors continuously received briefings and updates on the new regulations and statutory requirements, particularly on the changes or amendments made to the MMLR, application and adoption of best practices as recommended under the MCCG, circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A1. Board's Responsibilities (Cont'd)

Directors' Training (Cont'd)

The training programmes/seminars/webinars attended by Directors during FY2023 are as follows:

Name of Directors	Training Programmes/Seminars/Webinars
Mr. Lee Boon Hong @ Lee Boon Keong	<ul style="list-style-type: none"> Baker Tilly Tax & Budget Webinar
Dato' Sri Yap Seng Yew	<ul style="list-style-type: none"> 2023 Budget Seminar
Datin Sri Gan Li Li	<ul style="list-style-type: none"> Transfer Pricing Issues facing MNCs and Public Listed companies TTCS Tax Conference 2023
Dato' Yap Jun Jien	<ul style="list-style-type: none"> Circular Economy Conference 2023 REDHA Housing Conference 2023
Encik Mohd Shafizan Bin Shahbudin	<ul style="list-style-type: none"> Islamic Banking Course
Mr. Tan Kak Teck	<ul style="list-style-type: none"> MFRS 13 Fair Value Measurement 2024 Budget Seminar
Mr. Lee Szed Kee	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Navigating the Rising Tide of Financial Crime & Technology
Ms. Amy Chan Chen Chen	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP)

A2. Board's Composition

Recognising that diversity enhances board effectiveness, we prioritise in selecting an Independent Director with relevant expertise and experience. In FY2023, we welcome Mr. Lee Szed Kee and Ms. Amy Chan Chen as Independent and Non-Executive Directors enriching our Board with their extensive background. We are also broadening diversity in term of age, skills and experience.

During FY2023, the Group is led and managed by an experienced Board comprising eight (8) members with a wide range of business, legal, accounting, property development, mass communication, architectural and civil engineering background necessary for the effective stewardship of the Group.

The Board is supported by three (3) Board Committees, i.e. ARC, NC and RC. The list of the members is shown in the Corporate Information on page 9 of this Annual Report.

The Board composition has a balance of Executive and Non-Executive Directors as well as Independent Directors and is adopting most of the best practices of the MCG and fulfils Paragraph 15.02(1) of the MMLR. As part of the process of ensuring a balance board as prescribed in the Board Charter and fulfilling the needs of the Group, the Independent Non-Executive Directors are persons with accounting and mass communication background. The profile of the Board members is provided on pages 10 and 11 of this Annual Report.

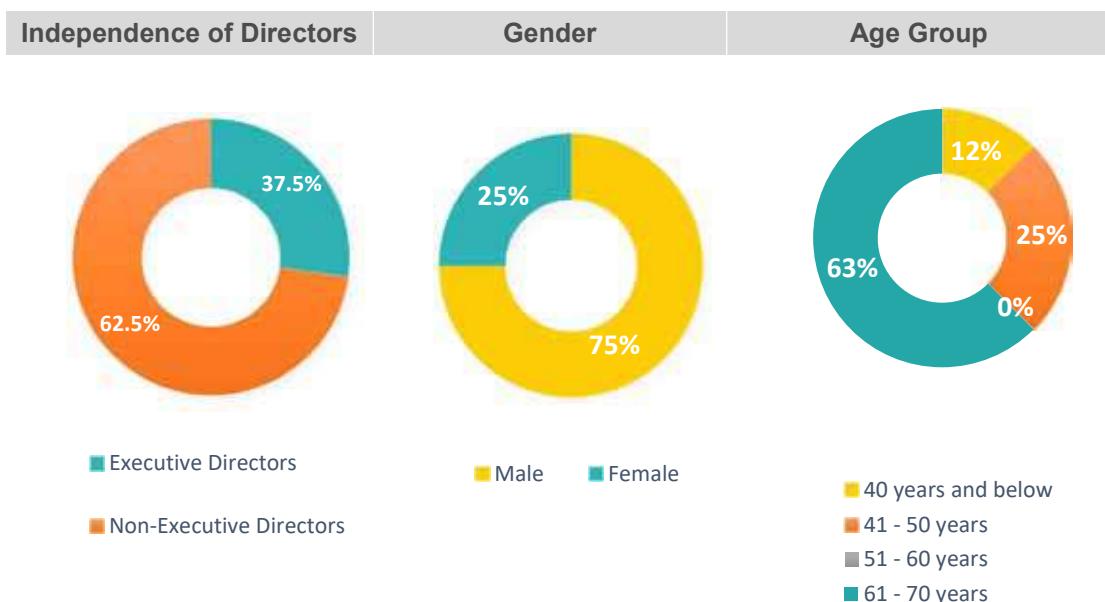
CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

A detailed view of the Board composition is illustrated below:



Chairman and Managing Director

Mr. Lee Boon Hong @ Lee Boon Keong is the Non-Independent Non-Executive Chairman while, Dato' Sri Yap Seng Yew is the MD of the Company. The role of the Chairman and the MD are separated to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Non-Independent Non-Executive Chairman provides leadership to the Board and the Group and ensures that the Board functions effectively and is entrusted with the task of managing the interface between the Board and the Management.

The MD on the other hand, leads the Management of the Group, and oversees and monitors the business and operations of the Group.

The separate distinct functions and responsibilities between the Chairman and the MD have been set out in the Board Charter which is available on the Company's website at www.ygcorp.com.my.

Independence of Directors

The Board is mindful of the prescribed practice of the MCCG pertaining to Board independence. The Board recognises that tenure of directorship is not an absolute indicator of a Director's independence and objectivity wherein the spirit, intention, purpose and attitude should also be considered.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

Independence of Directors (Cont'd)

The NC takes cognisance of Practice 5.3 of MCCG that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

During FY2023, the Board through its NC assessed the independence of all its Independent Non-Executive Directors. On 1 June 2023, Mr Lee Boon Hong @ Lee Boon Keong and En. Mohd Shafizan Bin Shahbudin had been re-designated as Non-Independent Non-Executive Director. Based on the Board's assessment, the Board is recommending to put forward a resolution at the forthcoming 58th AGM to retain Mr. Tan Kak Teck as Independent Non-Executive Director via two-tier voting process.

The NC's and Board's justification to retain Mr. Tan Kak Teck is premised on the followings: -

- a) He continues to fulfill the criteria and definition of Independent Director as set out under Paragraph 1.01 of the MMLR;
- b) During his tenure in office, he has not developed, established or maintained any significant personal or social relationship whether direct or indirect with the ED, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent and expected of him to carry out his respective duties;
- c) During his tenure in office, he has never transacted or entered into any transactions with, nor provided any services to the Group, the ED, major shareholders or Management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR;
- d) During his tenure in office, he has not been offered or granted any options by the Company. Other than director's allowances paid which have been the norms and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature have been paid to him by the Company;
- e) During his tenure in office, he has demonstrated consistently their integrity, commitment and contributed effectively to the Board's decision-making process; and
- f) During his tenure in office, he has gained significant and detailed understanding and insights into the business operations, and industry sectors in which the Group operates in. This includes an understanding of the peculiarities, strengths and weaknesses of the industry sectors, thereby enabling them to offer a different perspective during the decision-making process which a fresh appointee or a director holding office for a short length of time would not be able to offer.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

Independence of Directors (Cont'd)

The other Independent Non-Executive Directors, namely Mr. Lee Szed Kee and Ms. Amy Chan Chen Chen have fulfilled the criteria under the definition of Independent Director as stated in the MMLR and can provide objective and independent judgment in deliberation of the Board's agenda.

Nomination Committee

The NC comprises five (5) members, all of whom are in composition of Independent Non-Executive and Non-Independent Non-Executive Directors, as follows:

- Encik Mohd Shafizan Bin Shahbudin (*Chairman*)
- Mr. Lee Boon Hong @ Lee Boon Keong
- Mr. Lee Szed Kee
- Ms Amy Chan Chen Chen
- Mr. Tan Kak Teck

The NC is responsible for identifying, evaluating and nominating suitable candidates with the necessary mix of skills, experience and competencies to be appointed to the Board and Board Committees to ensure the effectiveness of the Board and the Board Committees. As an enhancement to its current process, the NC may also consider procuring suitable candidates from independent sources, when required. The NC annually reviews and assesses the effectiveness of the Board and the Board Committees as well as individual Directors based on the criteria set out by the Board and according to the fulfilment of the respective Board Committee's Terms of Reference.

During FY2023, the activities carried out by the NC were as follows:

- Carried out an assessment and rating of the performance of the Board, Board Committees and individual Directors against the criteria as set out in the evaluation forms such as ability to critically challenge and ask the right questions, fit and properness, calibre and personality, contribution and performance, competency and capability, commitment to serve the Company, due diligence and integrity;
- Assessed and evaluated the independence of all Independent Non-Executive Directors;
- Reviewed and recommended the appointment of Mr. Lee Szed Kee and Ms. Amy Chan Chen Chen as new Independent Non-Executive Directors; and
- Reviewed and recommended the re-election of Directors pursuant to the Company's Constitution.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

Nomination Committee (Cont'd)

For the purpose of determining the eligibility of the Directors to stand for re-election at the 58th AGM, the Board through its NC had assessed the retiring Directors, and considered the following:

- (i) The Directors' performance and contribution;
- (ii) The Directors' skills, experience and strength in qualities; and
- (iii) The level of independence demonstrated by the Independent Non-Executive Director, and his ability to act in the best interest of the Company in decision-making.

Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter, the NC Chairman will report the assessment results to the Board for deliberation. The Board will make final decision as to whether a Director is recommended for re-election as Director or retention as Independent Non-Executive Director at the next AGM.

In assessing and recommending to the Board suitable candidature of Directors, the NC shall have regard to:

- a) size, age, composition, mix of skills, independence, diversity (including gender diversity), experience, competencies, cultural background and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group;
- b) the appropriate number of Independent Directors to fairly reflect the interests of minority shareholders to ensure a balance of power and authority on the Board; and
- c) the calibre, credibility, fit and properness, and necessary skills and experience of the candidate to bring an independent judgement on issues to be considered by the Board.

The Board has not set a gender diversity target but it is moving towards a more gender equality. The Board will focus on getting the participation of women and those of different ethnicity on its Board and within Senior Management and the person selected must be able to contribute positively to the development of the Group.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

Remuneration Committee

The RC comprises five (5) members, the majority of whom are Independent Non-Executive and Non-Independent Non-Executive Directors, as follows:

- Dato' Yap Jun Jien (*Chairman*)
- Mr. Lee Szed Kee
- Ms. Amy Chan Chen Chen
- Mr. Lee Boon Hong @ Lee Boon Keong
- Encik Mohd Shafizan Bin Shahbudin

The RC's main responsibility is to review and recommend to the Board all the Directors' and Senior Management's remuneration packages which are commensurate with their level of responsibilities and individual performance.

The Board has adopted the principle recommended in the MCCG whereby the level of remuneration of the Directors is sufficient to attract and retain the right calibre Directors and Senior Management for the successful performance of the Group. The Company has established a policy and procedure on the remuneration structure of its MD, Deputy MD and ED and also that of the Non-Executive Directors. Due to the sensitive nature of the information, it shall only be disclosed to those with legal authority.

The remunerations of the MD, Deputy MD and ED comprise fees, salaries, bonuses, allowances, Employees Provident Fund and Social Security Contribution which are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration shall reflect the level of responsibilities undertaken by the particular Non-Executive Director concerned.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A2. Board's Composition (Cont'd)

Remuneration Committee (Cont'd)

The aggregate Directors' remuneration paid or payable to all Directors of the Company by the Group for the FY2023 are as follows:

NAME OF DIRECTORS	COMPANY				SUBSIDIARIES				GROUP RM000
	Fees RM000	Salary ¹ RM000	Others ² RM000	Total RM000	Fees RM000	Salary ¹ RM000	Others ² RM000	Total RM000	
MD, Deputy MD and ED									
Dato' Sri Yap Seng Yew	105	180	23	308	-	415	50	465	773
Datin Sri Gan Li Li	105	180	23	308	-	355	43	398	706
Dato' Yap Jun Jien	-	90	13	103	110	320	37	467	570
Total MD, Deputy MD and ED's Remuneration	210	450	59	719	110	1,090	130	1,330	2,049
Non-Executive Directors:									
Lee Boon Hong @ Lee Boon Keong	-	-	36	36	-	-	-	-	36
Mohd Shafizan Bin Shahbuddin	-	-	24	24	-	-	-	-	24
Tan Kak Teck	-	-	30	30	-	-	-	-	30
Lee Szed Kee	-	-	10	10	-	-	-	-	10
Amy Chan Chen Chen	-	-	10	10	-	-	-	-	10
Total Non-Executive Directors' Remuneration	-	-	110	110	-	-	-	-	110
Total Directors' Remuneration	210	450	169	829	110	1,090	130	1,330	2,159

1. Salary – Comprises salaries and bonuses

2. Others – Comprises emoluments and benefits such as allowances, EPF, SOCSO and HRDF.

Given below is the number of Directors of the Company whose total remuneration during the FY2023 fall within the following bands:

Band (RM)	Number of Directors		
	Executive	Non-Executive	Total
Below RM50,000	-	5	5
RM50,001 to RM100,000	-	-	-
RM100,001 to RM200,000	-	-	-
RM200,001 to RM400,000	-	-	-
RM400,001 to RM600,000	1	-	1
RM600,001 to RM800,000	2	-	2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

B1. Audit and Risk Committee

The ARC comprises five (5) members, all of whom are Independent Non-Executive and Non-Independent Non-Executive Directors and its Chairman is not the Chairman of the Board, as follows:

- Mr. Tan Kak Teck (*Chairman*)
- Mr. Lee Boon Hong @ Lee Boon Keong
- Encik Mohd Shafizan Bin Shahbudin
- Mr. Lee Szed Kee
- Ms. Amy Chan Chen Chen

The Board established the ARC to provide independent oversight on both internal and external audit functions, financial reporting, risk management and internal control systems of the Company including reviewing the integrity of financial reporting and overseeing the independence of the Internal Auditors and External Auditors. The Terms of Reference of the ARC is available at the Company's website at www.ygcorp.com.my.

The ARC sat five (5) times during the year and discussed, amongst others, the draft audited financial statements, unaudited quarterly results, annual report, risk management report and the internal audit report. The ARC also evaluated the External Auditors and Internal Auditors, in terms of their independence, suitability, objectivity, competency, skill set, resources, and time commitment. A private meeting with the External Auditors was also held. No material matters of concern were reported by the External Auditors.

The details of the key activities carried out by the ARC during FY2023 are set out in the ARC Report of this Annual Report.

B2. Risk Management and Internal Control Framework

The Board acknowledges the importance of risk management and internal control systems as an integral part of effective management practice and strives to safeguard shareholders' investment and the Group's assets. The ARC ensures that principal risks in the Group are identified, assessed and mitigated with the appropriate internal control system.

The Risk Management Working Group ("RMWG") consisting mainly of all the Departmental Heads of the Group, was formed to assist the ARC in overseeing the risk management system, practices and processes. The RMWG is assigned with the responsibility of continuously monitoring and managing the risks of the Group through risk identification, assessment and control.

The risk management review is performed every year to assess and manage the risks faced by the Group. The review is carried out to address major risk areas of concern, if any, from the perspectives of environment, regulatory and legal governance and operational controls, financial, customers, products and services, consultants, contractors, human capital and sustainability risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

B2. Risk Management and Internal Control Framework (Cont'd)

The Group has outsourced the services of internal audit to an independent professional service provider ("Outsourced IA") which reports directly to the ARC. Further details of the activities of the internal audit function carried out by the Outsourced IA during FY2023 are set out in the ARC Report on pages 54 of this Annual Report.

The risk management framework and internal control system are disclosed under the Statement on Risk Management and Internal Control on pages 56 to 59 of this Annual Report.

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

C1. Communication with Stakeholders

The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via the distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.

The Company has in place policies and procedures on the roles and responsibilities of Directors, Management and employees together with the levels of authority about corporate disclosures requirements. The Company recognizes the need to adopt a high standard for the disclosure of relevant and material information on the development of the Group. In addition, the Company also emphasizes the need for timely disclosures of information to shareholders as it acknowledges the importance of keeping shareholders and investment communities informed of the Company's business and corporate developments to enable them to make informed judgments in valuing the Company's shares. Such information is disseminated via the Company's Annual Reports, quarterly financial results and the various announcements made from time to time to Bursa Securities which are accessible via Bursa Securities' website at www.bursamalaysia.com. The Group also maintains a website at www.ygcorp.com.my that allows all shareholders and investors to access information about the Group.

The Company has provided a communication channel on its website whereby enquiries and feedback may be posed to the Company's Management.

C2. Conduct of General Meetings

The Board also acknowledges that general meetings are important avenues in engaging with shareholders.

The annual general meeting of the Company represents the principal forum for dialogue with shareholders where they may seek clarification on the Company's business. Shareholders are encouraged to participate in the questions and answers session and the Board will respond to any questions raised during the meeting to the best of its ability and knowledge.

To encourage shareholders' participation at the annual general meeting, the Company sends out the notice of the annual general meeting at least 28 clear days before the meeting to allow sufficient time for shareholders to make arrangements to attend either in person, by a corporate representative, proxy or attorney.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

C2. Conduct of General Meetings (Cont'd)

The 57th AGM of the Company was held and conducted on a virtual basis through live streaming and online remote voting using remote participation and voting facilities on 31 May 2023. All resolutions set out in the Notice of 57th AGM were put to vote by poll via electronic voting and an independent scrutineer was appointed to validate the poll results. All Directors, Management and External Auditors were present at the 57th AGM to respond to the shareholders' and proxies' questions. There were no questions raised by the shareholders and proxies during the 57th AGM.

This CG Statement was approved by the Board on 5th April 2024.

AUDIT AND RISK COMMITTEE REPORT

The objectives of the Audit and Risk Committee (“ARC”) are to relieve the Board of Directors (“Board”) from detailed involvement in the review of the results of internal and external audit activities and to ensure that audit findings are brought up to the highest level for consideration, on matters on accounting policies, the external audit reporting, risk management and the internal audit function.

A. Authorities, Duties and Responsibilities

The authorities, duties and responsibilities of the ARC are set out in the Terms of Reference of ARC which is included in the Board Charter.

B. Composition

The ARC consists of five (5) members, who are Independent Non-Executive and Non-Independent Non-Executive Directors as follows:

- Mr. Tan Kak Teck (*Chairman, Independent Non-Executive Director*)
- Mr. Lee Boon Hong @ Lee Boon Keong (*Member, Non-Independent Non-Executive Chairman*)
- Encik Mohd Shafizan Bin Shahbudin (*Member, Non-Independent Non-Executive Director*)
- Mr. Lee Szed Kee (*Member, Independent Non-Executive Director*)
- Mr. Amy Chan Chen Chen (*Member, Independent Non-Executive Director*)

The Chairman of the ARC, Mr. Tan Kak Teck, meets the requirement of Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements (“MMLR”) as he is a Chartered Accountant and a member of the Malaysian Institute of Accountants. Further, majority of the other members have been long-standing members of the Board and have working familiarity with finance and accounting practices.

C. Meetings and Minutes

The ARC will meet at least four (4) times a year with additional meetings to be held, if necessary. If need arises, meetings will be attended by the Management, Internal and/or External Auditors.

During the financial year ended 31 December 2023 (“FY2023”), the ARC held five (5) meetings and the records of attendance of each ARC member are as follows:

Name of ARC Member	Total number of meetings attended
Mr. Tan Kak Teck	5/5
Mr. Lee Boon Hong @ Lee Boon Keong	5/5
Encik Mohd Shafizan Bin Shahbudin	4/5
Mr. Lee Szed Kee	2/2
Ms. My Chan Chen Chen	2/2

The ARC also met the External Auditors in one (1) private session without the presence of Managing Director, Deputy Managing Director, Executive Director and Management to discuss audit related matters that the External Auditors wish to raise directly with the ARC during FY2023.

AUDIT AND RISK COMMITTEE REPORT (Cont'd)

C. Meetings and Minutes (Cont'd)

The ARC Meetings are pre-scheduled and are timed just before the Board of Directors' Meetings. The agenda carries matters that need to be deliberated, reviewed or decided on and further reported to the Board. Notices and meeting papers are circulated to all members in due course before each meeting with sufficient preparation time given for deliberation on matters that tabled at the meetings.

Where necessary, the ARC will deliberate and vote on the written resolutions circulated to the ARC together with detailed explanations. Ample time will be given to all ARC members for them to make informed and constructive decisions.

The Company Secretary is the secretary of the ARC and is responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the ARC members before each meeting. The Company Secretary is also responsible for keeping the minutes of meetings and circulating them to the ARC members for comment and confirmation. The signed minutes of the meeting are also circulated to the Board for notation.

D. Summary of Activities of the ARC

The ARC carried out the following activities during FY2023:

- a) Reviewed the unaudited quarterly results announcements for each quarter of the Company and its subsidiaries (collectively referred to as "**Group**") before the Board's approval focusing particularly on:
 - the overall performance of the Group;
 - the prospects of the Group;
 - the changes in or implementation of major accounting policy changes; and
 - compliance with accounting standards and other legal requirements.
- b) Reviewed with the outsourced Internal Auditors ("**Outsourced IA**"), the internal audit plan to ensure the adequacy of the scope, functions and resources to carry out their work;
- c) Reviewed internal audit reports and to monitor/follow-up on remedial actions with the Outsourced IA;
- d) Reviewed the audit planning memorandum, which lists out the audit programme undertaken by the External Auditors;
- e) Reviewed the results of the annual audit and audit report, including the key audit matters raised by the External Auditors;
- f) Reviewed related party transactions within the Group and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- g) Reviewed the Corporate Governance Overview Statement, ARC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and subsequently submitted the said documents to the Board for its consideration and approval for inclusion in the Annual Report for the financial year ended 31 December 2023;

AUDIT AND RISK COMMITTEE REPORT (Cont'd)

D. Summary of Activities of the ARC (Cont'd)

- h) Reviewed the Corporate Governance Report for the financial year ended 31 December 2023 and recommended the same to the Board its consideration and approval;
- i) Undertook an annual assessment of the suitability, objectivity, independence and performance of the External Auditors before recommending their re-appointment to the Board, upon which shareholders' approval was sought at the Fifty-Eight Annual General Meeting held on 29 May 2024; and
- j) Assessed the suitability, objectivity, independence and performance of the Outsourced IA.

E. Internal Audit Function

The Group has been outsourcing its internal audit functions to an Outsourced IA who acts independently with proficiency, and due professional care and reports directly to the ARC. The cost incurred by the Group concerning the Outsourced IA amounted RM24,000 for FY2023.

The principal roles of the Outsourced IA are:

- a) Maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets;
- b) Overseeing the conduct of the business to evaluate whether the business is being properly managed;
- c) Evaluating the system of internal control based upon the standard operational manual and put forward recommendations to the Management and ARC;
- d) Establishing an overview of the adequacy and effectiveness of system of internal control in order to provide reasonable assurance regarding the achievement of the objectives in the following areas:
 - Effectiveness and efficiency of operations;
 - Suitability, reliability and integrity of financial and other management information; and
 - Compliance with the established policies, procedures, applicable laws and regulations;
- e) Addressing issues or concerns as requested by the Management or ARC;
- f) Reviewing any new system of internal control implemented; and
- g) Following-up on actions taken in previous internal audit findings to determine if the issues and control deficiencies highlighted are subsequently rectified.

AUDIT AND RISK COMMITTEE REPORT (Cont'd)

E. Internal Audit Function (Cont'd)

The Outsourced IA performed the following reviews during FY2023:

- Project Department; and
- Sales & Marketing Department.

No significant irregularity or deficiency in the internal control mechanism was brought to the attention of the ARC by the Outsourced IA during FY2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is pleased to present its Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of the risk management and internal control of Y&G Corporation Bhd. and its subsidiaries (collectively referred to as "Group") for the financial year ended 31 December 2023 ("FY2023"). This Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Bursa Securities' guidelines, Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

A. Board's Responsibility

The Board acknowledges the importance of the sound system of internal controls and risk management in safeguarding the shareholders' investments and other stakeholders' interests. However, such a system is designed to manage rather than eliminate the business risk given the inherent limitations of any system. As such, the system could provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

The Group has in place an ongoing process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of objectives throughout the year under review.

B. Risk Management and Internal Control Process

The Board acknowledges that having a sound framework of risk management and internal control is fundamental to establishing good corporate governance. The Group's business activities and operations have been around for many years with continuous improvements made by the Management based on the recommendations of the External Auditors and Internal Auditors. Management's in-depth knowledge of the business and operation assisted the Group in identifying the key risk areas of the Group.

The Board delegates the oversight of risk management and internal control to the Audit and Risk Committee ("ARC"). The ARC is assisted by the Risk Management Working Group ("RMWG") which consists mainly of all Departmental Heads of the Group.

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

B. Risk Management and Internal Control Process (Cont'd)

The Management is responsible to implement and maintain the following risk management framework:

- Establish a framework to systematically identify, evaluate, manage, control and monitor risks;
- Create risk awareness across the business by having accountability for risks and continuous monitoring;
- Emphasize reviewing risks at meetings to improve risk management; and
- Centralise the systematic gathering of risk profile data for risk mitigation action to be initiated under their degree of significance.

The risk management framework will be implemented and maintained to achieve the following objectives:

- The Group's operational plans and overall risks to be communicated to all levels appropriately;
- Effectively identify, evaluate, manage, control and monitor significant risks;
- Systematically review and report on significant risks and take appropriate actions; and
- Timely response to risks by all levels of management.

The risk management framework is illustrated below:



Key risks which may impact the Group's business include:

- a) Operational Risks
 - risks from insufficient or slacked internal processes, employees and systems;
 - risks of not foreseeing and responding to changes in the operating environment, or executing strategies unsuccessfully; and
 - risks from inappropriate product launching and marketing.
 - slow property market
- b) Financial Risks
 - Risks of loss from movements in financial markets and changes in financial variables; and
 - Risks involving credit, liquidity, interest rates and exchange rates.

While pursuing strategic plans and ensuring continued growth, the Group will continue to emphasize sound risk management and internal control to set the Group in a better position to handle the various challenges posed by the dynamic and competitive business environment.

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

C. Key Elements of the Internal Control System

Key elements of the internal control system embedded in the Group's operations are as follows:

- An organisation structure with defined scopes of responsibilities, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- Regular and comprehensive information provided to Management, covering financial and operational performance and key business indicators, for effective monitoring and decision-making;
- A Code of Conduct and Ethics established for all employees, which defines the ethical standards and conduct of work required;
- Quarterly meetings for the Board are held to discuss the quarterly financial statements and issues that require the Board's attention;
- Operating policies and procedures are subject to regular review and improvement;
- Strategic planning, target setting and detailed budgeting process for each of the projects which has been approved by the Senior Management team;
- ARC's reviews of the internal control issues highlighted by the RMWG, Internal Auditors and External Auditors; and
- ARC's reviews of the adequacy and effectiveness of the internal control system of the Group.

D. Review on the Adequacy and Effectiveness of Risk Management and Internal Control System

The review of the adequacy and effectiveness of the risk management and internal control system involves the following:

- Annual assurance by the Managing Director, Deputy Managing Director and Executive Director on the adequacy and effectiveness of the risk management and internal control system, highlighting any weaknesses; and
- Periodical internal control review carried out regarding the approved internal audit plan by the outsourced Internal Auditors. The reports on the review will be presented to the ARC.

The risk management and internal control processes in place provide reasonable assurance that the internal control system structure is appropriate to the Group's business and that the significant risks are at a manageable level. However, the processes do not eliminate the possibility of poor judgment in decision-making, human error, and the occurrence of unforeseeable circumstances. The Board believes that the system of internal control in place is adequate to safeguard the Group's assets and shareholders' investments during the year under review.

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

E. No Weakness in Internal Control That Result in Material Losses

There were no material losses incurred during FY2023 arising from the weakness in the internal control system of the Group. The Management will continue to take appropriate measures to strengthen the control activities after taking into consideration the changing business environment.

F. Review of Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for FY2023. Their limited assurance review was performed under Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, under the disclosures required by paragraphs 44 and 45 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

G. Conclusion

To the best knowledge of our Board, there were no material losses incurred during the year under review that caused by weaknesses in internal control. Our Board has received assurance from the Executive Directors that our Group's risk management and internal control systems are operating adequately and effectively, in all material aspects. The Management continues to take measures to improve and strengthen the internal control environment.

This Statement was approved by the Board on 5 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

The following additional compliance information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Audit and Non-Audit Fees

The amount of audit fees payable by the Company and the Group to the External Auditors for the financial year ended 31 December 2023 amounted to RM36,750 and RM114,450 respectively.

The non-audit fees payable by the Company and the Group to the External Auditors during the financial year ended 31 December 2023 amounted to RM4,000 and RM30,500 respectively.

2. Material Contracts

Other than those transactions disclosed as Related Party Transactions in Note 33 to the Financial Statements on page 147 and 148, there were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors or major shareholders either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposals

The Company does not have any corporate proposals during the financial year ended 31 December 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 ("Act") so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the year ended 31 December 2023, the Directors ensured the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going-concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

FIVE-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

RM'000	2023	2022	2021	2020	2019
Revenue	38,734	64,839	75,420	39,290	59,935
Profit before tax	9,916	13,954	14,836	3,199	6,885
Profit after tax	6,319	9,722	8,175	782	4,032
Profit attributable to equity holders	6,347	9,714	8,166	772	4,027
<hr/>					
Share capital	218,478	218,478	218,478	218,478	218,478
Equity attributable to equity holders	318,466	312,119	302,405	294,239	293,467
Total assets	399,018	386,060	389,927	387,078	376,132
Total borrowings	54,405	36,343	46,096	42,361	7,008
Net tangible assets (NTA)	318,947	312,628	302,906	294,731	293,949
NTA per share (RM)	1.46	1.43	1.38	1.35	1.34
Gearing ratio	17.08%	11.64%	15.24%	14.40%	2.39%
<hr/>					
Earnings per share (sen)	2.91	4.45	3.74	0.35	1.84
Dividend per share (sen)	-	-	-	-	-
Return on equity	1.98%	3.11%	2.70%	0.26%	1.37%
<hr/>					
Share Price – High (RM)	0.935	1.35	1.95	0.80	1.00
Share Price – Low (RM)	0.60	0.66	0.55	0.42	0.65
Share Price – Year Close (RM)	0.84	0.705	1.28	0.56	0.75
Market Capitalisation (RM' million)	183.52	154.03	279.65	122.35	163.86

DIRECTORS' REPORT

The Directors submit their report and the financial statements of the Group and of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property construction and management services. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS FOR THE FINANCIAL YEAR

	Group RM'000	Company RM'000
Profit/(Loss) for the year	6,319	(3,201)
Profit/(Loss) for the year attributable to :		
Owners of the parent	6,347	(3,201)
Non-controlling interest	(28)	-
	6,319	(3,201)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend payment in respect of the current financial year ended 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except for those provisions made within the ordinary course of business which have been disclosed in the financial statements.

DIRECTORS' REPORT (Cont'd)

ISSUE OF SHARES, DEBENTURES AND WARRANTS

There were no new shares, debentures or warrants issued during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that allowance for impairment losses on receivables was not necessary.

At the date of this report, the Directors advise that they are not aware of any circumstances which would render it necessary to provide allowance for impairment losses on receivables or the amount written off for bad debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have 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.

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 methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (Cont'd)

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secure the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations 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 AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS' REPORT (Cont'd)

DIRECTORS OF THE COMPANY

The Directors of the Company in office since the end of the last financial year to the date of this report are as follows :-

DATO' SRI YAP SENG YEW
DATIN SRI GAN LI LI
DATO' YAP JUN JIEN
LEE BOON HONG @ LEE BOON KEONG
MOHD SHAFIZAN BIN SHAHBUDIN
TAN KAK TECK
LEE SZED KEE (Appointed on 29.08.2023)
AMY CHAN CHEN CHEN (Appointed on 29.08.2023)

DIRECTORS OF THE SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries since the end of the last financial year to the date of this report are as follows :-

DATO' SRI YAP SENG YEW
DATIN SRI GAN LI LI
DATO' YAP JUN JIEN
YAP JUN WEI
DATIN TEH MI MI
GAN LI CHING
ZURAIDI BIN AZIZ
TAN WAH KOK (Resigned on 26.05.2023)
NG YOKE LAN (Resigned on 26.05.2023)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, are as follows :-

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS (Cont'd)

THE COMPANY	No. of Ordinary Shares			As at 31.12.2023
	As at 01.01.2023	Bought	Sold	
Direct Interests :				
DATO' SRI YAP SENG YEW	6,621,600	-	-	6,621,600
DATIN SRI GAN LI LI	6,687,383	-	-	6,687,383
DATO' YAP JUN JIEN	16,693,302	-	-	16,693,302
TAN KAK TECK	22,050	-	-	22,050
Indirect Interests :				
DATO' SRI YAP SENG YEW	134,853,033	-	-	134,853,033
DATIN SRI GAN LI LI	134,787,250	-	-	134,787,250
DATO' YAP JUN JIEN	113,112,208	-	-	113,112,208

HOLDING COMPANY	No. of Ordinary Shares			As at 31.12.2023
	As at 01.01.2023	Bought	Sold	
Direct Interests :				
DATO' SRI YAP SENG YEW	350,000	-	-	350,000
DATIN SRI GAN LI LI	350,000	-	-	350,000
DATO' YAP JUN JIEN	150,000	-	-	150,000

By virtue of their interest in the shares of the Company, the above-mentioned Directors, except for Mr. Tan Kak Teck, are also deemed interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest pursuant to Section 8(4) of the Companies Act 2016.

Other than as disclosed above, none of the other Directors holding office at the end of the financial year held any interest in the shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or has become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company disclosed below) by reason of a contract made by the Company or a related corporation with a 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.

DIRECTORS' REPORT (Cont'd)

DIRECTORS' BENEFITS (Cont'd)

The aggregate amount of emoluments and other benefits paid to or receivable by the Directors during the financial year are as follows:

	Group RM'000	Company RM'000
Directors' fee	320	210
Directors' salaries and allowance	1,650	560
Defined contribution plan	189	59
	2,159	829

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

Except as reported specifically in this report, no other services have been rendered or provided by the Directors or past Directors.

INDEMNITY TO DIRECTORS AND OFFICERS

The Group and the Company have not indemnified directly or indirectly or effected any insurance for any Director and officer of the Group and of the Company.

HOLDING COMPANY

The holding company is Kinta Aroma Sdn. Bhd., a company incorporated and domiciled in Malaysia.

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no significant events and subsequent events occurred after the end of the financial year.

DIRECTORS' REPORT (Cont'd)

INDEMNITY TO AUDITORS

The Company has agreed to indemnify its auditors, T. H. KUAN & CO., the cost provided and permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify T. H. KUAN & CO. during the financial year or since the end of financial year.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 is RM114,450 and RM36,750 respectively.

AUDITORS

Messrs. T. H. KUAN & CO., Chartered Accountants, have expressed their willingness to accept re-appointment.

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

DATO' SRI YAP SENG YEW
DIRECTOR

Petaling Jaya, Selangor Darul Ehsan
Dated : 5 April 2024

DATIN SRI GAN LI LI
DIRECTOR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, DATO' SRI YAP SENG YEW and DATIN SRI GAN LI LI, being two of the Directors of Y&G CORPORATION BHD., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on Pages 76 to 149 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

DATO' SRI YAP SENG YEW
DIRECTOR

DATIN SRI GAN LI LI
DIRECTOR

Petaling Jaya, Selangor Darul Ehsan

Dated : 5 April 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, YAP YOON SIN (NRIC No. : 731110-14-5147) (MIA Membership No. : CA20025), being the Officer primarily responsible for the financial management of Y&G CORPORATION BHD., do solemnly and sincerely declare that the accompanying financial statements set out on Pages 76 to 149 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
YAP YOON SIN)
NRIC No. : 731110-14-5147)
at Petaling Jaya,)
in the State of Selangor Darul Ehsan)
this day of 5 April 2024)

Before me,
WONG CHOY YIN
No. B508
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Y&G CORPORATION BHD. (196501000614 (6403-X))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Y&G CORPORATION BHD., which comprise the statements of financial position as at 31 December 2023 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 63 to 149.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are matters included further hereunder within this report with no separate opinion given on the matters and key matters primarily involved significant matters where our professional judgement is required together with other audit procedures performed by us to form an overall audit opinion of the truth and fairness of the Group's financial statements.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF Y&G CORPORATION BHD. (196501000614 (6403-X))
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

1. Property development revenue and profit recognition

Within the revenue and cost reported in the Group's financial statements, the recognition of the revenue and cost for the construction and sale of development properties is based on the stage of completion achieved by each development phase at each material time, of which include the reporting date reported herein.

The stage of completion at each material time is determined and calculated based on the actual property development costs incurred over the estimated total development cost for completing a development phase.

With the above determinants, the recognition of revenue is hence dependent on the estimated total cost of development, which has the inclusion of estimates and judgement made by the Directors on the cost to be incurred for the development.

In view of the above, there is a risk of deviation between the estimated cost and the actual cost of development incurred resulting in material variance in the amount of profit or loss recognised for the period reported herein.

Along with other audit procedures, the above matter is further addressed by us with the following audit procedures:-

- Procedures which ensure the estimated and actual cost incurred for each development phase were duly approved.
- Procedures which ensure the estimated and actual cost incurred for each development phase were duly monitored with deviation reported promptly.
- Procedures which ensure the stage of completion determined for the recognition of revenue and cost is supported by architect certification.
- Procedures which challenge the estimates provided within the feasibility study report of each development phase.

We also considered the adequacy of the disclosure on revenue recognition included in the significant accounting policies in Note 3.15(c), Note 3.16 and Note 3.21 as well as in the significant accounting estimate and judgements accounting policies of Note 4.1(c) to the financial statements.

2. Impairment of trade receivables

As at 31 December 2023, the respective credit risk of trade receivables of the Group, including past due but not impaired receivables of RM21.101 million together with other amounts of receivables of trade in nature have been respectively disclosed in Note 13 and Note 31(b)(i) of the financial statements.

In determining whether a provision for expected credit losses on receivables is required for the foregoing-mentioned amount of receivables past due and not impaired and the other receivables which are within the credit period of the Group, an on-going review and evaluation of the creditworthiness, trend of payments, including delinquent and/or default payment, subsequent receipts and payment terms of the receivables are performed by the management and Directors.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF Y&G CORPORATION BHD. (196501000614 (6403-X))
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

2. Impairment of trade receivables (Cont'd)

In view of the review and evaluation performed by the management and Directors involves certain extent of judgement, there is a risk of inherent change in circumstances in which judgement was made, resulting a variation in the balance of receivables reported herein and the consequence effect to the results reported in the statement of comprehensive income.

Along with other audit procedures, the above matter of provision for expected credit losses on receivables is further addressed by us with the following audit procedures:-

- Procedures which ensure the design of credit control system is adequate and the implementation thereof in assessing creditworthiness of receivables is complied.
- Procedures which ensure the sales made to receivables are properly and adequately supported by legally enforceable documents of sale for recovery of debts.
- Procedures which ensure receivables are with adequate subsequent receipts and/or adequate subsequent support of financing arrangement.
- Procedures which ensure the adequacy of measures taken to recover the receivables.

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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF Y&G CORPORATION BHD. (196501000614 (6403-X))
(INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF Y&G CORPORATION BHD. (196501000614 (6403-X))
(INCORPORATED IN MALAYSIA)

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

- 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

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

T. H. KUAN & CO.
AF 1216
CHARTERED ACCOUNTANTS

Petaling Jaya, Selangor Darul Ehsan

YEAN WAI NYE
No. 02970/02/2025 J
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY		
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
ASSETS						
Non-Current Assets						
Property, plant and equipment	5	1,218	1,198	138	166	
Investment property	6	19,984	17,427	-	-	
Land held for property development	7	229,127	206,286	-	-	
Investment in subsidiaries	8	-	-	128,482	128,682	
Deferred tax assets	9	-	2,397	-	-	
Total Non-Current Assets		250,329	227,308	128,620	128,848	
Current Assets						
Inventories	10	14,024	10,110	-	-	
Property development expenditure	11	-	15,853	-	-	
Contract assets	12	-	35,869	-	-	
Trade receivables	13	21,101	5,017	-	-	
Other receivables and deposits	14	44,688	10,054	181,212	191,659	
Current tax assets		190	1,163	-	-	
Cash and cash equivalents	15	68,686	80,686	41,598	4,223	
Total Current Assets		148,689	158,752	222,810	195,882	
TOTAL ASSETS		399,018	386,060	351,430	324,730	

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

**STATEMENTS OF
FINANCIAL POSITION** (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	----- GROUP -----		----- COMPANY -----	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity				
Share capital	16	218,478	218,478	218,478
Retained earnings	17	99,988	93,641	48,696
		318,466	312,119	267,174
Non-controlling interest		481	509	-
Total Equity		318,947	312,628	267,174
		318,947	312,628	267,174
Non-Current Liabilities				
Obligation under finance leases	18	247	269	-
Bank borrowings	19	46,858	28,288	-
Deferred tax liabilities	20	8,163	8,407	-
Total Non-Current Liabilities		55,268	36,964	-
		55,268	36,964	-
Current Liabilities				
Trade payables	21	12,707	10,881	-
Other payables and accruals	22	3,408	14,617	84,256
Obligation under finance leases	18	221	182	-
Bank borrowings	19	7,079	7,604	-
Current tax liabilities		1,388	3,184	-
Total Current Liabilities		24,803	36,468	84,256
		24,803	36,468	84,256
Total Liabilities		80,071	73,432	54,355
		80,071	73,432	54,355
TOTAL EQUITY AND LIABILITIES		399,018	386,060	351,430
		399,018	386,060	324,730

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	23	38,734	64,839	2,550	3,387
Cost of revenue	24	(20,051)	(41,997)	-	-
Gross profit		18,683	22,842	2,550	3,387
Other income		2,457	1,400	816	45
Administration expenses		(8,417)	(8,043)	(5,445)	(4,885)
Selling and distribution expenses		(1,805)	(925)	-	-
Other operating expenses		(200)	(681)	(495)	(129)
Profit/(Loss) from operations		10,718	14,593	(2,574)	(1,582)
Finance costs	25	(802)	(639)	(627)	(214)
Profit/(Loss) before tax	26	9,916	13,954	(3,201)	(1,796)
Income tax expenses	29	(3,597)	(4,232)	-	-
Profit/(Loss) for the financial year		6,319	9,722	(3,201)	(1,796)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		6,319	9,722	(3,201)	(1,796)
Profit/(Loss) for the financial year / Total comprehensive income/(loss) attributable to :-					
Owners of the parent		6,347	9,714	(3,201)	(1,796)
Non-controlling interest		(28)	8	-	-
		6,319	9,722	(3,201)	(1,796)
Earnings per share attributable to owners of the parent (Sen per share)					
Basic	30	2.91	4.45		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

GROUP	Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000		
As at 1 January 2022	218,478	83,927	302,405	501
Transactions with owners :-				302,906
Profit for the financial year	-	9,714	9,714	9,722
Other comprehensive income	-	-	-	-
Total Comprehensive Income	-	9,714	9,714	8
				9,722
As at 31 December 2022	218,478	93,641	312,119	509
Transactions with owners :-				312,628
Profit for the financial year	-	6,347	6,347	6,319
Other comprehensive income	-	-	-	-
Total Comprehensive Income	-	6,347	6,347	(28)
				6,319
As at 31 December 2023	218,478	99,988	318,466	481
				318,947

**STATEMENTS OF
CHANGES IN EQUITY** (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

COMPANY	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
----- Non-distributable -----			
As at 1 January 2022	218,478	53,693	272,171
Loss for the financial year	-	(1,796)	(1,796)
Other comprehensive income	-	-	-
Total Comprehensive Loss	-	(1,796)	(1,796)
As at 31 December 2022	218,478	51,897	270,375
Loss for the financial year	-	(3,201)	(3,201)
Other comprehensive income	-	-	-
Total Comprehensive Loss	-	(3,201)	(3,201)
As at 31 December 2023	218,478	48,696	267,174

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		9,916	13,954	(3,201)	(1,796)
Adjustments for :					
Depreciation of property, plant and equipment	5, 26	299	284	65	64
Amortisation of investment property	6, 26	232	232	-	-
Impairment of investment in subsidiary	26	-	-	450	-
Property, plant and equipment written off	26	1	11	1	11
Written off - Others	26	4	1	-	-
Interest on obligation under finance leases	25, 26	25	22	-	-
Term loan interest	25, 26	777	463	447	159
Bridging loan interest	25, 26	-	154	-	-
Unsecured cost of fund	26	-	-	(414)	12
Interest income	26	(876)	(365)	(223)	(1)
Unrealised foreign exchange (gain)/loss	26	(439)	(219)	(75)	10
Operating profit/(loss) before changes in working capital		9,939	14,537	(2,950)	(1,541)
Changes in working capital					
Inventories		(3,914)	21,785	-	-
Property development expenditure		15,853	16,903	-	-
Contract assets		35,869	(14,083)	-	-
Trade and other receivables		(50,721)	39,464	10,447	(8,750)
Trade and other payables		(9,383)	(2,349)	33,378	10,823
Cash from/(used in) operation		(2,357)	76,257	40,875	532
Tax paid		(2,268)	(6,616)	-	-
Net cash from/(used in) operating activities		(4,625)	69,641	40,875	532

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

**STATEMENTS OF
CASH FLOWS** (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	----- GROUP -----		----- COMPANY -----		
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of property, plant and equipment						
	5(a)	(80)	(75)	(38)	(75)	
Acquisition of investment property	6	(2,789)	-	-	-	
Addition of land held for property development	7	(22,841)	(18,520)	-	-	
Additional shares investment in subsidiary		-	-	(250)	-	
Interest income	26	876	365	223	1	
Net cash used in investing activities		<u>(24,834)</u>	<u>(18,230)</u>	<u>(65)</u>	<u>(74)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES						
Drawdown from bank borrowings		25,587	-	-	-	
Repayment of bank borrowings		(7,542)	(9,731)	-	-	
Repayment of obligation under finance leases		(223)	(201)	-	-	
Interest paid	25, 26	(802)	(639)	(447)	(159)	
Unsecured cost of fund	25, 26	-	-	414	(12)	
Placement of deposits pledged to licensed banks	15	(622)	(215)	-	-	
Net cash (used in)/from financing activities		<u>16,398</u>	<u>(10,786)</u>	<u>(33)</u>	<u>(171)</u>	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
		(13,061)	40,625	40,777	287	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR						
Effects of exchange rate changes on cash and cash equivalents		74,531	33,508	4,223	3,767	
		<u>439</u>	<u>398</u>	<u>(3,402)</u>	<u>169</u>	
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR						
	15	<u>61,909</u>	<u>74,531</u>	<u>41,598</u>	<u>4,223</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. CORPORATE INFORMATION

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 principal place of business of the Company is located at Lot G-01, Ground Floor, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the Company are investment holding, property construction and management services. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The holding company is Kinta Aroma Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 April 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation

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

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

2.2 Amendments to MFRSs and New MFRSs Adopted

The accounting policies adopted are consistent with those of the previous financial year except as described below. The following new and amended MFRSs and Issues Committee ("IC") Interpretations issued by the Malaysian Accounting Standards Board ("MASB") became mandatory for current financial year of the Group and of the Company :

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

2.2 Amendments to MFRSs and New MFRSs Adopted (Cont'd)

Effective for the financial periods beginning on or after 1 January 2023

MFRS 17 and Amendments to MFRS 17	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendment to MFRS 101	Disclosure of Accounting Policies
Amendment to MFRS 101	Classification of Liabilities as Current or Non-current
Amendment to MFRS 108	Definition of Accounting Estimates
Amendment to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards Issued But Have Not Been Effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and IC Interpretations have been issued by the MASB but have not been effective and have not been adopted by the Group and the Company:-

Effective for the financial periods beginning on or after 1 January 2024

Amendment to MFRS 7 and MFRS 107	Supplier Finance Arrangements
Amendment to MFRS 16	Lease Liability in a Sale and Leaseback
Amendment to MFRS 101	Non-current Liabilities with Covenants

Effective for the financial periods beginning on or after 1 January 2025

Amendment to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

2.3 Standards Issued But Have Not Been Effective (Cont'd)

Effective date to be announced

Amendments to MFRS 10 and MFRS 128

Sale or Contribution of Assets between an
Investor and its Associate or Joint
Venture

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant effect to the financial statements of the Group and the Company upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

3.2 Investment in Subsidiaries

A subsidiary is an entity over which the Group has the following:-

- (i) Power over the investee;
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use power over the investee to affect the amount of the Company's returns.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Basis of Consolidation

(a) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Accounting policies are consistently applied for transactions and events in similar circumstances.

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

- (i) Power over the investee;
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use power over the investee to affect the amount of the Company's returns.

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

Losses of subsidiaries are attributed to the non-controlling interests even if that results in a deficit balance.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Basis of Consolidation (Cont'd)

(b) Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administration expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with MFRS 9 in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instance where the contingent consideration does not fall within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition-date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 3.4.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Basis of Consolidation (Cont'd)

(c) Transactions with Non-Controlling Interests

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from the equity of the owners of the Company. Transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and fair value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

3.4 Intangible Assets

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but tested for impairment annually or more frequently when indications of impairment are identified.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

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

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

Depreciation on property, plant and equipment is calculated on the straight-line method so as to write off the cost of the property, plant and equipment net of impairment losses over their estimated useful lives. The principal annual rates used are as follows:-

Motor vehicles	10%
Renovation	10%
Furniture and fittings	10%
Plant, machinery and equipment	10% - 20%

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

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the profit or loss.

3.6 Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that non-financial assets (except for inventories, land held for property development, property development expenditure, contract assets, deferred tax assets and investment property measured at fair value) may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Impairment of Non-Financial Assets (Cont'd)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down 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 the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.7 Investment Property

Investment property consists of investment in land and building that is not substantially occupied for use by, or in the operations of the Group and of the Company.

Investment property is treated as long term investment and is stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the freehold building are 50 years. Freehold land is not amortised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.7 Investment Property (Cont'd)

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

3.8 Financial Instruments

(a) Financial Assets

Financial assets 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.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 *Financial Instruments* are as below:-

(i) Financial Assets Measured at Amortised Cost

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

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

(ii) Financial Assets Measured at Fair Value

Financial assets that are debt instruments are measured at fair value through other comprehensive income if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(ii) Financial Assets Measured at Fair Value (Cont'd)

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

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The Group and the Company do not have any financial assets measured at fair value through profit or loss as at the current and previous financial year ends.

Equity instruments are classified as financial assets measured at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company can elect an irrevocable option to designate its equity financial instruments at initial recognition as financial assets measured at fair value through other comprehensive income if the equity instruments are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Regular way purchases or sales are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

(b) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities 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. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities measured at fair value through profit or loss as at the current and previous financial year ends.

(ii) Other Financial Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial Instruments (Cont'd)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities (Cont'd)

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

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is 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.

3.9 Impairment of Financial Assets

At each financial year end, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Impairment of Financial Assets (Cont'd)

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive.

The Group and the Company recognise expected credit loss on the two-step approach as follows:

(a) 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(b) Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group and the Company. If in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade receivables and contract assets, the Group and the Company apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

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

3.10 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 the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Contingencies (Cont'd)

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

3.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in 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 amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.12 Equity Instrument

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

Ordinary shares are recorded at the proceeds received. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.13 Provision

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Lease

(a) The Group and the Company as Lessee

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

The right-of-use asset is initially measured at cost, which comprise 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 estimated of costs to dismantle and remove the underlying assets or to restore the underlying assets or site on which it is located.

The right-of-use asset is subsequently 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. The estimated useful lives of the right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

If the lease transfers ownership to the Group and the Company by end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying assets. Otherwise, the Group and the Company depreciate the right-of-use asset 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Lease (Cont'd)

(b) The Group and the Company as Lessor

The Group and the Company classified its leases as either operating leases or finance leases. Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

If the Group and the Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

3.15 Inventories

(a) Completed development properties

Inventories represent completed residential and commercial properties.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the specified identification basis and includes costs of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(b) Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle and such land is classified as non-current inventory and is stated at the lower of cost and net realisable value. Cost includes the purchase price of the land, conversion cost and other incidental costs incurred in bringing the land to the condition for development. When property development commences and it can be completed within the normal operating cycle, the carrying amount of the land, or a portion thereof, is transferred to property development costs using the specific identification method if it is specifically identifiable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15 Inventories (Cont'd)

(c) Property Development Expenditure

Property development expenditures are classified as current inventory and measured at lower of cost and net realisable value. Costs comprise land cost, development costs, including infrastructure costs and other directly attributable costs of property development. The property development costs are accounted for on a project-by-project basis. Land costs, infrastructure cost and other common cost are allocated to development projects by reference to land area used or by reference to relative development value of the project, depending on which basis better reflects a fair allocation of the costs incurred. When the development units are sold to customers, a portion of the development costs is transferred to contract asset account. The balance in the property development costs not transferred to contract assets represents costs of unsold units in progress.

3.16 Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development, contract asset is the excess of cumulative revenue earned over the billings to-date, for which the billings to customers are based on progress milestones set out in sale and purchase agreement with the customers. Contract asset is stated at cost less accumulated impairment losses. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods and services to customer for which the Group and the Company have received the consideration or have billed the customer. In the case of property development, contract liability is the excess of the billings to-date over the cumulative revenue earned.

3.17 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.18 Non-Current Asset Held For Sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

3.19 Employee Benefits

(a) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

(b) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to Employee Provident Fund ("EPF"). This contribution is recognised as an expense in the profit or loss as incurred. Once contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.20 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year, using tax rates enacted or substantively enacted by at the end of the reporting period, and any adjustments recognised in the year for current tax of prior years.

Deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities and their tax bases except where the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable income.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be realisable. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realisable.

Deferred tax is measured at tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if and only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.21 Revenue

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of properties based on the five-step model as set out below:

(a) Identify contract(s) with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(b) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.21 Revenue (Cont'd)

(c) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(d) Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when the Group and the Company satisfy a performance obligation

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:-

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.21 Revenue (Cont'd)

(a) Property Development

Revenue from contract with customers of property development activities is measured at the fair value of the consideration received and receivable. This is normally the contracted price in the sale and purchase agreement. Any variable consideration, including penalty for late delivery, is included in the measurement of the transaction price using either the expected value method or the most likely outcome method, depending on which method better predicts the consideration receivable.

If the performance obligation in a contract with customer is satisfied over time by transferring control of the assets to the customer over time, revenue is recognised in profit or loss using percentage of completion method. Control is transferred over time if the Group has no alternative use to the units sold to customers and the Group has enforceable right for payments for the work completed to date. For contracts with customers that do not meet any of these two conditions, revenue is recognised in profit or loss at the point in time when the development of the units is completed and the units delivered to customers.

The stage of completion is measured using an input method by reference to the costs incurred to date over the estimated total costs for completion. If the outcome of a project is uncertain, revenue in respect of units sold is recognised in profit or loss to the extent of the recoverable costs incurred.

The Group recognised sales at a point in time for the sale of completed properties, when control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Management Fee

Management fee is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(c) Dividend Income

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

(d) Rental Income

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

(e) Interest Income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.22 Related Parties

A related party is a person or entity that is related to the Company.

A related party is:

- (a) a person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control of the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of the holding company of the Company.
- (b) an entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of the holding company of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the holding company of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

3.24 Warrants

The issues of ordinary shares upon exercise of the warrants are treated as new subscriptions of ordinary shares for the consideration equivalent to the warrants exercise price.

3.25 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.25 Fair Value Measurement (Cont'd)

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

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

4. SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

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

4.1 Judgements Made In Applying Accounting Policies

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

(a) Impairment of Non-Financial Assets

When the recoverable amount of a non-financial asset is determined based on the estimate of the value in use of the cash-generating units to which the assets is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating units and also to apply a suitable discount rate in order to determine the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

4. SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES (Cont'd)

4.1 Judgements Made In Applying Accounting Policies (Cont'd)

(b) Provision for expected credit losses of trade receivables, other receivables and contract assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when 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 sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the contract assets and receivables are disclosed in Note 12, Note 13 and Note 14 respectively.

(c) Property Development Revenue

The Group recognises property development revenue and expenses in statements of comprehensive income by using the stage of completion method. The stage of completion method is described in Note 3.21.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, 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 professionals.

4.2 Key Sources of Estimation Uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

4. SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES (Cont'd)

4.2 Key Sources of Estimation Uncertainty (Cont'd)

(a) Useful Lives of Property, Plant and Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised and impairment loss could be provided.

The carrying amount of the Group's and the Company's property, plant and equipment as at reporting date is disclosed in Note 5 to the financial statements.

(b) Provision for Income Tax

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

(c) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant, machinery and equipment				Total RM'000
	Motor vehicles RM'000	Renovation RM'000	Furniture and fittings RM'000	Plant, machinery and equipment RM'000	
<u>2023</u>					
<u>Cost</u>					
At 1 January 2023	3,390	783	337	747	5,257
Addition	282	-	-	38	320
Disposal	-	-	(12)	(6)	(18)
At 31 December 2023	3,672	783	325	779	5,559
<u>Accumulated Depreciation</u>					
At 1 January 2023	2,326	783	332	618	4,059
Charge for the year	269	-	2	28	299
Disposal	-	-	(12)	(5)	(17)
At 31 December 2023	2,595	783	322	641	4,341
<u>Net Carrying Amount</u>					
At 31 December 2023	1,077	-	3	138	1,218
<u>2022</u>					
<u>Cost</u>					
At 1 January 2022	3,390	783	340	856	5,369
Addition	-	-	-	75	75
Disposal	-	-	(3)	(184)	(187)
At 31 December 2022	3,390	783	337	747	5,257
<u>Accumulated Depreciation</u>					
At 1 January 2022	2,084	783	333	750	3,950
Charge for the year	242	-	2	40	284
Disposal	-	-	(3)	(172)	(175)
At 31 December 2022	2,326	783	332	618	4,059
<u>Net Carrying Amount</u>					
At 31 December 2022	1,064	-	5	129	1,198

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY	Plant, machinery and equipment				Total RM'000
	Motor vehicles RM'000	Renovation RM'000	Furniture and fittings RM'000	Plant, machinery and equipment RM'000	
<u>2023</u>					
<u>Cost</u>					
At 1 January 2023	673	74	73	339	1,159
Addition	-	-	-	38	38
Disposal	-	-	-	(5)	(5)
At 31 December 2023	673	74	73	372	1,192
<u>Accumulated Depreciation</u>					
At 1 January 2023	634	74	69	216	993
Charge for the year	38	-	2	25	65
Disposal	-	-	-	(4)	(4)
At 31 December 2023	672	74	71	237	1,054
<u>Net Carrying Amount</u>					
At 31 December 2023	1	-	2	135	138
<u>2022</u>					
<u>Cost</u>					
At 1 January 2022	673	74	76	337	1,160
Addition	-	-	-	75	75
Disposal	-	-	(3)	(73)	(76)
At 31 December 2022	673	74	73	339	1,159
<u>Accumulated Depreciation</u>					
At 1 January 2022	596	74	70	254	994
Charge for the year	38	-	2	24	64
Disposal	-	-	(3)	(62)	(65)
At 31 December 2022	634	74	69	216	993
<u>Net Carrying Amount</u>					
At 31 December 2022	39	-	4	123	166

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) During the financial year, the Group and the Company acquired property, plant and equipment through the following arrangements:-

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payment by cash consideration of property, plant and equipment acquired	320	75	38	75
Less : Purchase consideration (Satisfied by obligation under finance leases)	(240)	-	-	-
	<u>80</u>	<u>75</u>	<u>38</u>	<u>75</u>

(b) The Group's and the Company's carrying amount of motor vehicles acquired under finance lease which still have outstanding instalments at the reporting date was as follows:-

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Carrying amount of motor vehicles acquired under finance leases which still have outstanding instalments at the reporting date	880	762	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) Included in property, plant and equipment of the Group and Company are fully depreciated assets are as follows:-

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost				
Motor vehicles	750	750	290	290
Renovation	783	783	74	74
Furniture and fittings	308	320	58	58
Plant, machinery and equipment	497	485	107	106
	<hr/> 2,338	<hr/> 2,338	<hr/> 529	<hr/> 528

(d) Motor vehicles of the Group and Company with carrying amount of RM253,805 (2022 : RM5) and RM1 (2022 : RM1) respectively are registered in the name of corporations in which certain Directors have interest which hold the assets in trust.

(e) Motor vehicles of the Group and Company with carrying amount of RM134,603 (2022 : RM249,143) and RM2 (2022 : RM38,302) respectively are registered in the name of a Director who holds the assets in trust.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

6. INVESTMENT PROPERTY

GROUP	Freehold land RM'000	Freehold building RM'000	Total RM'000
<u>Cost</u>			
At 1 January 2023	7,103	11,600	18,703
Addition	-	2,789	2,789
At 31 December 2023	7,103	14,389	21,492
<u>Accumulated Amortisation</u>			
At 1 January 2023	-	(1,276)	(1,276)
Amortisation for the year	-	(232)	(232)
At 31 December 2023	-	(1,508)	(1,508)
<u>Net Carrying Amount</u>			
At 31 December 2023	7,103	12,881	19,984
<u>Cost</u>			
At 1 January 2022/31 December 2022	7,103	11,600	18,703
<u>Accumulated Amortisation</u>			
At 1 January 2022	-	(1,044)	(1,044)
Amortisation for the year	-	(232)	(232)
At 31 December 2022	-	(1,276)	(1,276)
<u>Net Carrying Amount</u>			
At 31 December 2022	7,103	10,324	17,427

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

6. INVESTMENT PROPERTY (Cont'd)

- (a) The above investment property has been pledged to a licensed bank as security for bank borrowings granted to the subsidiary as disclosed in Note 19 to the financial statements.
- (b) Investment property of the Group measured at Level 2 fair value is RM25 million (2022 : RM21.50 million), is determined based on the market comparison approach that reflects the recent transacted prices of comparable properties in close proximity with adjustment on differences in key attributes such as property size. The valuation of fair value of the investment property is performed by a registered independent valuer having appropriate recognised professional qualification and recent experience in the location and category of property being valued.
- (c) The surplus of the fair value over carrying amount for the investment property was not recognised in the financial statements as the Group adopts the historical cost basis in accounting for its investment property.

7. LAND HELD FOR PROPERTY DEVELOPMENT

GROUP	Long-term	Freehold	Development	Total
	leasehold land,	land,	expenditure,	
	at cost	at cost	at cost	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	140,079	32,575	33,632	206,286
Additions during the year	397	31	22,413	22,841
At 31 December 2023	<u>140,476</u>	<u>32,606</u>	<u>56,045</u>	<u>229,127</u>
At 1 January 2022	130,059	31,533	26,174	187,766
Additions during the year	10,020	1,042	7,458	18,520
At 31 December 2022	<u>140,079</u>	<u>32,575</u>	<u>33,632</u>	<u>206,286</u>

Land held for property development with carrying amount of RM115,184,643 (2022 : RM52,826,722) is pledged as securities for bank borrowings as disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES

	----- COMPANY -----	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Unquoted shares, at cost	128,932	128,682
Less : Accumulated impairment losses	(450)	-
	<u>128,482</u>	<u>128,682</u>

The subsidiaries are incorporated and domiciled in Malaysia, and the details of the subsidiaries are as follows :-

Name of subsidiaries	Principal activities	% of ownership interest held by				
		Group <u>2023</u>	Group <u>2022</u>	Non-controlling interest <u>2023</u>	Non-controlling interest <u>2022</u>	
<u>Direct subsidiaries</u>						
Bumida Engineering & Construction Sdn. Bhd.	Property development and construction work	98	98	2	2	
Beta Fame Sdn. Bhd.	Property investment and investment holding	100	100	-	-	
Duta Asiana Sdn. Bhd.	Property development	100	100	-	-	
Hala Kota Development Sdn. Bhd.	Property development and investment holding	100	100	-	-	
Kualiti Kinta Sdn. Bhd.	Property development and investment holding	100	100	-	-	
Magna Rembang Sdn. Bhd.	Property development and investment holding	100	100	-	-	
Maha Harapan Sdn. Bhd.	Property development and investment holding	100	100	-	-	
Nusa Wibawa Sdn. Bhd.	Dormant	100	100	-	-	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Principal activities	% of ownership interest held by			
		Group	2023	2022	Non-controlling interest
		2023	2022		
<u>Direct subsidiaries (Cont'd)</u>					
Sentosa Teliti Sdn. Bhd.	Construction work and investment holding	100	100	-	-
Tunas Temasek Sdn. Bhd.	Dormant	100	100	-	-
<u>Indirect subsidiaries</u>					
Subsidiaries of Beta Fame Sdn. Bhd.					
Beta Fame Development Sdn. Bhd.	Property development	100	100	-	-
Dataran Majujaya Sdn. Bhd.	Investment holding	100	100	-	-
Subsidiaries of Hala Kota Development Sdn. Bhd.					
Melia Aktif Sdn. Bhd.	Property development	100	100	-	-
Solid Spectra Sdn. Bhd.	Dormant	100	100	-	-
Subsidiary of Kualiti Kinta Sdn. Bhd.					
Cosmic Harmony Sdn. Bhd.	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Principal activities	% of ownership interest held by			
		Group	2023	2022	Non-controlling interest
		2023	2022	2023	2022
<u>Indirect subsidiaries (Cont'd)</u>					
Subsidiaries of Sentosa Teliti Sdn. Bhd.					
Melati Purnama Sdn. Bhd.	Property development	100	100	-	-
Mentari Jelas Sdn. Bhd.	Construction work and general trading	100	100	-	-
Sempurna Rampai Sdn. Bhd.	Construction work and general trading	100	100	-	-
Subsidiaries of Magna Rembang Sdn. Bhd.					
Rukun Warisan Sdn. Bhd.	Investment holding	100	100	-	-
Sempena Klasik Sdn. Bhd.	Investment holding	100	100	-	-
Subsidiaries of Rukun Warisan Sdn. Bhd.					
Elemen Cekap Sdn. Bhd.	Dormant	100	100	-	-
Ikramin Sdn. Bhd.	Property development	100	100	-	-
Subsidiaries of Sempena Klasik Sdn. Bhd.					
Teras Zaman Sdn. Bhd.	Property development	100	100	-	-
Bayu Kemuning Sdn. Bhd.	Dormant	100	100	-	-

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES (Cont'd)

Financial information of Bumida Engineering & Construction Sdn. Bhd., a subsidiary that have material non-controlling interest are provided below:-

(a) Summarised statement of financial position

	<u>2023</u> RM'000	<u>2022</u> RM'000
Non-current assets	27	54
Current assets	26,553	30,482
Total assets	26,580	30,536
Current liabilities	(2,510)	(5,080)
Total liabilities	(2,510)	(5,080)
Net assets	24,070	25,456
Equity attributable to equity holders of the Company	23,589	24,947
Non-controlling interests	481	509

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Summarised statement of comprehensive income

	<u>2023</u> RM'000	<u>2022</u> RM'000
Revenue	-	9,850
(Loss)/profit for the year	(1,386)	419
(Loss)/profit attributable to equity holders of the Company	(1,358)	411
(Loss)/profit attributable to non-controlling interest	(28)	8
Total comprehensive (expense)/income	(1,386)	419

(c) Summarised statement of cash flows

	<u>2023</u> RM'000	<u>2022</u> RM'000
Net cash (used in)/from operating activities	(2,622)	13,438
Net cash from investing activities	121	91
Net cash used in financing activities	(7,509)	(5,769)
Net (decrease)/increase in cash and cash equivalents	(10,010)	7,760
Cash and cash equivalents at the beginning of the year	14,875	7,115
Cash and cash equivalents at the end of the year	4,865	14,875

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

9. DEFERRED TAX ASSETS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	2,397	1,905	-	-
Recognition of deferred tax assets during the year (Note 29)	(2,397)	492	-	-
At 31 December	-	2,397	-	-

The components and movements of deferred tax assets are as follows:

	Property development expenditure RM'000	Unutilised business losses RM'000	Total RM'000
At 1 January 2023	2,397	-	2,397
Reversal from profit or loss (Note 29)	(2,397)	-	(2,397)
At 31 December 2023	-	-	-
At 1 January 2022	1,905	-	1,905
Recognition to profit or loss (Note 29)	492	-	492
At 31 December 2022	2,397	-	2,397

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

10. INVENTORIES

	GROUP	
	2023	2022
	RM'000	RM'000
Completed properties held for sale, at cost	6,332	10,110
Completed units transferred from property development expenditure (Note 11), at cost	7,692	-
	14,024	10,110

11. PROPERTY DEVELOPMENT EXPENDITURE

	GROUP	
	2023	2022
	RM'000	RM'000
At 1 January	15,853	32,756
Cost incurred during the year:-		
Development costs	608	2,443
	16,461	35,199
Transferred to contract assets for unit sold (Note 12)	(8,769)	(19,346)
Unsold completed units transferred to inventories (Note 10)	(7,692)	-
At 31 December	-	15,853

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

12. CONTRACT ASSETS

	----- GROUP -----	
	<u>2023</u> RM'000	<u>2022</u> RM'000
<u>Contract Assets</u>		
At 1 January	26,444	12,551
Revenue recognised for performance obligations partially and fully satisfied during the year	36,343	38,904
Progress billings for the year	(62,787)	(25,011)
At 31 December	-	<u>26,444</u>
<u>Contract Cost Assets</u>		
At 1 January	9,425	9,235
Development costs incurred transferred from property development costs (Note 11)	8,769	19,346
Amortisation of contract assets	(18,194)	(19,156)
At 31 December	-	<u>9,425</u>
	-	<u>35,869</u>

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development. The contract assets will be transferred to trade receivables when the rights become unconditional. The contract liabilities represent the excess of the billings to-date over the cumulative revenue recognised.

The Group capitalises costs to obtain or fulfil a contract which include sales commission when they are incremental and expected to be recovered over more than a year. These costs are amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

13. TRADE RECEIVABLES

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables	-	23	-	-
Gross progress billings receivables	21,101	4,994	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	21,101	5,017	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The progress billings are due within 21 days (2022 : 21 days). Other credit terms are assessed and approved on a case-to-case basis.

14. OTHER RECEIVABLES AND DEPOSITS

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amount owing by subsidiaries	-	-	181,011	189,465
Other receivables	8,257	3,947	-	2,003
Deposits	36,326	7,071	168	158
Prepayments	105	36	33	33
	<hr/>	<hr/>	<hr/>	<hr/>
	44,688	11,054	181,212	191,659
Provision for uncollectible deposits	-	(1,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	44,688	10,054	181,212	191,659
	<hr/>	<hr/>	<hr/>	<hr/>

The amount owing by subsidiaries is unsecured and is repayable on demand.

Included in the amount owing by subsidiaries, part of the balance owing is subject to cost of fund at the rate of 2.24% to 4.30% (2022 : 3.44%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

15. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks	16,877	15,978	-	-
Cash in hand and at banks	51,809	64,708	41,598	4,223
Cash and bank balances	68,686	80,686	41,598	4,223
Less : Deposits pledged with licensed banks	(6,777)	(6,155)	-	-
Cash and cash equivalents	61,909	74,531	41,598	4,223

The interest rates of fixed deposits with licensed banks of the Group at the reporting date ranged from 2.50% to 3.00% (2022 : 1.80% to 2.50%) per annum. The maturities of deposits as at the end of the financial year is 30 days (2022 : 30 days).

Included in the bank balances of the Group are amounts of RM4,152,369 (2022 : RM16,533,843) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and the balances thereon are restricted for use in other operation of the Group.

The interest rates for the deposits maintained in the Housing Development Accounts ranged from 0.85% to 1.69% (2022 : 0.50% to 1.45%) per annum.

The deposits that are not eligible for use by the Group are as follows:

- (i) Deposit amounting to RM4,842,753 (2022 : RM4,478,256) which is pledged as securities for banking facilities granted to the Group;
- (ii) Deposit amounting to RM284,022 (2022 : RM25,800) held in trust by a Director who served in a subsidiary which is pledged as securities for bank guarantee granted to the Group; and
- (iii) Placement of debt service reserve account of the Group amounting to RM1,651,125 (2022 : RM1,651,125) which is pledged as securities for bank borrowings granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

15. CASH AND CASH EQUIVALENTS (Cont'd)

The currency exposure profile of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysian Ringgit (MYR)	60,420	73,092	38,175	1,107
United States Dollar (USD)	8,266	7,594	3,423	3,116
	68,686	80,686	41,598	4,223

16. SHARE CAPITAL

	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid-up :				
<u>Ordinary shares</u>				
At 1 January /31 December	218,478	218,478	218,478	218,478

17. RETAINED EARNINGS

Retained earnings is available for distributions by way of dividends. Under the single tier tax system, tax on the Company's profit is a final tax in Malaysia, and any dividends distributed are not taxable in the hands of the shareholders.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

18. OBLIGATION UNDER FINANCE LEASES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum finance lease payments :				
Not later than one (1) year	238	196	-	-
Later than one (1) year but not later than five (5) years	261	278	-	-
	499	474	-	-
Less : Future finance charges	(31)	(23)	-	-
	468	451	-	-
Repayable as follows :				
Not later than one (1) year	221	182	-	-
Later than one (1) year but not later than five (5) years	247	269	-	-
	468	451	-	-

The effective interest rate of the finance lease during the year was 4.07% to 5.15% (2022 : 4.07% to 4.92%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

19. BANK BORROWINGS

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured:				
Term loans	53,937	35,892	-	3,477
Exchange differences	-	(179)	-	(179)
	53,937	35,713	-	3,298
Repayable as follows :				
Not later than one (1) year	7,079	7,604	-	3,477
Later than one (1) year but not later than five (5) years	46,839	28,058	-	-
After five (5) years	19	230	-	-
	46,858	28,288	-	-
	53,937	35,892	-	3,477

The effective interest rate of the bank borrowings during the year were as follows:-

Term loans 5.78% to 7.17% (2022 : 4.00% to 7.20%)

The bank borrowings are secured by the following:-

- (i) Legal charge on the investment property as disclosed in Note 6 to the financial statements;
- (ii) Legal charge on land held for property development as disclosed in Note 7 to the financial statements;
- (iii) Absolute legal assignment of rental proceeds under Tenancy Agreement;
- (iv) Specific debenture creating fixed and floating charge over a charged asset in relation to certain project developed by a subsidiary;
- (v) Legal assignment of surplus from sale proceeds and all monies available in the Housing Development Account in relation to certain project developed by a subsidiary;
- (vi) Corporate guarantee by the Company given to subsidiaries; and
- (vii) An irrevocable standby letter of credit in favour of the bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

20. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	8,407	9,041	-	-
(Reversal)/Recognition for the year (Note 29)	(244)	(634)	-	-
At 31 December	8,163	8,407	-	-

The components and movements of deferred tax liabilities are as follows:-

	Land held for development RM'000	Inventories and development expenditure RM'000	Property, plant and equipment and investment property RM'000	Total RM'000
			Property, plant and equipment and investment property RM'000	
At 1 January 2023	7,187	519	701	8,407
Recognition/((Reversal) for the year (Note 29)	-	(244)	-	(244)
At 31 December 2023	7,187	275	701	8,163
At 1 January 2022	7,187	1,153	701	9,041
(Reversal)/Recognition for the year (Note 29)	-	(634)	-	(634)
At 31 December 2022	7,187	519	701	8,407

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

21. TRADE PAYABLES

	----- GROUP -----	
	<u>2023</u> RM'000	<u>2022</u> RM'000
Trade payables	7,826	4,995
Retention sums	4,881	5,886
	<u>12,707</u>	<u>10,881</u>

The normal credit terms extended by contractors and suppliers range from 30 to 90 days (2022 : 30 to 90 days). The retention sums are payable upon the expiry of the defect liability period of 12 to 24 months (2022 : 12 to 24 months).

22. OTHER PAYABLES AND ACCRUALS

	----- GROUP -----		----- COMPANY -----	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Amount owing to subsidiaries	-	-	83,682	50,425
Other payables	2,327	13,620	-	-
Accruals	928	844	574	453
Provision for liquidated ascertained damages	153	153	-	-
	<u>3,408</u>	<u>14,617</u>	<u>84,256</u>	<u>50,878</u>

The amount owing to subsidiaries is unsecured and is repayable on demand.

Included in the amount owing to subsidiaries, part of the balance owing is subject to cost of fund at the rate of 2.43% to 4.30% (2022 : 1.82% to 3.44%) per annum.

Other payables are non-interest bearing and normally are settled on an average term of 90 days (2022 : 90 days).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

23. REVENUE

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property development	38,023	64,354	-	-
Management fee	-	-	2,550	3,387
Rental income	749	738	-	-
	38,772	65,092	2,550	3,387
Less : Transaction costs	(38)	(253)	-	-
	38,734	64,839	2,550	3,387

Disaggregation of revenue

Set out below is the disaggregation of the Group's and the Company's revenue.

	GROUP		COMPANY	
Segments	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
- Property investment and others	749	738	2,550	3,387
- Property development	37,985	64,101	-	-
	38,734	64,839	2,550	3,387

Timing of revenue recognition

	GROUP		
	Property Investment and others RM'000	Property development RM'000	Total RM'000
As at 31 December 2023			
- At a point in time	749	1,647	2,396
- Over time	-	36,338	36,338
	749	37,985	38,734
As at 31 December 2022			
- At a point in time	738	25,381	26,119
- Over time	-	38,720	38,720
	738	64,101	64,839

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

23. REVENUE (Cont'd)

<u>Geographical markets</u>	<u>GROUP</u>		
	<u>Property</u> <u>Investment</u> <u>and others</u> <u>RM'000</u>	<u>Property</u> <u>development</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
As at 31 December 2023			
- Malaysia	749	37,985	38,734
As at 31 December 2022			
- Malaysia	738	64,101	64,839

24. COST OF REVENUE

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2023</u> <u>RM'000</u>	<u>2022</u> <u>RM'000</u>	<u>2023</u> <u>RM'000</u>	<u>2022</u> <u>RM'000</u>
Property development	19,993	41,938	-	-
Rental	58	59	-	-
	20,051	41,997	-	-

25. FINANCE COSTS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2023</u> <u>RM'000</u>	<u>2022</u> <u>RM'000</u>	<u>2023</u> <u>RM'000</u>	<u>2022</u> <u>RM'000</u>
Interest expenses on :-				
Obligation under finance leases	25	22	-	-
Term loans	777	463	447	159
Bridging loans	-	143	-	-
	802	628	447	159
Other finance costs	-	11	-	(1)
Unsecured cost of fund	-	-	180	56
	802	639	627	214

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

26. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax :-

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After charging :-					
Directors' remuneration *	27				
- Salaries and bonuses		1,940	1,860	450	450
- Allowances		110	90	110	90
- Fee		400	400	210	210
- Other emoluments		238	229	60	59
Auditors' remuneration					
- Current year		114	114	37	37
- Other services		36	36	4	4
Rental of office premises		510	509	500	500
Depreciation of property, plant and equipment	5	299	284	65	64
Amortisation of investment property	6	232	232	-	-
Impairment of investment in subsidiary		-	-	450	-
Property, plant and equipment written off		1	11	1	11
Written off - Others	4	4	1	-	-
Inventories value written down		-	228	-	-
Interest on obligation under finance leases	25	25	22	-	-
Term loan interest	25	777	463	447	159
Bridging loan interest	25	-	154	-	-
Unsecured cost of fund	25	-	-	180	56

* The Directors' remuneration includes remuneration of RM528,300 (2022 : RM517,100) paid to Directors of subsidiaries not within the Board of Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

26. PROFIT/(LOSS) BEFORE TAX (Cont'd)

The following amounts have been included in arriving at profit/(loss) before tax (Cont'd) :-

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
And crediting :-					
Management fee charged to subsidiaries	33(a)	-	-	2,550	3,387
Rental charged to a corporation in which a Director has financial interest	33(a)	24	24	24	24
Rental income	23	749	738	-	-
Interest income		876	365	223	1
Unsecured cost of fund		-	-	594	44
Gain/(loss) on unrealised foreign exchange		439	219	75	(10)
<hr/>					

27. DIRECTORS' REMUNERATION

		GROUP		COMPANY		
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Directors						
Executive :-						
Fee		400	400	210	210	
Salaries, bonuses, allowances and other emoluments		2,178	2,089	510	509	
Total Executive Directors' remuneration		2,578	2,489	720	719	
Non-Executive :-						
Allowances		110	90	110	90	
Total Non-Executive Directors' remuneration		110	90	110	90	
<hr/>						
		2,688	2,579	830	809	
<hr/>						

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

27. DIRECTORS' REMUNERATION (Cont'd)

The number of Directors of the Group and of the Company whose total remuneration paid during the financial year falling within the following bands are analysed as below :-

	GROUP		COMPANY	
	Number of Directors		Number of Directors	
	2023	2022	2023	2022
Executive Directors :-				
Below RM50,000	-	-	-	-
RM50,001 to RM100,000	-	-	-	-
RM100,001 to RM200,000	1	1	1	1
RM200,001 to RM400,000	-	-	2	2
RM400,001 to RM600,000	2	2	-	-
RM600,001 to RM800,000	2	2	-	-
Non-Executive Directors :-				
Below RM50,000	5	3	5	3

28. STAFF COST

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses and allowances	3,512	3,183	2,961	2,650
EPF and SOCSO contributions	482	433	411	365
Other employee benefits	78	69	77	67
	4,072	3,685	3,449	3,082

Number of employees of the Group and the Company at the end of the financial year (excluding Directors) are 38 and 30 (2022 : 42 and 28) respectively.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

29. INCOME TAX EXPENSES

	GROUP		COMPANY	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Income tax expense:-				
Estimated current year tax	1,429	5,331	-	-
Under provision in previous year	16	27	-	-
	<hr/> 1,445	<hr/> 5,358	<hr/> -	<hr/> -
Deferred tax :-				
(Reversal)/Recognition of temporary difference of deferred tax liabilities	20	(244)	(634)	-
Recognition of deferred tax income for the year:				
- Origination temporary difference	2,396	(492)	-	-
	<hr/> 2,152	<hr/> (1,126)	<hr/> -	<hr/> -
Income tax expenses for the financial year	<hr/> 3,597	<hr/> 4,232	<hr/> -	<hr/> -

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

29. INCOME TAX EXPENSES (Cont'd)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 31 December 2022 are as follows:-

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before tax	9,916	13,954	(3,201)	(1,796)
Tax at Malaysian statutory tax rate of 24% (2022 : 24%)	2,380	3,349	(768)	(431)
Adjustments:-				
Non-deductible expenses	362	512	35	27
Tax saving on utilisation of previously unutilised tax losses	(189)	(103)	-	-
Income not subject to tax	(55)	-	(53)	-
Deferred tax (liabilities)/asset not recognised in respect of current year tax losses	(1,457)	983	643	404
Deferred tax assets reversal/ (recognised) in respect of previously unutilised tax losses	2,397	(536)	143	-
Deferred tax (liabilities)/assets not recognised during the year	143	-	-	-
Under provision in previous year	16	27	-	-
Income tax expenses for the financial year	3,597	4,232	-	-

The Group's effective tax rate is higher than the Malaysian statutory tax rate of 24% primarily due to the progressive amortisation (through development cost) of the on-going development projects' revaluation surplus of the Group, which is not deductible for tax purposes and the impact from application of MFRS 15.

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

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax losses and unabsorbed capital allowances	17,076	13,732	14,228	11,561
Potential tax benefits calculated at 24% (2022 : 24%) tax rate	4,098	3,296	3,415	2,775

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

29. INCOME TAX EXPENSES (Cont'd)

Deferred tax assets have not been recognised in respect of the above items as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

30. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares in issue during the financial year.

	GROUP	
	2023	2022
	RM'000	RM'000
Profit net of tax attributable to owners of the parent	6,347	9,714
<hr/>		
	Number of shares	
	'000	'000
Number of ordinary shares (Weighted average)	218,478	218,478
<hr/>		
	Sen per share	Sen per share
Basic earnings per share	2.91	4.45
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS

(a) Classification, Fair Value and Other Disclosures (except for risks disclosures)

The following table analysed the financial assets and liabilities in the statements of financial position by class of financial instrument to which they are assigned:-

Financial assets measured at amortised cost:	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	13	21,101	5,017	-	-
Other receivables and deposits (*)	14	44,583	10,018	181,179	191,626
Cash and cash equivalents	15	68,686	80,686	41,598	4,223
		<u>134,370</u>	<u>95,721</u>	<u>222,777</u>	<u>195,849</u>

Financial liabilities measured at amortised cost:	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	21	12,707	10,881	-	-
Other payables and accruals	22	3,408	14,617	84,256	50,878
Obligation under finance leases	18	468	451	-	-
Bank borrowings	19	53,937	35,892	-	3,477
		<u>70,520</u>	<u>61,841</u>	<u>84,256</u>	<u>54,355</u>

* Exclude prepayment

None of the financial assets were pledged as collateral for any liability or contingent liability. The income, expenses, gains or losses arising from the financial instruments of the Group and of the Company for the year are disclosed in Note 25 and 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification, Fair Value and Other Disclosures (except for risks disclosures)

Determination of fair value

The management has determined that the carrying amounts of the above categories of financial instruments based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of non-current portion of borrowings reasonably approximate their fair value due to the insignificant impact of discounting.

Fair value hierarchy

As the financial assets and liabilities of the Group and the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

(b) Risks Disclosure

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, market price risk and interest rate risk. The Group does not hold or issue derivative financial instruments for trading purposes.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks together with objectives and policies in managing these risks.

(i) Credit risk

The Group's and the Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from trade receivables and other receivables as well as cash and cash equivalents.

The Group and the Company manage its exposure to credit risk by the application of credits approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), 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 is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(i) Credit risk (Cont'd)

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL") using a simplified approach. The ECL on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to trade receivables under financial distress, including but not limited to receivables under bankruptcy or under other financial reorganisation. Trade receivables are written off if the receivables are deemed by the Group and the Company not collectible.

The aging of trade receivables is as follows :

<u>2023</u>	Individual		Collective		Net RM'000
	Gross RM'000	impairment RM'000	impairment RM'000		
Not past due	-	-	-	-	-
<u>Past due but not impaired</u>					
1 to 30 days	13,009	-	-	-	13,009
31 to 60 days	7,379	-	-	-	7,379
61 to 120 days	-	-	-	-	-
Past due more than 121 days	713	-	-	-	713
	21,101	-	-	-	21,101
Gross receivables (Note 13)	21,101	-	-	-	21,101

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(i) Credit risk (Cont'd)

<u>2022</u>	Gross RM'000	Individual	Collective	Net RM'000
		impairment RM'000	impairment RM'000	
Not past due	23	-	-	23
<u>Past due but not impaired</u>				
1 to 30 days	902	-	-	902
31 to 60 days	1,378	-	-	1,378
61 to 120 days	740	-	-	740
Past due more than 121 days	1,974	-	-	1,974
	4,994	-	-	4,994
Gross receivables (Note 13)	5,017	-	-	5,017

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM21.101 million (2022 : RM4.994 million) that are past due at the reporting date but not impaired, amongst which mainly consist of trade receivables that have obtained end financing or in the process of obtaining end financing to fund their purchase of the Group's development properties. The mitigations of credit risk on these receivables are the same with all the receivables arising from the purchase of properties where each and every purchaser is bound by the legally enforceable terms and conditions under an agreement to ensure adherence of payment against credit given.

Inter-company balances

The Company monitors the results of the subsidiaries on a regular basis for mitigating the credit risk on balances owing by related companies.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(i) Credit risk (Cont'd)

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirement.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one (1) year	Between two (2) to five (5) years	More than five (5) years	Total
<u>2023</u>	RM'000	RM'000	RM'000	RM'000
Group				
Financial Liabilities :				
Trade payables	12,707	-	-	12,707
Other payables and accruals	3,408	-	-	3,408
Obligation under finance leases	221	247	-	468
Bank borrowings	7,079	46,839	19	53,937
	<u>23,415</u>	<u>47,086</u>	<u>19</u>	<u>70,520</u>
Company				
Financial Liabilities :				
Other payables and accruals	84,256	-	-	84,256
Bank borrowings	-	-	-	-
	<u>84,256</u>	<u>-</u>	<u>-</u>	<u>84,256</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within one (1) year	Between two (2) to five (5) years	More than five (5) years	Total RM'000
	RM'000	RM'000	RM'000	
2022				
Group				
Financial Liabilities :				
Trade payables	10,881	-	-	10,881
Other payables and accruals	14,617	-	-	14,617
Obligation under finance leases	182	269	-	451
Bank borrowings	7,604	28,058	230	35,892
	33,284	28,327	230	61,841
Company				
Financial Liabilities :				
Other payables and accruals	50,878	-	-	50,878
Bank borrowings	3,477	-	-	3,477
	54,355	-	-	54,355

(iii) Foreign currency risk

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

The Group's exposure to foreign exchange rate risk is minimal and mainly through its placement of deposits which is pledged as securities for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(iv) Market price risk

Market price risk is the risk that fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are not exposed to market price risk.

(v) Interest rate risk

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

The Group's exposure to interest rate risk for the financial year only arises primarily from their borrowings from obligation under finance leases, term loans and bridging loans.

The Group manages the net exposure to interest rate risk by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risk on an ongoing basis.

Management does not enter into interest rate hedging transactions since it considers that the cost of such instrument outweighs the potential risk of interest rate fluctuation.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the reporting date is as follows:-

Group	Note	2023		2022		
		Effective interest rate (%)	RM'000	Effective interest rate (%)	RM'000	
Financial liabilities						
Fixed rate instruments						
Obligation under finance leases	18	4.07 to 5.15	468	4.07 to 4.92	451	
Floating rate instruments						
Term loans	19	5.78 to 7.17	53,937	4.00 to 7.20	35,892	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Risks Disclosure (Cont'd)

(v) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	----- GROUP -----	
	<u>2023</u>	<u>2022</u>
	<u>RM'000</u>	<u>RM'000</u>
Profit after tax		
- Increase by 1%	(539)	(359)
- Decrease by 1%	539	359

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debts divided by total equity. The Group includes within net debts are trade and other payables, obligation under finance leases and bank borrowings less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

32. CAPITAL MANAGEMENT (Cont'd)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Restated</u>				
Trade payables	12,707	10,881	-	-
Other payables and accruals	3,408	14,617	84,256	50,878
Obligation under finance leases	468	451	-	-
Bank borrowings	53,937	35,892	-	3,477
	70,520	61,841	84,256	54,355
Less : Cash and cash equivalents	(68,686)	(80,686)	(41,598)	(4,223)
Net debts	1,834	(18,845)	42,658	50,132
Total equity	318,466	312,119	267,174	270,375
Gearing ratio	1%	Nil	16%	19%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms and conditions mutually agreed between the parties during the financial year:-

	Note	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Management fees charged to subsidiaries	26	-	-	(2,550)	(3,387)
Office rental charged to a corporation in which a Director, Dato' Yap Jun Jien has financial interest	26	(24)	(24)	(24)	(24)
Unsecured cost of fund					
- Charged to related Corporations	26	-	-	(594)	(44)
- Charged by related Corporations	26	-	-	180	56

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the financial year is as follows:

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	3,539	4,091	2,416	2,412
Defined contribution plan	400	466	282	283
Estimated monetary value of benefit-in-kind	-	-	-	-
	<hr/> <u>3,939</u>	<hr/> <u>4,557</u>	<hr/> <u>2,698</u>	<hr/> <u>2,695</u>
Comprised amounts paid to :				
Directors (Note 26 and 27)	2,688	2,579	830	809
Other key management personnel	1,251	1,978	1,868	1,886
	<hr/> <u>3,939</u>	<hr/> <u>4,557</u>	<hr/> <u>2,698</u>	<hr/> <u>2,695</u>

34. MATERIAL LITIGATIONS

The Group and the Company are not involved in any material litigation.

35. CONTINGENT LIABILITIES

	COMPANY	
	2023 RM'000	2022 RM'000
Corporate guarantee given to financial institutions to secure banking facility granted to subsidiaries	53,937	35,892
Corporate guarantee given to a financial institution to secure finance leases granted to a subsidiary	145	213
	<hr/> <u>54,082</u>	<hr/> <u>36,105</u>

The Directors do not anticipate any loss from the above transactions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER 2023

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Obligation				Total RM'000	
	under ----- Bank Borrowing -----					
	finance lease RM'000	Term loans RM'000	Bridging loans RM'000			
1 January 2023	451	35,713	-	36,164		
Loan drawdown	240	25,347	-	25,587		
Interest charged (Note 25)	25	777	-	802		
Repayment	(223)	(7,302)	-	(7,525)		
Interest paid (Note 25)	(25)	(777)	-	(802)		
Exchange differences	-	179	-	179		
31 December 2023	468	53,937	-	54,405		
1 January 2022	652	37,531	7,913	46,096		
Interest charged (Note 25)	22	463	154	639		
Repayment	(201)	(1,639)	(7,913)	(9,753)		
Interest paid (Note 25)	(22)	(463)	(154)	(639)		
Exchange differences	-	(179)	-	(179)		
31 December 2022	451	35,713	-	36,164		

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

No.	Land Title / Location	Tenure	Land Area ¹ (Acres)	Year of Acquisition	Net Carrying Amount (RM'000)	Market Value Amount (RM'000)
Investment Property						
1.	Lot PT 1506, Pekan Jenjarom, District of Kuala Langat, Selangor.	Freehold ²	4.348	2010	17,659	25,000
2.	Lot 35402, Pekan Jenjarom, District of Kuala Langat, Selangor.	Freehold ³	0.041	2010	302	880
3.	Lot 35411, Pekan Jenjarom, District of Kuala Langat, Selangor.	Freehold ⁴	0.060	2010	2621	2,500
Land Held For Development						
4.	Lot 1213, Mukim Cheras, Daerah Ulu Langat, Selangor.	Freehold	5.067	2008	12,300	
5.	Lot PT 141919, Mukim Klang, Bukit Kemuning, Selangor.	Leasehold (17.06.2092)	0.117	2009	566	
6.	Lot PT 2503 & 2498, Pekan Jenjarom, District of Kuala Langat, Selangor.	Freehold	8.325	2010	3,670	
7.	Lot 44095, Mukim Dengkil, District of Sepang, Selangor.	Leasehold (05.03.2091)	13.494	2015	20,737	
8.	Lot 103532, Mukim Dengkil, District of Sepang, Selangor.	Leasehold (05.03.2091)	10.828	2015	19,023	
9.	Lot PT 10316, Mukim Rawang, Daerah Gombak, Selangor.	Leasehold (24.11.2093)	41.500	2015	60,614	

**LIST
OF PROPERTIES** (Cont'd)
AS AT 31 DECEMBER 2023

No.	Land Title / Location	Tenure	Land Area ¹ (Acres)	Year of Acquisition	Net Carrying Amount (RM'000)	Market Value Amount (RM'000)
Land Held For Development						
10.	Lot 183195 PN115447, Mukim Klang, Daerah Klang, Selangor.	Leasehold (21.04.2107)	123.454	2019	54,571	
11.	Geran Mukim 1941 & 1274, Lot No.1793 & 1794, Tempat Batu 17 ½ Jalan Reko, Mukim Kajang, Daerah Hulu Langat, Selangor.	Freehold	3.263	2020	15,334	
12.	Geran Mukim 1312 to 1319 & 2087, Lot No.186 to 192, 686 & 1686, Tempat Sungai Trap, Mukim of Hujung Permatang, Daerah Kuala Selangor, Selangor.	Freehold	43.656	2021	30,580	
13.	PN 48507 & 48508, Lot 374 & 9225, Pekan Lukut, Mukim Port Dickson, Daerah Port Dickson, Negeri Sembilan.	Leasehold (07.07.2113)	20.010	2022	11,732	

Note :

¹ Approximate area² Approximate age of the building is 17-year. The building is a 1 ½ storey and tenanted to a hypermarket.³ The building is a 2-storey and only Ground floor is tenanted to a convenience store.⁴ The building is a 3-storey and tenanted to a convenience store.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

SHARE CAPITAL

Total Issued Capital : 218,478,320 Ordinary Shares
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per Ordinary Share

SHAREHOLDING DISTRIBUTION SCHEDULE

(As per the Record of Depositors)

Size of Shareholdings	No. of Shareholders	No. of Shares	% of Shares
Less than 100	158	5,156	^
100 – 1,000	1,195	551,537	0.25
1,001 – 10,000	457	1,446,899	0.66
10,001 – 100,000	85	2,752,865	1.26
100,001 to less than 5% of issued shares	32	78,862,911	36.10
5% and above of the issued shares	5	134,858,952	61.73
Total	1,932	218,478,320	100.00

^: Less than 0.01%

SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
Kinta Aroma Sdn. Bhd.	110,902,200	50.76	-	-
Dato' Sri Yap Seng Yew	6,621,600	3.03	117,589,583~	53.82
Datin Sri Gan Li Li	6,687,383	3.06	117,523,800~	53.79
Dato' Yap Jun Jien	16,693,302	7.64	110,902,200 ⁺	50.76
Yap Jun Wei	17,263,450	7.90	110,902,200 ⁺	50.76

Notes:

- ~ Deemed interest by virtue of his/her direct shareholding in Kinta Aroma Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of his/her spouse's direct shareholding in the Company.
- + Deemed interest by virtue of his direct shareholding in Kinta Aroma Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS

OF SHAREHOLDINGS (Cont'd)

AS AT 29 MARCH 2024

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	No. of Shares			
	Direct	%	Indirect	%
Dato' Sri Yap Seng Yew	6,621,600	3.03	134,853,033@	61.72
Datin Sri Gan Li Li	6,687,383	3.06	134,787,250@	61.69
Dato' Yap Jun Jien	16,693,302	7.64	113,112,208 #	51.77
Lee Boon Hong @ Lee Boon Keong	-	-	-	-
Mohd Shafizan Bin Shahbudin	-	-	-	-
Tan Kak Teck	22,050	0.01	-	-
Lee Szed Kee	-	-	-	-
Amy Chan Chen Chen	-	-	-	-

Notes:

- @ Deemed interest by virtue of his/her direct shareholding in Kinta Aroma Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of his/her spouse's and child's direct shareholdings in the Company.
- # Deemed interest by virtue of his direct shareholding in Kinta Aroma Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of his spouse's direct shareholding in the Company.

ANALYSIS

OF SHAREHOLDINGS (Cont'd)

AS AT 29 MARCH 2024

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (As per the Record of Depositors)

No.	Name of Shareholders	No. of Shares	%
1.	Kinta Aroma Sdn. Bhd.	40,912,200	18.73
2.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - AmBank (M) Berhad for Kinta Aroma Sdn. Bhd.	36,000,000	16.48
3.	Kinta Aroma Sdn. Bhd.	23,990,000	10.98
4.	Yap Jun Wei	17,263,450	7.90
5.	Dato' Yap Jun Jien	16,693,302	7.64
6.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kinta Aroma Sdn. Bhd.	10,000,000	4.58
7.	HLIB Nominees (Tempatan) Sdn. Bhd. - Nnew Heng Chuan	9,900,000	4.53
8.	Dato' Muthanna Bin Abdullah	9,000,000	4.12
9.	Gan Chee Wah	8,000,000	3.66
10.	HLIB Nominees (Tempatan) Sdn. Bhd. - Seo Eng Lean	4,793,450	2.19
11.	HLIB Nominees (Tempatan) Sdn. Bhd. - Teo Cheng Chuan	4,793,450	2.19
12.	Gan Kee Den	4,540,900	2.08
13.	Datin Sri Gan Li Li	4,098,683	1.88
14.	Dato' Sri Yap Seng Yew	4,098,600	1.88
15.	HLIB Nominees (Tempatan) Sdn. Bhd. Cham Chean Fong @ Sian Chean Fong	2,700,000	1.24
16.	Datin Sri Gan Li Li	2,588,700	1.18
17.	Dato' Sri Yap Seng Yew	2,523,000	1.15
18.	Datin Teh Mi Mi	2,210,008	1.01
19.	Gan Li Ching	1,772,650	0.81
20.	Ang Kok Thye	1,061,400	0.49
21.	Bakal Sempurna Sdn Bhd	783,300	0.36
22.	Ang Ah Buay	774,590	0.35
23.	Rigap Capaian Sdn. Bhd.	732,350	0.33
24.	LRC Tech (M) Sdn. Bhd.	650,000	0.30
25.	Saham Megah Sdn. Bhd.	601,900	0.28
26.	Phuar Sok Khim	529,900	0.24
27.	Tan Wah Kok	498,000	0.23
28.	Gan Li Ching	457,600	0.21
29.	Empayar Padu Sdn. Bhd.	358,280	0.16
30.	Lai Thiam Poh	275,600	0.13
TOTAL		212,601,313	97.31

Y&G CORPORATION BHD. 196501000612 (6403-X)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____
(full name in BLOCK LETTERS)

NRIC/Company No. _____

of _____
(full address)

_____ (Contact No./Email: _____)

being a member(s) of Y&G CORPORATION BHD. 196501000612 (6403-X), hereby appoint		
Name of Proxy <i>(Full Name)</i>	NRIC No./Passport No.	% of Shareholdings to be Represented <i>(Refer to Note iv)</i>
Address		
Contact No.:	Email:	

and/or failing him

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholdings to be Represented (Refer to Note iv)
Address		
Contact No.:	Email:	

or failing him, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Fifty-Eight Annual General Meeting ("58th AGM" or "**Meeting**") of the Company to be held and conducted on a virtual basis through live streaming and online remote voting via online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. from the Broadcast Venue at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia on **Wednesday 29 May 2024** at **11.00 a.m.**, and at any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST
1	Payment of Directors' fees for the financial year ended 31 December 2023		
2	Re-election of En. Mohd Shafizan bin Shahbudin as Director of the Company		
3	Re-election of Mr. Tan Kak Teck as Director of the Company		
4	Re-election of Mr. Lee Szed Kee as Director of the Company		
5	Re-election of Ms. Amy Chan Chen Chen as Director of the Company		
6	Re-appointment of Auditors		
7	Payment of Directors' Allowances to Non-Executive Directors		
8	Retention of Mr. Tan Kak Teck as Independent Non-Executive Director		
9	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided above on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2024

Signature(s) of member(s)



FORM OF PROXY (Cont'd)

Notes:

- (i) The 58th AGM will be held and conducted on a virtual basis through live streaming and online remote voting using remote participation and voting ("RPV") facilities.
- (ii) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 58th AGM.

No member(s) or proxy(ies)/corporate representative(s)/attorney(s) shall be physically present or allowed to enter the Broadcast Venue on the day of the 58th AGM.
- (iii) A member of the Company entitled to attend and vote is entitled to appoint another person as his/her/its proxy to exercise all or any of his/her/its rights to attend, participate (including to pose questions to the Board of Directors of the Company) and vote in his/her/its stead.

A member who wishes to appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote at the 58th AGM via the RPV facilities must request his/her/its proxy(ies)/corporate representative(s)/attorney(s) to register himself/herself/themselves for the RPV facilities at www.swsb.com.my. Please read and follow the procedures as set out in the Administrative Guide of the 58th AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at www.bursamalaysia.com in order to register, participate and vote remotely via the RPV facilities.
- (iv) A member of the Company may appoint not more than two (2) proxies to attend the Meeting, provided that the member specifies the proportion of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
- (v) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
- (vi) Where a member 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. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (vii) The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the share registrar office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (viii) Subject to the Constitution, members may deposit the instrument appointing the proxy(ies) by electronics means by way of submitting the instrument to the e-mail address ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (ix) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
- (x) For the purpose of determining a member who shall be entitled to attend the 58th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 80(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 May 2024. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 May 2024 shall be eligible to attend, participate and vote at the Meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
- (xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy:

By lodging of a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate and vote at the 58th AGM or any adjournment thereof, the member accepts and agrees to the personal data privacy terms as set out in the Notice of 58th AGM dated 29 April 2024.

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AFFIX
STAMP

The Share Registrar
Y&G CORPORATION BHD. 196501000612 (6403-X)
SHAREWORKS SDN. BHD.
NO. 2-1, JALAN SRI HARTAMAS 8
SRI HARTAMAS
50480 KUALA LUMPUR
WILAYAH PERSEKUTUAN (KL)
MALAYSIA

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Y&G CORPORATION BHD 196501000612 (6403-X)

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