



UNITED OVERSEAS AUSTRALIA LTD

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ASX ANNOUNCEMENT

26 March 2025

RELEASE OF ANNUAL AUDITED ACCOUNTS OF UOA DEVELOPMENT BHD

United Overseas Australia Ltd (ASX: UOS) provides the Annual Audited Reports and Financial Statements relating to its subsidiary, UOA Development Bhd, as released to the Bursa Malaysia Securities Bhd.

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Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2024

Registration No.: 200401015520 (654023-V)

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

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UOA DEVELOPMENT BHD
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CORPORATE INFORMATION

DIRECTORS

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

SECRETARIES

Yap Kai Weng (MAICSA 74580)
(SSM Practicing Certificate No. 201908003526)
Wong Yoke Leng (MAICSA 7032314)
(SSM Practicing Certificate No. 201908004035)

AUDITORS

Grant Thornton Malaysia PLT
(Member Firm of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

REGISTERED OFFICE

No 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur

**PRINCIPAL PLACE
OF BUSINESS**

Suite G-1, Vertical Corporate Tower B
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

UOA DEVELOPMENT BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Attributable to:		
Owners of the Company	287,303	
Non-controlling interests	<u>7,437</u>	
Net profit for the financial year	<u>294,740</u>	<u>236,774</u>

DIVIDENDS

During an Annual General Meeting held on 28 May 2024, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Scheme ("DRS").

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

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

- A first and final single tier dividend of 10 sen per ordinary share amounting to RM249,041,850 in respect of the financial year ended 31 December 2023, as proposed in the Directors' report for that financial year.

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DIVIDENDS (CONT'D)

The dividends of RM249,041,850 were settled as follows:

- RM225,398,004 was reinvested via the issuance of 133,371,600 new ordinary shares pursuant to the DRS to shareholders who have elected for the DRS; and
- RM23,643,846 was paid to shareholders who elected to receive the dividends in cash.

The Directors now recommend a final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM262,379,010 based on 2,623,790,100 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in the statements of changes in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM3,071,432,358 to RM3,296,830,362 by way of issuance of 133,371,600 new ordinary shares pursuant to the DRS of the Company.

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

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

SHARE OPTIONS

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

TREASURY SHARES

During an Annual General Meeting held on 28 May 2024, the shareholders of the Company resolved to approve the Company's share buy-back of up to 10% of the Company's issued and paid-up ordinary shares.

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TREASURY SHARES (CONT'D)

During the financial year, there was no buy-back of treasury shares. The cumulative treasury shares of the Group and of the Company as at the reporting date is 1,133,800 out of the total 2,624,923,900 issued ordinary shares. Further relevant details are disclosed in Note 22 to the Financial Statements.

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

HOLDING COMPANIES

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

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

SUBSIDIARY COMPANIES

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

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

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

DIRECTORS

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

Kong Chong Soon @ Chi Suim*

Kong Pak Lim*

Ang Kheng Im

Fong Heng Boo

Eugene Lee Chin Jin

Tuan Haji Ramley Bin Alan

Kong Sze Choon* (alternate for Kong Chong Soon @ Chi Suim)

Stephanie Kong Pei Zen* (alternate for Kong Pak Lim)

* also Director of certain subsidiaries of the Company

DIRECTORS (CONT'D)

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

Chang Cheng Wah	Lan Leong Chung
Foong Kin Fai	Ng Yoong Duong
Koh Koek Hung	Vyshnevi Vijayanandan
Kong Sze Hou	Chan Cecelia
Tong Ee Ping	Yong Suan Mooi
Carol Philomena Clark	Ho Chin Kuang
Albert Chan Kin Soong	Lee Ka Lok
Cao Qiang	Ng See Yee
Martin Yap Lu Hoong	Looi Qi Hao
Yap Woon Bin	Sharifa Shahreen Binti Syed Sultan Ahmed

DIRECTORS' INTERESTS

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

	<u>Number of ordinary shares</u>			<u>At</u> <u>31.12.2024</u>
	<u>At</u> <u>1.1.2024</u>	<u>Bought/DRS</u>	<u>Sold</u>	
The Company				
<u>Direct interests</u>				
Kong Sze Choon	148,300	-	-	148,300
Ang Kheng Im	227,920	13,400	-	241,320
<u>Indirect interests</u>				
Kong Chong Soon @ Chi Suim*	1,741,562,740	103,042,000	-	1,844,604,740
Kong Pak Lim*	1,741,238,020	103,031,700	-	1,844,269,720
Kong Sze Choon*	54,500	3,200	-	57,700
United Overseas Australia Ltd (ultimate holding company)				
<u>Direct interests</u>				
Kong Chong Soon @ Chi Suim	3,171,382	141,979	-	3,313,361
<u>Indirect interests</u>				
Kong Chong Soon @ Chi Suim*	1,179,615,904	40,439,608	-	1,220,055,512
Kong Pak Lim*	899,113,904	23,005,162	-	922,119,066

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

DIRECTORS' INTERESTS (CONT'D)

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

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

	<u>Number of ordinary shares</u>			<u>At 31.12.2024</u>
	<u>At 1.1.2024</u>	<u>Bought</u>	<u>Sold</u>	
Directors' interest in subsidiary companies				
<u>Indirect interests</u>				
Kong Chong Soon @ Chi Suim#:				
Peninsular Home Sdn. Bhd.	40	-	-	40
Scenic Point Development Sdn. Bhd.	100,000	-	-	100,000
Ceylon Hills Sdn. Bhd.	90,000	-	-	90,000
Everise Tiara (M) Sdn. Bhd.	120,000	-	-	120,000
Everise Project Sdn. Bhd.	120,000	-	-	120,000

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

DIRECTORS' BENEFITS

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

	<u>Incurred by the Group RM</u>	<u>Incurred by the Company RM</u>
Directors' fees	180,000	180,000
Directors' remunerations and other benefits*	8,170,289	24,000
Insurance paid for Directors' indemnity given	<u>18,630</u>	<u>18,630</u>

* Included in the Directors' remunerations and other benefits of the Group are benefits-in-kind (based on estimated monetary value) amounted to RM311,886.

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

Since the end of the previous financial year, no Directors of the Company have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the above) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than disclosed in Note 38 to the Financial Statements.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

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

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

In the opinion of the Directors:-

- (a) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

UOA DEVELOPMENT BHD
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STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 17 to 83 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended.

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

.....
KONG PAK LIM

.....
KONG CHONG SOON @ CHI SUIM

25 March 2025

STATUTORY DECLARATION

I, Ang Kheng Im, being the Director primarily responsible for the financial management of UOA Development Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 83 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
25 March 2025)

.....
ANG KHENG IM
(MIA NO.: 11954)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

Registration No.: 200401015520 (654023-V)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UOA Development Bhd, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 17 to 83.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

Key Audit Matters

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

Fair value of investment properties

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

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

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

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

Revenue and cost of sales recognition for property development activities

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

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

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

Key Audit Matters (cont'd)

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

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

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LIM SOO SIM
(NO: 03335/11/2025 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
25 March 2025

UOA DEVELOPMENT BHD

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	<u>Note</u>	Group		Company	
		<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	380,276	374,415	-	6,798
Investment properties	5	1,784,487	1,652,152	-	-
Inventories	6	460,378	433,614	-	-
Investment in subsidiary companies	7	-	-	2,364,727	2,329,913
Equity investments	8	76,781	87,205	17,787	17,445
Deferred tax assets	9	40,239	33,998	-	-
Total non-current assets		<u>2,742,161</u>	<u>2,581,384</u>	<u>2,382,514</u>	<u>2,354,156</u>
Current assets					
Inventories	6	1,425,677	1,403,518	-	-
Contract assets	10	231,918	65,777	-	-
Trade receivables	11	76,589	71,784	-	-
Other receivables	12	41,651	40,448	2,443	3,780
Amount owing by ultimate holding company	13	-	5	-	-
Amount owing by subsidiary companies	14	-	-	282,984	111,693
Amount owing by related companies	15	-	699	-	22
Current tax assets		70,486	71,338	2,522	1,936
Short term investments	16	1,333,113	1,443,665	588,802	597,334
Fixed deposits with licensed banks	17	233,380	206,106	52,945	33,008
Cash and bank balances	18	233,682	196,350	3,576	5,533
Total current assets		<u>3,646,496</u>	<u>3,499,690</u>	<u>933,272</u>	<u>753,306</u>
TOTAL ASSETS		<u>6,388,657</u>	<u>6,081,074</u>	<u>3,315,786</u>	<u>3,107,462</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	19	3,296,830	3,071,432	3,296,830	3,071,432
Merger reserve	20	2,252	2,252	-	-
Fair value reserve	21	(2,937)	7,487	8,911	8,569
Retained earnings		2,367,852	2,334,044	5,666	17,934
Treasury shares	22	(2,119)	(2,119)	(2,119)	(2,119)
Equity attributable to owners of the Company		<u>5,661,878</u>	<u>5,413,096</u>	<u>3,309,288</u>	<u>3,095,816</u>
Non-controlling interests	7	<u>173,214</u>	<u>176,115</u>	<u>-</u>	<u>-</u>
Total equity		<u>5,835,092</u>	<u>5,589,211</u>	<u>3,309,288</u>	<u>3,095,816</u>

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
LIABILITIES					
Non-current liabilities					
Amount owing to non-controlling shareholders of subsidiary companies	23	1,911	1,761	-	-
Lease liabilities	24	812	276	-	164
Borrowings	25	119	166	-	-
Deferred tax liabilities	26	60,543	50,613	-	-
Total non-current liabilities		<u>63,385</u>	<u>52,816</u>	<u>-</u>	<u>164</u>
Current liabilities					
Trade payables	27	198,697	178,446	-	-
Other payables	28	228,556	208,377	6,483	10,121
Contract liabilities	10	12,225	-	-	-
Amount owing to immediate holding company	13	-	194	-	1
Amount owing to subsidiary companies	14	-	-	15	1,117
Amount owing to related companies	15	-	326	-	148
Amount owing to non-controlling shareholders of subsidiary companies	23	39,500	45,784	-	-
Lease liabilities	24	253	155	-	95
Borrowings	25	48	46	-	-
Current tax liabilities		10,901	5,719	-	-
Total current liabilities		<u>490,180</u>	<u>439,047</u>	<u>6,498</u>	<u>11,482</u>
Total liabilities		<u>553,565</u>	<u>491,863</u>	<u>6,498</u>	<u>11,646</u>
TOTAL EQUITY AND LIABILITIES		<u>6,388,657</u>	<u>6,081,074</u>	<u>3,315,786</u>	<u>3,107,462</u>

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	29	545,698	399,392	242,674	731,337
Cost of sales	30	(350,484)	(225,724)	-	-
Gross profit		195,214	173,668	242,674	731,337
Fair value gain on investment properties		44,235	39,359	-	-
Finance income		47,657	45,266	20,676	9,222
Other income	31	383,102	354,279	5,889	9,353
Reversal of impairment losses/(impairment losses) on financial assets		668	5,389	10,100	(10,099)
Reversal of impairment losses/(impairment losses) on non-financial assets		1,525	21,629	(17,400)	-
Reversal of inventories written down/(inventories written down)		896	(2,523)	-	-
Administrative and general expenses		(187,962)	(192,414)	(8,426)	(46,069)
Other expenses		(91,618)	(76,124)	-	-
Finance costs	32	(210)	(131)	-	(13)
Profit before tax	33	393,507	368,398	253,513	693,731
Tax expenses	34	(98,767)	(81,992)	(16,739)	(2,909)
Net profit for the financial year		294,740	286,406	236,774	690,822
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain on remeasurement of financial assets		(10,424)	1,363	342	4,528
Total comprehensive income for the financial year		284,316	287,769	237,116	695,350
Net profit for the financial year attributable to:					
Owners of the Company		287,303	279,551		
Non-controlling interests		7,437	6,855		
		294,740	286,406		
Total comprehensive income attributable to:					
Owners of the Company		276,879	280,914		
Non-controlling interests		7,437	6,855		
		284,316	287,769		
Earnings per share (RM) - Basic and Diluted	35	0.11	0.11		

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Group	Note	-----Attributable to owners of the Company-----					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Treasury shares RM'000			
Balance at 1 January 2023		2,953,770	2,252	6,124	2,781,398	(2,119)	5,741,425	175,644	5,917,069
Total comprehensive income for the financial year		-	-	1,363	279,551	-	280,914	6,855	287,769
Dividends to non-controlling shareholders of subsidiary companies		-	-	-	-	-	-	(4,992)	(4,992)
Dividends to shareholders of the Company	36	117,662	-	-	(726,905)	-	(609,243)	-	(609,243)
Acquisition of shares in a new subsidiary company		-	-	-	-	-	-	(1,397)	(1,397)
Acquisition of additional shares in an existing subsidiary company		-	-	-	-	-	-	5	5
Balance at 31 December 2023		3,071,432	2,252	7,487	2,334,044	(2,119)	5,413,096	176,115	5,589,211
Total comprehensive income for the financial year		-	-	(10,424)	287,303	-	276,879	7,437	284,316
Dividends to non-controlling shareholders of subsidiary companies		-	-	-	-	-	-	(14,728)	(14,728)
Dividends to shareholders of the Company	36	225,398	-	-	(249,042)	-	(23,644)	-	(23,644)
Acquisition of shares in new subsidiary companies		-	-	-	-	-	-	(213)	(213)
Acquisition of additional shares in existing subsidiary companies		-	-	-	(4,453)	-	(4,453)	4,603	150
Balance at 31 December 2024		3,296,830	2,252	(2,937)	2,367,852	(2,119)	5,661,878	173,214	5,835,092

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

Company	Note	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
Balance at 1 January 2023		2,953,770	4,041	54,017	(2,119)	3,009,709
Total comprehensive income for the financial year		-	4,528	690,822	-	695,350
Dividends	36	117,662	-	(726,905)	-	(609,243)
Balance at 31 December 2023		3,071,432	8,569	17,934	(2,119)	3,095,816
Total comprehensive income for the financial year		-	342	236,774	-	237,116
Dividends	36	225,398	-	(249,042)	-	(23,644)
Balance at 31 December 2024		3,296,830	8,911	5,666	(2,119)	3,309,288

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
OPERATING ACTIVITIES					
Profit before tax		393,507	368,398	253,513	693,731
Adjustments for:					
Fair value gain on investment properties		(44,235)	(39,359)	-	-
Bad debts written off		73	4,283	-	-
(Reversal of inventories written down)/inventories written down		(896)	2,523	-	-
Inventories written off		4	15	-	-
(Reversal of impairment losses)/impairment losses on financial assets		(668)	(5,389)	(10,100)	10,099
(Reversal of impairment losses)/impairment losses on non-financial assets		(1,990)	(23,083)	17,400	-
Depreciation		17,489	17,624	-	1,134
Gain on disposal of property, plant and equipment		(653)	(2,974)	-	-
Gain on disposal of investment properties		-	(600)	-	-
Property, plant and equipment written off		54	574	2	34
Impairment loss on goodwill		465	1,454	-	-
Distribution income from equity investments		(4,281)	(5,243)	-	-
Distribution income from short term investments		(35,262)	(29,761)	(16,886)	(7,786)
Dividend income from subsidiary companies		-	-	(241,752)	(682,008)
Dividend income from equity investments		(922)	(307)	(922)	(307)
Interest income		(12,395)	(15,505)	(3,790)	(1,436)
Interest expense		210	131	-	13
Operating profit/(loss) before working capital changes		310,500	272,781	(2,535)	13,474
Changes in working capital:-					
Inventories		(77,123)	19,761	-	-
Contract assets		(166,141)	(41,276)	-	-
Contract liabilities		12,225	-	-	-
Receivables		(4,743)	160,424	19,198	(11,485)
Payables		36,215	(55,815)	(4,448)	(944)
Cash generated from operations		110,933	355,875	12,215	1,045
Interest received		4,520	8,409	-	-
Dividend received		-	-	241,752	682,008
Net tax paid		(89,044)	(98,352)	(17,325)	(2,646)
Net cash from operating activities		26,409	265,932	236,642	680,407

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
INVESTING ACTIVITIES					
Additions to investment properties, net of reversals		(58,951)	(9,845)	-	-
Purchase of property, plant and equipment	A	(18,145)	(21,418)	-	(2,816)
Proceeds from disposal of property, plant and equipment		670	5,403	6,796	-
Proceeds from disposal of investment properties		-	15,040	-	-
Repayments from/(advances to) ultimate holding company		5	(5)	-	-
(Advances to)/repayments from subsidiary companies		-	-	(196,755)	86,091
Repayments from/(advances to) related companies		646	(441)	22	(21)
Redemption of redeemable preference shares from subsidiary companies		-	-	-	307,590
Acquisition of shares in existing subsidiary companies		-	-	(32,510)	(144,935)
Acquisition of shares in new subsidiary companies, net of cash acquired		217	183	-	-
Distribution received from short term investments		35,262	29,761	16,886	7,786
Distribution received from equity investments		4,281	5,243	-	-
Dividend received from equity investments		922	307	922	307
Interest received		7,562	7,096	1,530	1,436
Net cash (used in)/from investing activities		<u>(27,531)</u>	<u>31,324</u>	<u>(203,109)</u>	<u>255,438</u>
FINANCING ACTIVITIES					
Repayment of bank borrowings		(45)	(44)	-	-
Fixed deposits pledged		(5)	(4)	(5)	(4)
Payment of lease liabilities	B	(196)	(285)	-	(147)
(Repayments to)/advances from immediate holding company		(152)	64	(1)	(17)
(Repayments to)/advances from subsidiary companies		-	-	(440)	211
(Repayments to)/advances from related companies		(178)	24	-	-
Repayment to non-controlling shareholders of subsidiary companies		(6,000)	-	-	-
Interest paid		(31)	(34)	-	(13)
Issuance of shares in existing subsidiaries to non-controlling shareholders		150	5	-	-
Dividends paid to owners of the Company	36	(23,644)	(609,243)	(23,644)	(609,243)
Dividends paid to non-controlling shareholders of subsidiary companies		(14,728)	(4,992)	-	-
Net cash used in financing activities		<u>(44,829)</u>	<u>(614,509)</u>	<u>(24,090)</u>	<u>(609,213)</u>

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Note	Group		Company	
		<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
CASH AND CASH EQUIVALENTS					
Net changes		(45,951)	(317,253)	9,443	326,632
At beginning of financial year		<u>1,845,952</u>	<u>2,163,205</u>	<u>635,706</u>	<u>309,074</u>
At end of financial year		<u><u>1,800,001</u></u>	<u><u>1,845,952</u></u>	<u><u>645,149</u></u>	<u><u>635,706</u></u>
Represented by:					
Short term investments		1,333,113	1,443,665	588,802	597,334
Fixed deposits with licensed banks		233,380	206,106	52,945	33,008
Cash and bank balances		<u>233,682</u>	<u>196,350</u>	<u>3,576</u>	<u>5,533</u>
Fixed deposits pledged		<u>1,800,175</u> (174)	<u>1,846,121</u> (169)	<u>645,323</u> (174)	<u>635,875</u> (169)
		<u><u>1,800,001</u></u>	<u><u>1,845,952</u></u>	<u><u>645,149</u></u>	<u><u>635,706</u></u>

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Aggregate cost of property, plant and equipment acquired	19,225	21,872	-	2,816
Net reversals	(250)	(454)	-	-
Financed via lease liabilities arrangements	<u>(830)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash acquisitions	<u><u>18,145</u></u>	<u><u>21,418</u></u>	<u><u>-</u></u>	<u><u>2,816</u></u>

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Payments relating to short-term leases	6,656	8,356	-	5,255
Payments of lease liabilities	196	285	-	147
Interest paid in relation to lease liabilities	<u>25</u>	<u>25</u>	<u>-</u>	<u>13</u>
Total cash outflows for leases	<u><u>6,877</u></u>	<u><u>8,666</u></u>	<u><u>-</u></u>	<u><u>5,415</u></u>

The accompanying notes form an integral part of the financial statements

UOA DEVELOPMENT BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

1. GENERAL INFORMATION

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

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 25 March 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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

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

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

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

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

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

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

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

2.3 Functional and presentation currency

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

2. BASIS OF PREPARATION (CONT'D)

2.4 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2024. All subsidiaries have a reporting date of 31 December.

2.5 Adoption of new standards/amendments/improvements to MFRS

At the beginning of the current financial year, the Group and Company adopted new standards/amendments/improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2024. The details of the amendments that have impact on the Group's and the Company's financial statements are disclosed below.

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

Amendments made to MFRS 101 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the Group's and the Company's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of a covenant that an entity is required to comply with only after the reporting period).

The amendments have had no significant financial impact on the Group's and the Company's financial statements.

2.6 Standards issued but not yet effective

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

Amendments to MFRS effective 1 January 2025:

Amendments to MFRS 121 Lack of Exchangeability

Amendments to MFRSs effective 1 January 2026:

Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 Amendments that are part of Annual Improvements – Volume 11

Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature - Dependent Electricity

MFRSs effective 1 January 2027:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosure

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards issued but not yet effective (cont'd)

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The Group and the Company intend to adopt these amended standards and interpretations, if applicable, when they become effective in the respective financial period (cont'd):

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting.

The amendments will have an impact on the Group's and on the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group and the Company are currently assessing the impact of MFRS 18 and plan to adopt the new standard on the required effective date.

2.7 Significant accounting estimates and judgements

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty

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

Useful lives of depreciable assets

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

Deferred tax assets

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

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

Inventories

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

Fair value of investment properties

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

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Property development activities and construction contracts

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

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

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

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

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

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

Impairment of non-financial assets

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Impairment of non-financial assets (cont'd)

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

Income taxes

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

2.7.2 Significant management judgements

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

Classification between investment properties and owner-occupied properties

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

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

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

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.2 Significant management judgements (cont'd)

Deferred tax on investment properties

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

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

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Business combinations

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

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

3.2 Property, plant and equipment

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

The principal annual depreciation rates used are as follows:-

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

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

3.3 Investment properties

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

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

3.4 Leases

3.4.1 As a lessee

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

Short-term lease

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

Right-of-use assets

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Inventories

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

3.6 Financial instruments

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

Financial assets at amortised cost

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

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

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

Financial liabilities at amortised cost

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

3.7 Revenue recognition

Revenue from contracts with customers

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

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Revenue recognition (cont'd)

All the revenue from hotel room income, food and beverage and other related income, healthcare, medicinal, physiotherapy, acupuncture, dental consultancy and treatment and other healthcare related services, course fees from provision of education, training services and related consultancy services income are recognised when their services are rendered.

Sale of medicinal, pharmaceuticals, healthcare and beauty care products income are recognised when the goods are delivered.

Other revenue recognition

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

- Management fee income is recognised when the right to receive payment is established.
- Distribution income is recognised when the right to receive payment is established.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis.

3.8 Tax expense

Deferred tax assets

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

Deferred tax liabilities

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

4. **PROPERTY, PLANT AND EQUIPMENT**

Group	<u>Freehold land</u> RM'000	<u>Freehold buildings</u> RM'000	<u>Leasehold buildings</u> RM'000	<u>Leasehold land</u> RM'000	<u>Plant, machineries and motor vehicles</u> RM'000	<u>Furniture, fittings and equipment</u> RM'000	<u>Total</u> RM'000
Cost							
At 1.1.2023	18,500	148,912	241,411	2,294	94,950	82,102	588,169
Additions	-	437	29	-	589	20,817	21,872
Disposals	-	-	-	-	(15,932)	(2,959)	(18,891)
Written off	-	-	-	-	(730)	(932)	(1,662)
Reversals	-	(454)*	-	-	-	-	(454)
Transferred to investment properties	-	-	(12,170)	(2,294)	-	-	(14,464)
Acquisition of subsidiaries	-	-	-	-	-	11	11
Reclassification	-	-	-	-	75	(75)	-
At 31.12.2023	18,500	148,895	229,270	-	78,952	98,964	574,581
Additions	-	312	58	-	3,466	15,389	19,225
Disposals	-	-	-	-	(1,261)	(217)	(1,478)
Written off	-	-	-	-	(73)	(968)	(1,041)
Reversals	-	-	(250)*	-	-	-	(250)
Acquisition of subsidiaries	-	-	-	-	-	2,622	2,622
At 31.12.2024	18,500	149,207	229,078	-	81,084	115,790	593,659
Accumulated depreciation							
At 1.1.2023	-	8,522	39,450	370	90,962	37,838	177,142
Charge for the financial year	-	1,813	4,813	18	1,752	9,228	17,624
Disposals	-	-	-	-	(15,931)	(531)	(16,462)
Written off	-	-	-	-	(263)	(825)	(1,088)
Transferred to investment properties	-	-	(5,096)	(388)	-	-	(5,484)
Reclassification	-	-	-	-	5	(5)	-
At 31.12.2023	-	10,335	39,167	-	76,525	45,705	171,732

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

	<u>Freehold land</u> RM'000	<u>Freehold buildings</u> RM'000	<u>Leasehold buildings</u> RM'000	<u>Leasehold land</u> RM'000	<u>Plant, machineries and motor vehicles</u> RM'000	<u>Furniture, fittings and equipment</u> RM'000	<u>Total</u> RM'000
Group (cont'd)							
Accumulated depreciation (cont'd)							
At 31.12.2023 (cont'd)	-	10,335	39,167	-	76,525	45,705	171,732
Charge for the financial year	-	2,302	4,582	-	1,272	9,333	17,489
Disposals	-	-	-	-	(1,258)	(46)	(1,304)
Written off	-	-	-	-	(69)	(911)	(980)
Acquisition of subsidiaries	-	-	-	-	-	166	166
At 31.12.2024	-	12,637	43,749	-	76,470	54,247	187,103
Accumulated impairment loss							
At 1.1.2023	-	51,517	-	-	-	-	51,517
(Reversal)/recognised for the financial year	-	(24,457)	-	-	-	1,374	(23,083)
At 31.12.2023	-	27,060	-	-	-	1,374	28,434
Reversal for the financial year	-	(1,990)	-	-	-	-	(1,990)
Disposals	-	-	-	-	-	(157)	(157)
Written off	-	-	-	-	-	(7)	(7)
At 31.12.2024	-	25,070	-	-	-	1,210	26,280
Net carrying amount							
At 31.12.2024	18,500	111,500	185,329	-	4,614	60,333	380,276
At 31.12.2023	18,500	111,500	190,103	-	2,427	51,885	374,415

* Reversal due to credit note received

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

Group (cont'd)

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

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

Company	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost			
At 1.1.2023	4,049	11,311	15,360
Additions	-	2,816	2,816
Written off	-	(487)	(487)
At 31.12.2023	4,049	13,640	17,689
Disposals	(4,049)	(13,627)	(17,676)
Written off	-	(13)	(13)
At 31.12.2024	-	-	-
Accumulated depreciation			
At 1.1.2023	3,602	6,608	10,210
Charge for the financial year	168	966	1,134
Written off	-	(453)	(453)
At 31.12.2023	3,770	7,121	10,891
Disposals	(3,770)	(7,110)	(10,880)
Written off	-	(11)	(11)
At 31.12.2024	-	-	-
Net carrying amount			
At 31.12.2024	-	-	-
At 31.12.2023	279	6,519	6,798

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

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

	← Group →			← Company →		
	Carrying amount included in property, plant and <u>equipment</u> RM'000	Depreciation charged for the financial <u>year</u> RM'000	<u>Additions</u> RM'000	Carrying amount included in property, plant and <u>equipment</u> RM'000	Depreciation charged for the financial <u>year</u> RM'000	<u>Additions</u> RM'000
2024						
Leasehold buildings	185,329	4,582	58	-	-	-
Motor vehicles	1,041	169	927	-	-	-
Total right-of-use assets	<u>186,370</u>	<u>4,751</u>	<u>985</u>	-	-	-
2023						
Leasehold buildings	190,103	4,813	29	-	-	-
Motor vehicles	313	186	-	279	106	-
Plant and machineries	67	58	-	-	-	-
Total right-of-use assets	<u>190,483</u>	<u>5,057</u>	<u>29</u>	<u>279</u>	<u>106</u>	-

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

5. INVESTMENT PROPERTIES

Group	<u>At fair value</u> RM'000	<u>At cost</u> RM'000	<u>Total</u> RM'000
At 1.1.2023	1,562,862	61,257	1,624,119
Additions or subsequent enhancement	-	9,845	9,845
Disposals	(14,440)	-	(14,440)
Transferred from inventories - land held for property development	-	10,089	10,089
Transferred to inventories - property development costs	(25,800)	-	(25,800)
Transferred from property, plant and equipment	8,980	-	8,980
Fair value gain	39,359	-	39,359
Reclassifications	45,619	(45,619)	-
At 31.12.2023	1,616,580	35,572	1,652,152
Additions or subsequent enhancement	1,351	70,546	71,897
Reversals*	(12,946)	-	(12,946)
Transferred from inventories - property development costs	29,149	-	29,149
Fair value gain	44,235	-	44,235
Reclassifications	11	(11)	-
At 31.12.2024	<u>1,678,380</u>	<u>106,107</u>	<u>1,784,487</u>

* Reversal due to reversal of accrued construction costs.

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

Some investment properties as at 31 December 2024 are stated at fair value by reference to a full valuation conducted by a registered independent valuer having appropriate recognised professional qualifications for certain investment properties and some based on an assessment by the Board of Directors by obtaining update valuations for investment properties that did not have a full valuation conducted.

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

Whilst a full valuation has not been conducted for certain investment properties, the Board of Directors have obtained updated market values of the investment properties as at 31 December 2024 carried out by a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and assets being valued. For investment properties where the assessment by the Board of Directors were based on updated valuations, the existing book values of the investment properties as at 31 December 2024 ("Book Values") were not materially different from the updated valuations performed.

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

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

5. INVESTMENT PROPERTIES (CONT'D)

The following assumptions have been applied in the valuations:

- (i) The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.
- (ii) Under the cost method, the value of the land is added to the replacement cost of the buildings and other site improvements. The replacement cost of the buildings is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.
- (iii) The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

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

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

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

Group	2024			2023		
	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Freehold and leasehold properties	1,081,330	597,050	1,678,380	1,050,180	566,400	1,616,580

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

Level 3	2024 RM'000	2023 RM'000
At 1 January	566,400	487,000
Additions	1,351	-
Fair value gain	139	33,099
Transferred from/(to) inventories - property development costs	29,149	(25,800)
Transferred from property, plant and equipment	-	8,980
Transferred from investment properties stated at cost	11	63,121
At 31 December	597,050	566,400

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

Details of Level 3 fair value measurements are as follows:

<u>Valuation method and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Relationship of unobservable inputs and fair value</u>
Cost method which estimates the amount of reconstruction cost of the building based on current market prices net of depreciation.	Estimated replacement costs	The higher the estimated replacement costs, the higher the fair value.
Investment method which involves capitalisation of the net annual income with allowance for voids by using a suitable rate of return consistent with the type and quality of investment to arrive at the market value.	Term yield rate of 6.50% (2023: 6.50%)	The estimated fair value would be increase (decrease) if: Term yield rate is lower (higher)
	Reversionary yield rate of 6.75% to 7.00% (2023: 6.75% to 7.00%)	Reversionary yield rate is lower (higher)
	Occupancy rates of 97.06% to 100% (2023: 85.59% to 97.06%)	Occupancy rate is higher (lower)

The properties under construction are measured at cost because the fair value is not yet determinable as of 31 December 2024. The fair value of the properties is expected to be reliably determinable when the construction is complete.

Income and expenses recognised in profit or loss

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Rental income	<u>86,567</u>	<u>79,731</u>
Direct operating expenses	<u>36,484</u>	<u>41,501</u>

6. **INVENTORIES**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Non-current:		
Land held for property development (Note 6.1)	<u>460,378</u>	<u>433,614</u>
Current:		
Property development costs (Note 6.2)	455,878	416,238
Completed properties (Note 6.3)	968,143	985,909
Consumables and medicinal products	<u>1,656</u>	<u>1,371</u>
	<u>1,425,677</u>	<u>1,403,518</u>
	<u>1,886,055</u>	<u>1,837,132</u>

6. **INVENTORIES (CONT'D)**

6.1 **Land held for property development**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Freehold land at cost	220,444	215,422
Leasehold land at cost	45,108	45,108
Development cost	<u>168,062</u>	<u>161,417</u>
At beginning of financial year	433,614	421,947
Development cost incurred during the financial year	5,271	14,543
Cost transferred from inventories - property development costs	21,493	7,213
Cost transferred to investment properties	<u>-</u>	<u>(10,089)</u>
At end of financial year	<u><u>460,378</u></u>	<u><u>433,614</u></u>

6.2 **Property development costs**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Freehold land at cost	184,924	189,946
Leasehold land at cost	40,447	14,647
Development cost	370,306	112,521
Cost recognised as expenses in prior years	<u>(179,439)</u>	<u>23,192</u>
At beginning of financial year	416,238	340,306
Development cost incurred during the financial year	<u>409,467</u>	<u>195,539</u>
	825,705	535,845
Cost recognised as expenses in the current year	(319,185)	(138,194)
Cost transferred to inventories - land held for property development	(21,493)	(7,213)
Land and development cost transferred (to)/from investment properties	<u>(29,149)</u>	<u>25,800</u>
At end of financial year	<u><u>455,878</u></u>	<u><u>416,238</u></u>

6.3 **Completed properties**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Completed properties held for sales	981,744	1,000,420
Inventories written down	<u>(13,601)</u>	<u>(14,511)</u>
	<u><u>968,143</u></u>	<u><u>985,909</u></u>

6. INVENTORIES (CONT'D)

6.3 Completed properties (cont'd)

The title deeds for the completed properties totalling RM10,895,000 (2023: RM10,995,000) are registered in the name of a third party.

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Recognised in profit or loss:		
(Reversal of)/inventories written down	(896)	2,523
Inventories written off	<u>4</u>	<u>15</u>

The reversal of inventories written down were made when the related inventories were sold above their carrying amount.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Unquoted shares at cost	2,418,777	2,366,563
Less: Impairment loss recognised	<u>(54,050)</u>	<u>(36,650)</u>
	<u><u>2,364,727</u></u>	<u><u>2,329,913</u></u>

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

	Company	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
At beginning of financial year	36,650	36,650
Impairment loss recognised	<u>17,400</u>	<u>-</u>
At end of financial year	<u><u>54,050</u></u>	<u><u>36,650</u></u>

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

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The recoverable amount of the subsidiary is measured according to the level 3 in the fair value hierarchy as disclosed in Note 2.2 to the Financial Statements. Details of the level 3 fair value method used in obtaining the recoverable amount are as follows:-

- **Valuation method and key inputs**
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities
- **Significant unobservable inputs**
Fair value of individual assets and liabilities
- **Relationship of unobservable inputs and fair value**
The higher the net assets, the higher the fair value

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

	Equity interest		<u>Principal activities</u>
	<u>2024</u>	<u>2023</u>	
	%	%	
Ceylon Hills Sdn. Bhd.	54	54	Property development
Citra Jaya Sejahtera Sdn. Bhd.	100	100	Property development
Concord Housing Development Sdn. Bhd.	100	100	Property development
Cosmo Housing Development Sdn. Bhd.	100	100	Property development
Eureka Equity Sdn. Bhd.	60	60	Property development
Everise Project Sdn. Bhd.	60	60	Property development
Everise Tiara (M) Sdn. Bhd.	60	60	Property development
HSB Green Solutions Sdn. Bhd.	100	100	Property development
IDP Industrial Development Sdn. Bhd.	100	100	Property development
Infinite Accomplishment Sdn. Bhd.	100	100	Property development
Kumpulan Sejahtera Sdn. Bhd.	100	100	Property development
Magna Kelana Development Sdn. Bhd.	74	74	Property development
Magna Tiara Development Sdn. Bhd.	100	100	Property development
Maxim Development Sdn. Bhd.	100	100	Property development
UOA Academy Sdn. Bhd.	100	100	Provision of education, training services and consultancy
Nova Metro Development Sdn. Bhd.	85	85	Property development
Orient Housing Development Sdn. Bhd.	100	100	Property development
Paramount Hills Sdn. Bhd.	100	100	Property development
Paramount Properties Sdn. Bhd.	100	100	Property development
Peninsular Home Sdn. Bhd.	60	60	Property development
Regenta Development Sdn. Bhd.	100	100	Property development
Sagaharta Sdn. Bhd.	100	100	Property development
Saujanis Sdn. Bhd.	100	100	Property development
Scenic Point Development Sdn. Bhd.	60	60	Property development
Seri Prima Development Sdn. Bhd.	100	100	Property development
Seri Tiara Development Sdn. Bhd.	85	85	Property development
Sunny Uptown Sdn. Bhd.	100	100	Property development

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Equity interest		<u>Principal activities</u>
	<u>2024</u>	<u>2023</u>	
	%	%	
Tiarawoods Sdn. Bhd.	100	100	Property development
Topview Housing Sdn. Bhd.	100	100	Property development
Windsor Triumph Sdn. Bhd.	100	100	Property development
Allied Engineering Construction Sdn. Bhd.	100	100	Civil contractor
Resodex Construction Sdn. Bhd.	100	100	Civil contractor
URC Engineering Sdn. Bhd.	100	100	Civil contractor
Pertiwi Sinarjuta Sdn. Bhd.	100	100	Civil contractor
UOA Hospitality Sdn. Bhd.	100	100	To manage and operate hotels and service apartments
UOA Komune Sdn. Bhd.	100	100	Managing co-sharing office
UOA Properties Sdn. Bhd.	100	100	Investment holding
Fabullane Development Sdn. Bhd.	100	100	Property development
Federaya Development Sdn. Bhd.	100	100	Investment holding
Armada Hartasegar Sdn. Bhd.	100	100	Investment holding
JDIN Media Sdn. Bhd.	51	51	Managing and maintaining pedestrian bridge and commercial lifts for the purpose of advertising
Cekal Impian Sdn. Bhd.	100	-	Property development
UOA Development Management Sdn. Bhd.	100	-	Provision of management consultancy services
UOA Distributor Sdn. Bhd. #	100	-	Dormant
<i>Held through UOA Properties Sdn. Bhd.:-</i>			
Bangsar South City Sdn. Bhd.	100	100	Property investment and hotel operations
Distinctive Acres Sdn. Bhd.	100	100	Property investment
Dynasty Portfolio Sdn. Bhd.	100	100	Property investment
Enchant Heritage Sdn. Bhd.	100	100	Property investment and hotel operations
Lencana Harapan Sdn. Bhd.	100	100	Property investment and hotel operations
Nasib Unggul Sdn. Bhd.	100	100	Property investment
Nova Lagenda Sdn. Bhd.	100	100	Property investment
Tunjang Idaman Sdn. Bhd.	100	100	Property investment
Full Marks Property Sdn. Bhd.	100	100	Property investment
UOA Southlink Sdn. Bhd.	100	100	Property investment
UOA Southview Sdn. Bhd.	100	100	Property investment
UOA Golden Pines Sdn. Bhd.	100	100	Property investment and hotel operations
Klasik Damai Sdn. Bhd.	100	-	Property investment
Rimba Bayu Mega Sdn. Bhd.	100	-	Property investment

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Equity interest		<u>Principal activities</u>
	<u>2024</u>	<u>2023</u>	
	%	%	
<i>Held through Everise Project Sdn. Bhd.:-</i>			
Jendela Dinamik Sdn. Bhd.	51	51	Managing and maintaining pedestrian bridge for the purpose of advertising
<i>Held through Armada Hartasegar Sdn. Bhd.:-</i>			
Hoteland Sdn. Bhd.	100	51	Investment holding
Strong Indulge Sdn. Bhd.	85	-	Operating restaurants
<i>Held through Hoteland Sdn. Bhd.:-</i>			
Good Fortune Foods Sdn. Bhd.	100	100	Operating restaurants
Bamboo Circle Sdn. Bhd.	100	100	Operating restaurants and night clubs
Bamboo Estate Sdn. Bhd.	100	100	Operating restaurants and night clubs
<i>Held through Federaya Development Sdn. Bhd.:-</i>			
Tong Xin Tang Healthcare International Sdn. Bhd.	51	51	Operator of Chinese medical, acupuncture and physiotherapy care centre and dealer in Chinese medicine
Komune Care Centre Sdn. Bhd.	60	60	Provision of care for post hospitalisation and seniors
UMH NK Sdn. Bhd.*	60	60	Investment holding
UMH Rehabilitation Medicine Sdn. Bhd.	100	100	Dormant
Angkasa Kenanga Sdn. Bhd.	100	-	Dental consultancy, dental treatments and other related activities
Akasia Kembara Sdn. Bhd.	60	-	Administrative health care services, specialised medical services, stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods
My Healthland (KLW) Sdn. Bhd.	51	-	Activities of sauna, steam baths, massage salons, restaurants and sale by commission agents
<i>Held through Tong Xin Tang Healthcare International Sdn. Bhd.:-</i>			
Tong Xin Tang Wellness Centre Sdn. Bhd.	100	100	Dormant
<i>Held through UMH NK Sdn. Bhd.:-</i>			
UMH NK Wellness Sdn. Bhd.*	100	100	Dormant
UMH NK Aesthetics Sdn. Bhd.*	100	100	Dormant
UMH NK Dental Sdn. Bhd.*	100	100	Dormant

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

No statutory audit was required as at the reporting date as the subsidiary company was newly incorporated during the financial year. The Directors have consolidated the results of this subsidiary company based on its management financial statements.

Newly acquired/incorporated subsidiary companies

2024

During the financial year, the Company incorporated three new wholly-owned subsidiaries namely UOA Development Management Sdn. Bhd., UOA Distributor Sdn. Bhd. and Cekal Impian Sdn. Bhd. with share capital of RM1 each respectively.

The Company via its wholly-owned subsidiary, Armada Hartasegar Sdn. Bhd. incorporated a new subsidiary company namely Strong Indulge Sdn. Bhd. for cash consideration of RM850 for 85% of equity interest in the said subsidiary company and also acquired additional 49% of equity interest in its existing subsidiary company namely Hoteland Sdn. Bhd. for cash consideration of RM1, consequently the effective equity interest in the said subsidiary company increase from 51% to 100%.

The Company via its wholly-owned subsidiary, UOA Properties Sdn. Bhd. incorporated two new wholly-owned subsidiary companies namely Klasik Damai Sdn. Bhd. and Rimba Bayu Mega Sdn. Bhd. for cash considerations of RM1 each for 100% of equity interest in the respective subsidiary companies.

The Company via its wholly-owned subsidiary, Federaya Development Sdn. Bhd. acquired three new subsidiary companies namely Akasia Kembara Sdn. Bhd., Angkasa Kenanga Sdn. Bhd. and My Healthland (KLW) Sdn. Bhd. for cash considerations of RM75,000 for 60% of equity interest, RM1 for 100% of equity interest and RM51 for 51% of equity interest in the said subsidiary companies respectively.

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

2023

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

7. **INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

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

Goodwill on consolidation

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

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
At net carrying amount		
At beginning of financial year	1,454	-
Additions	465	1,454
	<u>1,919</u>	<u>1,454</u>
Impairment loss	(1,919)	(1,454)
At end of financial year	<u>-</u>	<u>-</u>

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

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
At beginning of financial year	1,454	-
Recognised during the year	465	1,454
At end of financial year	<u>1,919</u>	<u>1,454</u>

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

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Additional shares subscribed in existing subsidiary companies

During the financial year, the Company subscribed for additional ordinary shares in existing subsidiary companies as follows:-

	Types of <u>shares</u>	Number of <u>shares</u> '000	Cash <u>consideration</u> RM'000
2024			
Armada Hartasegar Sdn. Bhd.	Ordinary	23,964	23,964
Pertiwi Sinarjuta Sdn. Bhd.	Ordinary	350	350
Regenta Development Sdn. Bhd.	Ordinary	270	270
Federaya Development Sdn. Bhd.	Ordinary	826	826
UOA Properties Sdn. Bhd.	Ordinary	7,100	7,100
			32,510

During the financial year, the Company subscribed for additional ordinary shares in existing subsidiary companies by capitalising part of the interest free advances owing by the subsidiary companies as follows:-

	Types of <u>shares</u>	Number of <u>shares</u> '000	Amount <u>capitalised</u> RM'000
2024			
Armada Hartasegar Sdn. Bhd.	Ordinary	9,730	9,730
Federaya Development Sdn. Bhd.	Ordinary	2,174	2,174
UOA Komune Sdn. Bhd.	Ordinary	7,800	7,800
			19,704

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

	Type of <u>shares</u>	Number of <u>shares</u> '000	Cash <u>consideration</u> RM'000
2023			
Concord Housing Development Sdn. Bhd.	CRPS	1,400	14,000
Magna Kelana Development Sdn. Bhd.	CRPS	550	5,500
Regenta Development Sdn. Bhd.	CRPS	23	230
Federaya Development Sdn. Bhd.	CRPS	650	6,500
Tiarawoods Sdn. Bhd.	CRPS	3,500	35,000
UOA Properties Sdn. Bhd.	Ordinary	82,705	82,705
UOA Academy Sdn. Bhd.	Ordinary	1,000	1,000
			144,935

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

In prior year, the subsidiary companies redeemed the CRPS subscribed by the Company as follows:-

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

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

<u>Name of subsidiary companies</u>	Proportion of ownership interests held by non-controlling interests		Profit/(loss) allocated to non- controlling interests		Carrying amount of non- controlling interests	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	%	%	RM'000	RM'000	RM'000	RM'000
Eureka Equity Sdn. Bhd.	40	40	(30)	849	5,642	17,272
Everise Project Sdn. Bhd.	40	40	7,211	7,492	136,036	128,825
Seri Tiara Development Sdn. Bhd.	15	15	(189)	(93)	25,692	<u>25,881</u>

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

	<u>Eureka Equity Sdn. Bhd.</u> RM'000	<u>Everise Project Sdn. Bhd.</u> RM'000	<u>Seri Tiara Development Sdn. Bhd.</u> RM'000
2024			
Financial position as at reporting date			
Non-current assets	-	108,912	39
Current assets	18,957	345,725	172,607
Non-current liabilities	-	(2,380)	-
Current liabilities	<u>(4,852)</u>	<u>(112,166)</u>	<u>(1,365)</u>
Net assets	<u>14,105</u>	<u>340,091</u>	<u>171,281</u>

7. **INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

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

	Eureka Equity <u>Sdn. Bhd.</u> RM'000	Everise Project <u>Sdn. Bhd.</u> RM'000	Seri Tiara Development <u>Sdn. Bhd.</u> RM'000
2024 (cont'd)			
Summary of financial performance for the financial year			
Net (loss)/profit/total comprehensive (loss)/income for the financial year	(74)	18,028	(1,259)
Revenue included in the net (loss)/profit/total comprehensive (loss)/income	359	-	-
Summary of cash flows for the financial year			
Net cash (outflows)/inflows from operating activities	(30)	17,707	(3,239)
Net cash inflows/(outflows) from investing activities	150	(98)	342
Net cash outflows from financing activities	(29,040)	(33,682)	(141)
Net cash outflows	(28,920)	(16,073)	(3,038)
Other information			
Dividends paid to non-controlling interests	11,600	-	-
2023			
Financial position as at reporting date			
Non-current assets	-	108,770	45
Current assets	48,461	360,935	174,664
Non-current liabilities	-	(2,373)	-
Current liabilities	(5,282)	(145,269)	(2,169)
Net assets	43,179	322,063	172,540
Summary of financial performance for the financial year			
Net profit/(loss)/total comprehensive income/(loss) for the financial year	2,122	18,730	(617)
Revenue included in the net profit/(loss)/total comprehensive income/(loss)	585	(2)	-

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Eureka Equity <u>Sdn. Bhd.</u> RM'000	Everise Project <u>Sdn. Bhd.</u> RM'000	Seri Tiara Development <u>Sdn. Bhd.</u> RM'000
2023 (cont'd)			
Summary of cash flows for the financial year			
Net cash inflows/(outflows) from operating activities	2,904	18,249	(154)
Net cash inflows from investing activities	103	321	15
Net cash (outflows)/inflows from financing activities	-	(18,040)	60
Net cash inflows/(outflows)	3,007	530	(79)
Other information			
Dividends paid to non-controlling interests	-	-	-

8. EQUITY INVESTMENTS

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Financial assets at fair value through OCI				
Shares quoted in Malaysia	76,681	87,105	17,787	17,445
Unquoted shares in Malaysia	100	100	-	-
	76,781	87,205	17,787	17,445

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

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

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

9. **DEFERRED TAX ASSETS**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
At 1 January	33,998	34,962
Recognised in profit or loss	<u>6,241</u>	<u>(964)</u>
At 31 December	<u>40,239</u>	<u>33,998</u>

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

10. **CONTRACT ASSETS/(CONTRACT LIABILITIES)**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
<u>Contract assets</u>		
Revenue recognised to date	817,418	289,510
Progress billings issued to date	<u>(617,258)</u>	<u>(232,849)</u>
	<u>200,160</u>	<u>56,661</u>
<u>Contract costs</u>		
Costs to obtain contracts	<u>19,533</u>	<u>9,116</u>
	<u>219,693</u>	<u>65,777</u>
Contract assets	231,918	65,777
Contract liabilities	<u>(12,225)</u>	<u>-</u>
	<u>219,693</u>	<u>65,777</u>

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

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

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

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

During the financial year, RM11,588,000 (2023: RM3,961,000) was amortised to cost of sales and RM11,946,000 (2023: RM3,294,000) was amortised against revenue.

11. **TRADE RECEIVABLES**

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Progress billings receivable	77,594	62,456
Funds held by stakeholders	5,571	15,995
Other trade receivables	15	15
	<u>83,180</u>	<u>78,466</u>
Impairment loss	(6,591)	(6,682)
	<u>76,589</u>	<u>71,784</u>

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

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
At beginning of financial year	6,682	7,682
Reversal during the year	(91)	(1,000)
At end of financial year	<u>6,591</u>	<u>6,682</u>

The progress billings receivable are due within 14 to 90 days (2023: 14 to 90 days) as stipulated in the sale and purchase agreements.

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

12. **OTHER RECEIVABLES**

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Sundry receivables	32,454	32,845	2,104	2,761
Deposits and prepayments	19,514	19,336	1,646	2,326
	<u>51,968</u>	<u>52,181</u>	<u>3,750</u>	<u>5,087</u>
Impairment loss	(10,317)	(11,733)	(1,307)	(1,307)
	<u>41,651</u>	<u>40,448</u>	<u>2,443</u>	<u>3,780</u>

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

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	11,733	16,122	1,307	1,308
Impairment loss recognised	249	1,272	-	-
Reversal during the year	(826)	(5,661)	-	(1)
Written off	(839)	-	-	-
At end of financial year	<u>10,317</u>	<u>11,733</u>	<u>1,307</u>	<u>1,307</u>

12. **OTHER RECEIVABLES (CONT'D)**

Included in the sundry receivables of the Group and of the Company is amount owing by associate companies of the immediate holding company of RM62,446 and RM47,639 (2023: RM29,490 and RM12,400) respectively.

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

13. **AMOUNTS OWING BY/TO HOLDING COMPANIES**

The amount owing by ultimate holding company was represented unsecured interest free advances which had been fully settled during the financial year.

The amount owing to immediate holding company is comprises:

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Interest free advances	-	152	-	1
Administrative fee payable	-	42	-	-
	<u>-</u>	<u>194</u>	<u>-</u>	<u>1</u>

The interest free advances and administrative fee payable had been fully settled during the financial year.

14. **AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES**

The amount owing by subsidiary companies is comprises:

	Company	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Management fee receivable	-	17,861
Interest free advances	59,250	103,932
Interest-bearing advances	221,474	-
Interest receivable	2,260	-
	<u>282,984</u>	<u>121,793</u>
Impairment loss	-	(10,100)
	<u>282,984</u>	<u>111,693</u>

The interest free advances are non-trade, unsecured and receivable within 12 months (2023: 12 months).

The interest-bearing advances are unsecured and non-trade in nature, bearing an interest rate at 3.90% (2023: Nil) per annum and receivable within 12 months. The interest receivable are expected to be settled within credit terms of 90 (2023: Nil) days.

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

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

	Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000
At beginning of financial year	10,100	-
(Reversal of impairment loss)/impairment loss recognised	<u>(10,100)</u>	<u>10,100</u>
At end of financial year	<u>-</u>	<u>10,100</u>

The amount owing to subsidiary companies is comprises:

	Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Interest free advances	15	455
Rental payable	<u>-</u>	<u>662</u>
	<u>15</u>	<u>1,117</u>

The interest free advances are non-trade, unsecured and repayable on demand. The rental payable had been fully settled during the financial year.

15. **AMOUNTS OWING BY/TO RELATED COMPANIES**

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

The amount owing by related companies is comprises:

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Progress billing receivable	-	53	-	-
Interest free advances	<u>-</u>	<u>646</u>	<u>-</u>	<u>22</u>
	<u>-</u>	<u>699</u>	<u>-</u>	<u>22</u>

The interest free advances and progress billing receivables had been fully settled during the financial year.

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

The amount owing to related companies comprises:

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Management fee payable	-	148	-	148
Interest free advances	-	178	-	-
	<u>-</u>	<u>326</u>	<u>-</u>	<u>148</u>

The management fee payable and interest free advances had been fully settled during the financial year.

16. SHORT TERM INVESTMENTS

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

17. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits is an amount of RM174,350 (2023: RM168,930) of the Group and of the Company pledged to secure the Group's bank guarantee facilities.

The effective interest rates of the fixed deposits range between 2.10% to 4.05% (2023: 1.90% to 4.25%) per annum. All the fixed deposits have maturity periods of less than three months.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM122,123,545 (2023: RM107,852,974) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations, 1991.

Funds maintained in the Housing Development Accounts earn interest at 1.15% to 3.30% (2023: 1.05% to 3.00%) per annum.

19. **SHARE CAPITAL**

	Group and Company			
	<u>2024</u>		<u>2023</u>	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Share capital				
Issued and fully paid ordinary <u>shares with no par value:</u>				
At 1 January	2,491,552	3,071,432	2,408,583	2,953,770
Issued pursuant to the DRS	<u>133,372</u>	<u>225,398</u>	<u>82,969</u>	<u>117,662</u>
At 31 December	<u>2,624,924</u>	<u>3,296,830</u>	<u>2,491,552</u>	<u>3,071,432</u>

20. **MERGER RESERVE**

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

21. **FAIR VALUE RESERVE**

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

22. **TREASURY SHARES**

There was no buy-back of shares nor resale or cancellation of treasury shares during the financial year ended 31 December 2024.

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

	Group and Company	
	<u>2024/2023</u>	
	Number of shares '000	RM'000
At 1 January/31 December	<u>1,134</u>	<u>2,119</u>

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

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

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

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

Included in the amount owing to non-controlling shareholders of subsidiary companies is amounts of RM792,501 and RM1,056,667 (2023: RM792,501 and RM1,056,667) owing to Directors of the Company and key management personnel of the Group respectively and an amount of RM39,500,000 (2023: RM45,500,000) owing to a company in which a Director has financial interest.

24. **LEASE LIABILITIES**

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Current	253	155	-	95
Non-current	<u>812</u>	<u>276</u>	<u>-</u>	<u>164</u>
	<u>1,065</u>	<u>431</u>	<u>-</u>	<u>259</u>

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

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
As at 1 January	431	716	259	406
Additions	830	-	-	-
Disposals	-	-	(259)	-
Lease payments	(196)	(285)	-	(147)
Lease interest	25	25	-	13
Payment for lease interest	<u>(25)</u>	<u>(25)</u>	<u>-</u>	<u>(13)</u>
As at 31 December	<u>1,065</u>	<u>431</u>	<u>-</u>	<u>259</u>

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

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

24. **LEASE LIABILITIES (CONT'D)**

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

<u>Right-of-use assets</u>	Range of remaining term	
	<u>2024</u>	<u>2023</u>
Group		
Leasehold land and buildings	82 to 86 years	83 to 87 years
Plant and machineries	-	1 year
Motor vehicles	<u>1 to 5 years</u>	<u>1 to 5 years</u>
Company		
Motor vehicles	<u>-</u>	<u>1 to 4 years</u>

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

The effective interest rates of the lease liabilities are between 3.72% to 6.50% (2023: 3.72% to 5.67%) per annum for the Group and Nil (2023: 3.72% to 5.55%) per annum for the Company.

25. **BORROWINGS**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Islamic term loan:		
Non-current	119	166
Current	<u>48</u>	<u>46</u>
	<u>167</u>	<u>212</u>

The Islamic term loan is secured by:-

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

The effective profit rate of the Islamic term loan is fixed at 3.50% (2023: 3.50%) per annum and the facility is to be repaid via 84 monthly instalments inclusive of 6 months moratorium period.

26. **DEFERRED TAX LIABILITIES**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
At 1 January	50,613	45,883
Recognised in profit or loss	<u>9,930</u>	<u>4,730</u>
At 31 December	<u><u>60,543</u></u>	<u><u>50,613</u></u>
Tax effects of temporary differences arising from:		
- Property, plant and equipment	5,942	3,542
- Real Property Gains Tax ("RPGT") on fair value gain of investment properties	48,396	44,877
- Other temporary differences	<u>6,205</u>	<u>2,194</u>
	<u><u>60,543</u></u>	<u><u>50,613</u></u>

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

27. **TRADE PAYABLES**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Sub-contractors' claims	6,867	8,665
Retention sums	30,048	34,888
Accrued construction costs	152,744	125,943
Other trade payables	<u>9,038</u>	<u>8,950</u>
	<u><u>198,697</u></u>	<u><u>178,446</u></u>

The normal credit terms extended by sub-contractors and suppliers range between 30 to 60 days (2023: 30 to 60 days). The retention sums are repayable upon the expiry of the defects liability period.

28. **OTHER PAYABLES**

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Sundry payables	64,897	49,105	6,381	3,908
Deposits	57,813	53,690	-	164
Accruals	<u>105,846</u>	<u>105,582</u>	<u>102</u>	<u>6,049</u>
	<u><u>228,556</u></u>	<u><u>208,377</u></u>	<u><u>6,483</u></u>	<u><u>10,121</u></u>

28. **OTHER PAYABLES (CONT'D)**

Included in the sundry payables of the Group and of the Company is amount owing to associate companies of the immediate holding company of RM33,362 and Nil (2023: RM415,707 and RM857) respectively.

In prior year, included in the deposits of the Company is security and utilities deposit owing to subsidiary companies of RM161,558. These deposits have been fully refunded upon the termination of the tenancies.

29. **REVENUE**

29.1 **Disaggregated revenue information**

	<u>2024</u> RM'000	<u>2023</u> RM'000
Types of revenue		
Group		
<u>Sales of properties</u>		
- Properties under construction	517,697	227,409
- Completed properties	27,948	170,474
Construction contract	53	1,509
	<hr/>	<hr/>
Revenue from contracts with customers	<u>545,698</u>	<u>399,392</u>
Company		
<u>Dividend income</u>		
- Subsidiary companies	241,752	682,008
- Investments in quoted shares	922	307
Management fee income	-	49,022
	<hr/>	<hr/>
Revenue from other sources of income	<u>242,674</u>	<u>731,337</u>
Timing of recognition of revenue from contracts with customers		
Group		
<u>Performance obligations</u>		
- satisfied over time	517,750	228,918
- satisfied at a point in time	27,948	170,474
	<hr/>	<hr/>
	<u>545,698</u>	<u>399,392</u>
Company		
<u>Performance obligations</u>		
- satisfied over time	-	49,022
	<hr/>	<hr/>

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

29. REVENUE (CONT'D)

29.2 Contract balances

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Trade receivables	76,589	71,784
Contract assets	231,918	65,777
Contract liabilities	<u>12,225</u>	<u>-</u>

The increase of trade receivables was due to significant progress in development properties which met the conditions for the billing to issue in accordance to the sale and purchase agreements signed with customers.

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

Contract liabilities increase due to advance billing to customers over the revenue recognition as at the reporting date. There were no contract liabilities in the previous year presented and no revenue was recognised from performance obligations satisfied in previous years.

29.3 Performance obligations

Sale of properties and construction contracts

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

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

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

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

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

29. **REVENUE (CONT'D)**

29.3 **Performance obligations (cont'd)**

Sale of properties and construction contracts (cont'd)

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

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Sale of development properties under construction	<u>831,822</u>	<u>299,697</u>

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

30. **COST OF SALES**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Cost of development properties under construction sold	330,773	142,155
Cost of completed properties	19,662	82,166
Cost of construction contract	<u>49</u>	<u>1,403</u>
	<u>350,484</u>	<u>225,724</u>

31. **OTHER INCOME**

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Rental income	182,963	165,742	-	400
Hotel and restaurant operation income	148,432	118,094	-	-
Healthcare operation income	21,770	15,373	-	-
Gain on remeasurement of short term investments	11,282	25,205	4,901	7,399
Sundry income	13,170	24,315	988	1,554
Distribution income from equity investments	4,281	5,243	-	-
Dividend income from equity investments	922	307	-	-
Management fee	<u>282</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>383,102</u>	<u>354,279</u>	<u>5,889</u>	<u>9,353</u>

32. **FINANCE COSTS**

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Amortisation of financial liabilities	179	97	-	-
Lease interest	25	25	-	13
Interest on term loan	6	9	-	-
	<u>210</u>	<u>131</u>	<u>-</u>	<u>13</u>

33. **PROFIT BEFORE TAX**

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

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Auditors' remuneration				
Grant Thornton Malaysia PLT				
- statutory audit	575	508	78	76
- assurance and related services	30	36	7	6
Grant Thornton member firms	1,100	-	1,000	-
Rental expenses - short-term leases	6,656	8,356	-	5,255
	<u>6,656</u>	<u>8,356</u>	<u>-</u>	<u>5,255</u>

34. **TAX EXPENSES**

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Current tax provision	80,814	58,970	1,455	2,097
Deferred tax	4,714	5,509	-	-
	<u>85,528</u>	<u>64,479</u>	<u>1,455</u>	<u>2,097</u>
Under/(over)provision in prior years				
- Current tax	14,264	17,328	15,284	812
- Deferred tax	(1,025)	185	-	-
	<u>13,239</u>	<u>17,513</u>	<u>15,284</u>	<u>812</u>
	<u>98,767</u>	<u>81,992</u>	<u>16,739</u>	<u>2,909</u>

Malaysian income tax is calculated at the statutory rate of 24% (2023: 24%) of the estimated assessable profit for the current financial year.

34. TAX EXPENSES (CONT'D)

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

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
Profit before tax	<u>393,507</u>	<u>368,398</u>	<u>253,513</u>	<u>693,731</u>
Tax at statutory rate	94,442	88,416	60,843	166,495
Tax effects of				
- non-deductible expenses	23,450	10,259	6,197	2,885
- non-taxable income	(21,154)	(25,641)	(65,585)	(167,283)
Movement in unrecognised deferred tax assets	(4,702)	(6,174)	-	-
Difference between income tax rate and RPGT rate applicable to fair value gain on investment properties	(6,508)	(2,292)	-	-
Change in RPGT rate on investment properties	-	(89)	-	-
Underprovision in prior years	<u>13,239</u>	<u>17,513</u>	<u>15,284</u>	<u>812</u>
Tax expenses	<u>98,767</u>	<u>81,992</u>	<u>16,739</u>	<u>2,909</u>

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

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Property, plant and equipment	(87,726)	(84,182)
Inventories written down	13,601	14,512
Unabsorbed tax losses	48,848	39,875
Unutilised capital allowances	29,130	45,817
Unutilised investment tax allowances	<u>240,980</u>	<u>248,401</u>
	<u>244,833</u>	<u>264,423</u>

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

34. **TAX EXPENSES (CONT'D)**

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

	Group	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Year of assessment 2028	568	2,070
Year of assessment 2029	1,440	1,689
Year of assessment 2030	5,347	6,443
Year of assessment 2031	5,364	3,197
Year of assessment 2032	13,412	14,200
Year of assessment 2033	6,475	12,276
Year of assessment 2034	16,242	-
	<u>48,848</u>	<u>39,875</u>

35. **EARNINGS PER SHARE**

(a) Basic

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

	Group	
	<u>2024</u>	<u>2023</u>
Net profit attributable to owners of the Company (RM'000)	<u>287,303</u>	<u>279,551</u>
Weighted average number of ordinary shares ('000)	<u>2,549,087</u>	<u>2,436,945</u>
Net earnings per ordinary share (RM)	<u>0.11</u>	<u>0.11</u>

(b) Diluted

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

36. **DIVIDENDS**

	Group and Company	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
<i>In respect of the financial year ended 31 December 2023:</i>		
Final single tier dividend of 10 sen per share:		
- Dividend reinvested into 133,371,600 new ordinary shares pursuant to the DRS	225,398	-
- Payment in cash	23,644	-
<i>In respect of the financial year ended 31 December 2023:</i>		
First interim single tier dividend of 20 sen per share:		
- Dividend reinvested into 59,619,700 new ordinary shares pursuant to the DRS	-	82,871
- Payment in cash	-	403,289
<i>In respect of the financial year ended 31 December 2022:</i>		
First and final single tier dividend of 10 sen per share:		
- Dividend reinvested into 23,349,400 new ordinary shares pursuant to the DRS	-	34,791
- Payment in cash	-	205,954
	<u>249,042</u>	<u>726,905</u>

The Directors now recommend final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 December 2024 amounting to RM262,379,010 based on 2,623,790,100 ordinary shares (net of treasury shares at the reporting date) for shareholders' approval at the forthcoming Annual General Meeting.

37. **EMPLOYEES BENEFITS EXPENSES**

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Employees benefits expenses	<u>85,671</u>	<u>73,181</u>	<u>10</u>	<u>31,654</u>

Included in the employee benefits expenses are EPF contributions amounting to RM7,725,144 (2023: RM5,984,962) for the Group and Nil (2023: RM2,962,941) for the Company.

38. **RELATED PARTY DISCLOSURES**

(a) Significant related party transactions

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

	Group		Company	
	<u>2024</u> RM'000	<u>2023</u> RM'000	<u>2024</u> RM'000	<u>2023</u> RM'000
<i>Transactions with immediate holding company</i>				
Rental charged to	463	322	-	-
Administrative fee charged by	<u>1,320</u>	<u>1,320</u>	<u>-</u>	<u>-</u>
<i>Transactions with subsidiary companies</i>				
Management fee charged to	-	-	-	49,022
Rental charged to	-	-	-	400
Interest charged to	-	-	2,260	-
Management fee charged by	-	-	24	-
Rental charged by	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,231</u>
<i>Transactions with related companies</i>				
Management fee charged by	304	1,754	-	1,754
Rental charged to	26,543	23,623	-	-
Rental charged by	1,143	4,422	-	2,024
Construction service charged to	439	1,509	-	-
Distribution income received from	<u>4,281</u>	<u>5,243</u>	<u>-</u>	<u>-</u>
<i>Transactions with associate companies of the immediate holding company</i>				
Management fee charged by	3,292	3,194	-	-
Rental charged to	280	279	-	-
Administrative fee charged by	648	661	-	-
Landscaping fee charged by	340	327	-	10
Security services charged by	<u>2,575</u>	<u>2,174</u>	<u>-</u>	<u>-</u>

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

38. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation

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

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
<i>Directors of the Company</i>				
Fees and remunerations	7,520	7,241	204	7,241
Estimated monetary value of benefits-in-kind	<u>311</u>	<u>279</u>	<u>-</u>	<u>279</u>
Total short-term employees benefits	7,831	7,520	204	7,520
Post-employment benefits (EPF)	<u>519</u>	<u>765</u>	<u>-</u>	<u>765</u>
	<u>8,350</u>	<u>8,285</u>	<u>204</u>	<u>8,285</u>
	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
<i>Other key management personnel</i>				
Salaries, allowances and bonuses	3,102	2,854	-	1,454
Estimated monetary value of benefits-in-kind	<u>112</u>	<u>91</u>	<u>-</u>	<u>36</u>
Total short-term employees benefits	3,214	2,945	-	1,490
Post-employment benefits (EPF)	<u>134</u>	<u>118</u>	<u>-</u>	<u>94</u>
	<u>3,348</u>	<u>3,063</u>	<u>-</u>	<u>1,584</u>
Total compensation	<u>11,698</u>	<u>11,348</u>	<u>204</u>	<u>9,869</u>

39. MATERIAL LITIGATIONS

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

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

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

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

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

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

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

40. **MATURITY ANALYSIS OF LEASE PAYMENTS**

As lessor

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

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

	<u>2024</u> RM'000	<u>2023</u> RM'000
Within 1 year	104,661	148,176
In the second year	60,997	100,868
In the third year	26,334	22,875
In the fourth year	<u>1,578</u>	<u>634</u>
	<u>193,570</u>	<u>272,553</u>

41. **CAPITAL COMMITMENTS**

	Group	
	<u>2024</u> RM'000	<u>2023</u> RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	1,796	-
- Construction of investment properties	<u>391,521</u>	<u>-</u>

42. **SEGMENTAL INFORMATION**

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

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

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

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

42. SEGMENTAL INFORMATION (CONT'D)

Group	Property development		Construction		Others		Elimination		Consolidated	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	545,645	397,883	53	1,509	-	-	-	-	545,698	399,392
Inter segment revenue	27,184	-	451,011	244,654	-	-	(478,195)	(244,654)	-	-
Total revenue	572,829	397,883	451,064	246,163	-	-	(478,195)	(244,654)	545,698	399,392
Depreciation	(1,178)	(1,376)	(536)	(975)	(15,868)	(15,605)	93	332	(17,489)	(17,624)
Rental income	153,387	136,139	103	96	45,371	43,226	(15,898)	(13,719)	182,963	165,742
Fair value adjustments	23,689	(1,225)	-	-	20,546	6,021	-	34,563	44,235	39,359
Dividend income	-	-	-	-	242,674	682,315	(241,752)	(682,008)	922	307
Distribution income	11,680	14,560	1,003	915	26,860	19,529	-	-	39,543	35,004
Interest income	7,267	11,080	2,031	1,573	3,097	2,852	-	-	12,395	15,505
Interest expense	(2,423)	(84)	-	(3)	(952)	(721)	3,165	677	(210)	(131)
Other material non-cash items	570	(880)	44	(444)	(15,070)	(22,240)	17,414	43,187	2,958	19,623
Segment results	289,645	276,308	50,480	34,589	53,382	57,501	-	-	393,507	368,398
Tax expenses									(98,767)	(81,992)
Net profit for the financial year									294,740	286,406
Segment assets	3,829,436	3,698,931	181,361	123,454	2,190,354	2,066,148	-	-	6,201,151	5,888,533
Segment liabilities	306,642	267,427	102,272	99,927	73,207	68,177	-	-	482,121	435,531
Additions to non-current assets	22,976	29,458	2,474	589	70,943	16,213	-	-	96,393	46,260

42. SEGMENTAL INFORMATION (CONT'D)

	Consolidated	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Other material non-cash items consists of the following:-		
Reversal of impairment losses on financial assets	668	5,389
Reversal of impairment losses on non-financial assets	1,525	21,629
Bad debts written off	(73)	(4,283)
Property, plant and equipment written off	(54)	(574)
Reversal of/(inventories written down)	896	(2,523)
Inventories written off	(4)	(15)
	<u>2,958</u>	<u>19,623</u>
<u>Reconciliation of segment assets to total assets</u>		
Segment assets	6,201,151	5,888,533
Equity investments	76,781	87,205
Deferred tax assets	40,239	33,998
Current tax assets	70,486	71,338
	<u>6,388,657</u>	<u>6,081,074</u>
<u>Reconciliation of segment liabilities to total liabilities</u>		
Segment liabilities	482,121	435,531
Current tax liabilities	10,901	5,719
Deferred tax liabilities	60,543	50,613
	<u>553,565</u>	<u>491,863</u>
<u>Additions to non-current assets consist of the following:-</u>		
Property, plant and equipment	19,225	21,872
Investment properties	71,897	9,845
Inventories - land held for property development	5,271	14,543
	<u>96,393</u>	<u>46,260</u>

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

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

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

43. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

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

(a) Credit risk

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

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

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

i. Receivables and contract assets

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

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

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

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

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

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

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

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

	Total gross carrying <u>amount</u> RM'000	Expected credit loss RM'000	<u>Net balance</u> RM'000
Group			
2024			
<u>Trade receivables</u>			
Not past due	67,743	-	67,743
Less than 44 days past due	575	-	575
Between 44 and 110 days past due	385	-	385
More than 110 days past due	7,886	-	7,886
Credit impaired	<u>6,591</u>	<u>6,591</u>	<u>-</u>
	<u>83,180</u>	<u>6,591</u>	<u>76,589</u>
 Contract assets	 <u>200,160</u>	 <u>-</u>	 <u>200,160</u>
 2023			
<u>Trade receivables</u>			
Not past due	62,039	-	62,039
Less than 44 days past due	2,062	-	2,062
Between 44 and 110 days past due	1,868	-	1,868
More than 110 days past due	5,815	-	5,815
Credit impaired	<u>6,682</u>	<u>6,682</u>	<u>-</u>
	<u>78,466</u>	<u>6,682</u>	<u>71,784</u>
 Contract assets	 <u>56,661</u>	 <u>-</u>	 <u>56,661</u>

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

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

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

(a) Credit risk (cont'd)

i. Receivables and contract assets (cont'd)

Other receivables

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

ii. Intercompanies balances

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

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

iii. Financial institutions and cash deposits

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

iv. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM74,634,000 (2023: RM51,566,000), represented by the bank guarantees and outstanding banking facilities utilised by the subsidiary companies as at the end of the reporting year.

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

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

v. Investments and other financial assets

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

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

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

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

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

(b) Interest rate risk

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

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

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

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Fixed deposits with licensed banks	233,380	206,106	52,945	33,008
Lease liabilities	1,065	431	-	259
Borrowings	167	212	-	-

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

(c) Market risk

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

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

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

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

(d) Liquidity risk

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

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

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

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

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

	Less than 1 year RM'000	Between 1 to 5 years RM'000	<u>Total</u> RM'000
Group			
2024			
Trade and other payables	427,253	-	427,253
Amount owing to non-controlling shareholders of subsidiary companies	39,500	2,133	41,633
Lease liabilities	295	878	1,173
Borrowings	53	124	177
	<u>467,101</u>	<u>3,135</u>	<u>470,236</u>
2023			
Trade and other payables	386,823	-	386,823
Amount owing to immediate holding company	194	-	194
Amount owing to related companies	326	-	326
Amount owing to non-controlling shareholders of subsidiary companies	45,784	1,849	47,633
Lease liabilities	169	295	464
Borrowings	53	176	229
	<u>433,349</u>	<u>2,320</u>	<u>435,669</u>

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

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

(d) Liquidity risk (cont'd)

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

	Less than 1 year RM'000	Between 1 to 5 years RM'000	Total RM'000
Company			
2024			
Other payables	6,483	-	6,483
Amount owing to subsidiary companies	15	-	15
Financial guarantees*	74,634	-	74,634
	<u>81,132</u>	<u>-</u>	<u>81,132</u>
2023			
Other payables	10,121	-	10,121
Amount owing to immediate holding company	1	-	1
Amount owing to subsidiary companies	1,117	-	1,117
Amount owing to related companies	148	-	148
Lease liabilities	103	171	274
Financial guarantees*	51,566	-	51,566
	<u>63,056</u>	<u>171</u>	<u>63,227</u>

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

(e) Foreign currency risk

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

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

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

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

(e) Foreign currency risk (cont'd)

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

	Group and Company	
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
<u>Denominated in AUD</u>		
Fixed deposits with licensed banks	<u>25,481</u>	<u>27,587</u>

A 11.34% (2023: 3.98%) strengthening of the AUD against the functional currency of the Group and of the Company at the end of reporting period would increase or decrease profit for the financial year/total equity as shown in the table below, this analysis assumes that all other variables held constant.

	Group and Company	
	<u>2024</u>	<u>2023</u>
AUD/RM	RM'000	RM'000
Increase/(Decrease)		
Profit for the financial year/Total equity	<u>2,890</u>	<u>1,098</u>

A 11.34% (2023: 3.98%) weakening of the AUD against the functional currency of the Group at the end of reporting period would have equal but opposite effect to the amounts shown above, on the basis that all other variables held constant.

44. **CAPITAL MANAGEMENT**

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

44. **CAPITAL MANAGEMENT (CONT'D)**

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

	<u>2024</u> RM'000	<u>2023</u> RM'000
Cash and cash equivalents	1,800,001	1,845,952
Less: total borrowings	<u>(1,232)</u>	<u>(643)</u>
Net cash available	<u>1,798,769</u>	<u>1,845,309</u>
Equity attributable to the owners of the Company	<u>5,661,878</u>	<u>5,413,096</u>
Debt-to-equity ratio (%)	<u>-</u>	<u>-</u>

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

45. **FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

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

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

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

	<u>Fair value</u>		<u>Fair value hierarchy</u>	<u>Valuation method and key inputs</u>
	<u>2024</u> RM'000	<u>2023</u> RM'000		
Group				
<u>Equity investments</u>				
Quoted shares in Malaysia	76,681	87,105	Level 1	Quoted bid price in active market
Unquoted shares in Malaysia	<u>100</u>	<u>100</u>	Level 3	Carrying value deemed fair value
	<u>76,781</u>	<u>87,205</u>		
Company				
<u>Equity investments</u>				
Quoted shares in Malaysia	<u>17,787</u>	<u>17,445</u>	Level 1	Quoted bid price in active market

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

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