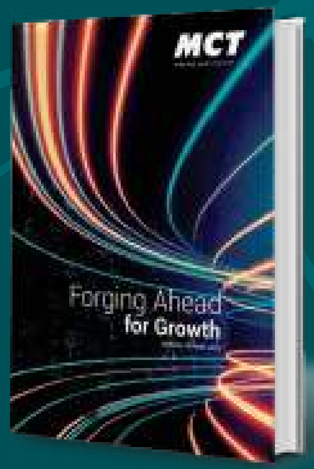
MCT

TIMELESS VALUE CREATOR

Forging Ahead **for Growth**

ANNUAL REPORT 2022



Forging Ahead for Growth

Theme Rationale:

The theme presented on the cover of the annual report encapsulates **Our Mission: "Creating Communities, Enhancing Lives For Generations Where People Enjoy a Complete Lifestyle Experience"** that sets itself apart to forge ahead to achieve greater things towards being a leading property developer in Malaysia.

The cover design reflects the theme in a most dynamic manner. Surmounting the entire cover is a time-lapse image of colourful lights evoking motion, signifying transformation and injecting swiftness of actions. These are symbolic of our vision of being an Innovative Timeless Value Creator. In essence, this design presentation depicts a synergy of thoughts and actions streamlined with all stakeholders, moving forward together.

▲ *The Clubhouse at Cybersouth*

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Casa Bayu at Cybersouth poolside view

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https://www.mct.com.my/annual-reports

SCAN ME

COMPANY PROFILE

LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA MALAYSIA") ON 6 APRIL 2015, MCT AND ITS GROUP OF COMPANIES ("GROUP") ARE A REAL ESTATE COMPANY THAT IS FAST EMERGING TO BE ONE OF THE LEADING PROPERTY DEVELOPERS IN MALAYSIA.

In February 2018, we became a subsidiary of Ayala Land Inc. ("Ayala Land"), one of the largest property developers in ASEAN, and we have since been collaborating closely with them to create synergistic opportunities for both organisations as well as enhance our presence in the Malaysian property market.

In safeguarding our development processes to remain efficient and sustainable, we ensure our in-house capabilities in development planning, architectural and engineering design, as well as project management are crucial in charting our Group's growth for the foreseeable future.

Our Group's accomplishments include developments in Cyberjaya, Subang Jaya as well as Cybersouth, a township covering over 400 acres in Dengkil where we focus on the affordable and middle segments of the property market.

We have since expanded our product offerings to include luxury residences, with the development of Aetas Damansara in Petaling Jaya and Alira Subang Jaya in 2020 and 2021 respectively. Sales for both projects have been very encouraging thus far and were the fruits of our landbanking initiatives in 2018. In 2022, we acquired a 4.02-acre land at Bangi to be developed into serviced apartments with an estimated Gross Development Value ("GDV") of RM404.2 million. Subsequently, we made our first foray into Kuala Lumpur in 2023 with two land acquisitions, namely a 1.57-acre land in Seputeh and a 3.9-acre land in Taman Desa with an estimated GDV of RM320.0 million and RM500.0 million respectively.

Moving forward, our Group is heading into a new growth phase supported by a strong foundation and structure which will allow us to be flexible in planning new projects to cater to market demands while ensuring its viability. We will also be managing our balance sheet to safeguard our Group's sustainable growth whilst establishing our market position as a long-term industry player.

Our roots can be traced back to our establishment in

1999

Listed on the Main Market of Bursa Malaysia in

2015

We became a subsidiary of Ayala Land in

2018

▲ Employees holding discussions at our headquarters' lounge

▲ Aerial view of Alira Subang Jaya

ABOUT AYALA LAND

▲ Ayala Triangle Gardens Tower 2 in Makati CBD, Philippines

Ayala Land is the largest property developer in the Philippines, with more than 29,652 acres of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates.

With 49 estates across the Philippines, Ayala Land hosts its diversified portfolio of complementary businesses: development of residential, office, commercial, and industrial properties for sale; commercial leasing through shopping centres, offices, hotels, resorts, factory buildings, warehouses, co-living, and co-working spaces; services such as construction, property management, retail energy supply, and airlines; and strategic property-related investments.

Following the success of the Makati Central Business District ("Makati CBD"), Ayala Alabang, Cebu Park District, Bonifacio Global City ("BGC"), and Nuvali, Ayala Land pioneers sustainability standards and practices in all of its developments and acts with integrity, foresight, and prudence as a responsible corporate citizen.

Focused on the vision of "enhancing land and enriching lives for more Filipinos," Ayala Land continuously strives to deliver quality products and services that result in long-term value for stakeholders.

◄ Aetas Damansara show unit kitchen

KEY PERFORMANCE MEASURES
(AS AT 31 DECEMBER 2022)

LANDBANK INFORMATION

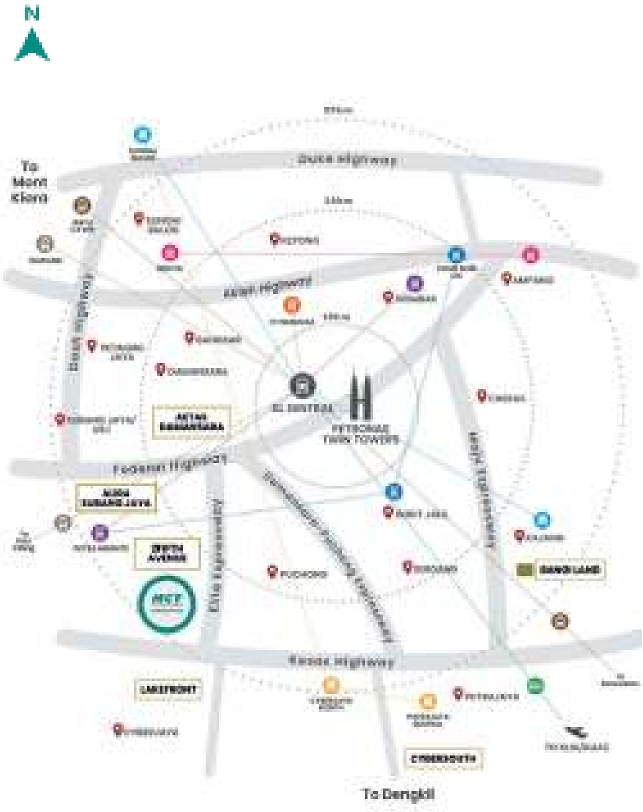
31.3 acres
remaining landbank for ongoing projects

159.7 acres
remaining landbank for future developments

Total landbank for development
191.0 acres

Total estimated GDV of
RM10.5 billion
from ongoing and future developments

LANDBANK MAP



UNBILLED SALES

RM720.0 million

SALES STATUS (AS AT 31 DECEMBER 2022)

Aetas Damansara
76.5%

Alira Subang Jaya
Phase 1: **83.1%**
Phase 2: **30.6%**

Cybersouth
100.0%
Casa Green | Casa Bluebell | Casa View | Casa Wood | Casa Bayu Apartment

96.2%
Park Place I

66.1%
Casa Bayu Townhouse

19.1%
Casa Embun Phase 1&1A

LakeFront Cyberjaya
100.0%
LakeFront Villa | LakeFront Residence Phase 1&2 | LakeFront Homes

11.1%
Sanderling

CORPORATE INFORMATION

BOARD OF DIRECTORS ("BOARD")

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent
Non-Executive Chairman

TEH HENG CHONG
Executive Director and
Chief Executive Officer ("CEO")

LAO CHOK KEANG
Independent
Non-Executive Director

DATIN CHONG LEE HUI
(Appointed on 1 July 2022)
Independent
Non-Executive Director

BERNARD VINCENT OLMEDO DY
Non-Independent
Non-Executive Director

ROBERT SY LAO
(Appointed on 22 February 2023)
Non-Independent
Non-Executive Director

DANTE DOMINIC MACARAEG ABANDO
(Appointed on 22 February 2023)
Non-Independent
Non-Executive Director

APOLLO BELLO TANCO
Non-Independent
Non-Executive Director

MA. DIVINA YEE LOPEZ
Non-Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Lao Chok Keang *(Chairman)*
Datin Chong Lee Hui
Robert Sy Lao

NOMINATION AND REMUNERATION COMMITTEE

Datin Chong Lee Hui *(Chairman)*
Lao Chok Keang
Bernard Vincent Olmedo Dy

COMPANY SECRETARIES

Wong Youn Kim (MAICSA 7018778)
Liew Fui Li (MAICSA 7051052)

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5,
Horizon 2, Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.
Tel No. : 603-2241 5800
Fax No. : 603-2282 5022

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

Lot C-02, Level 2,
SkyPark @ One City,
Jalan USJ 25/1,
47650 Subang Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel No. : 603-5115 9988
Fax No. : 603-5115 9995
Website: www.mct.com.my

REGISTRAR

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel No. : 603-7890 4700
Fax No. : 603-7890 4670

AUDITORS

ERNST & YOUNG PLT 202006000003
(LLP0022760-LCA & AF 0039)
Chartered Accountants
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

SOLICITORS

PRETAM SINGH, NOR & CO
Suite A-10-9, Level 10,
Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1,
59000 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

JUSTIN VOON, CHOOI & WONG
D6-5-13A, Bangunan Perdagangan D6,
801, Jalan Sentul,
51000 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA
Securities Berhad
Stock Name: MCT
Stock Code: 5182

INVESTOR RELATIONS

Email : investorrelations@mct.com.my

CORPORATE STRUCTURE

MCT BERHAD
200901038653 (881786-X)

MCT CONSORTIUM BHD.
200401035485 (673995-D)

PROPERTY DEVELOPMENT

ECO GREEN CITY SDN. BHD.
200801020987 (822302-T)

ECOLAKE RESIDENCE SDN. BHD.
201001025781 (909695-H)

LAKEFRONT RESIDENCE SDN. BHD.
201101005895 (934038-V)

MCT STORE SDN. BHD.
200801029658 (830987-V)

NEXT DELTA SDN. BHD.
201501005067 (1130397-A)

ONE RESIDENCE SDN. BHD.
201501001356 (1126688-P)

SKYPARK FITNESS SDN. BHD.
201001025835 (909750-X)

SKY PARK PROPERTIES SDN. BHD.
201001009247 (893877-V)

THE PLACE PROPERTIES SDN. BHD.
200801035745 (837086-M)

USJ CITYPOINT SDN. BHD.
200801001667 (802951-A)

CHERISH PROPERTIES SDN. BHD.
201301028670 (1058500-W)

70%

VISTA GLOBAL DEVELOPMENT SDN. BHD.
201301029749 (1059579-W)

PROPERTY INVESTMENT

ARDENT RESIDENCE SDN. BHD.
200601021941 (741694-V)

LEISURE EVENT SDN. BHD.
201001025599 (909513-V)

NEXUS ADVERTISING SDN. BHD.
200801029709 (831038-V)

PREMIUM CINEMA SDN. BHD.
201101002765 (930903-M)

ROARING GAIN SDN. BHD.
201001007334 (891955-P)

SOLID BENEFIT SDN. BHD.
200401036210 (674721-X)

SOLID INTEREST SDN. BHD.
201001026135 (910055-T)

SOLID RECOMMENDATION SDN. BHD.
201001011672 (896332-P)

TIMELESS HECTARES SDN. BHD.
201001038121 (922045-X)

UNDERSEA CITY SDN. BHD.
200701015362 (773369-P)

USJ ONE AVENUE SDN. BHD.
200401011948 (650451-T)

COMPLEMENTARY BUSINESSES

MCT CONSTRUCTION MATERIALS SDN. BHD.
200101030390 (566149-U)

MCT GREEN TECHNOLOGY SDN. BHD.
201001011898 (896561-H)

MCT HOMES SDN. BHD.
200401008703 (647207-M)

MCT PROPERTIES SDN. BHD.
200501036143 (718290-A)

MCT PROPERTY MANAGEMENT SDN. BHD.
201001025598 (909512-U)

MODULAR CONSTRUCTION TECHNOLOGY SDN. BHD.
199601037171 (409524-X)

SPCJ GREEN TECH SDN. BHD.
201501021538 (1146866-W)

Notes:

- *70% held by **Cherish Properties Sdn. Bhd.***
- *Except as otherwise expressly stated, all companies in this structure are wholly-owned by their respective holding companies.*

EMPLOYEE ENGAGEMENT

FESTIVE CELEBRATIONS

Malaysia is blessed with festivals throughout the year, providing us ample opportunities to engage with our multi-cultural workforce in a meaningful way. These include festive goodies and activities through the various celebrations like Chinese New Year (February), Hari Raya (May), Merdeka Day (August), Deepavali (October) and Christmas (December).

Ushering in the Chinese New Year with good fortune

Hari Raya celebration with our employees

Merdeka Day traditional costume party

Our team receiving Deepavali goodies

Christmas celebration with "Santa Claus"

EMPLOYEE ENGAGEMENT

SPORTS & TEAMBUILDING

A team that plays together, stays together. Hence, sports is the ideal platform for our teambuilding which is both healthy and fun.

One of last year's sporting highlight was the inaugural GSC x Air Selangor Hydro Run, an exciting event which had over 3,500 participants. 10 of our employees participated in the event held in the vicinity of Putrajaya. They joined the 5km and 10km runs in pursuit of a healthier lifestyle beyond the office.

We also organised sports activities like badminton, futsal and bowling for all our employees to foster interaction and team spirit.

▲ Our team showing off their medals and having fun at the Hydro Run event

▲ Our team in high spirits after a session of badminton

▲ Our futsal team members in action and having a great time

▲ Our team are all smiles after a good time of bowling

SUPPLIERS' SITES VISITS

VISIT TO GUOCERA'S TILE FACTORY & CERAMIC RESEARCH CENTRE

Our management team visited Guocera's tile factory and ceramic research centre at Klang in September for a deeper understanding of the tile manufacturing process.

This includes knowledge of different types of tiles and how to choose suitable tiles for the right applications. We also witnessed different types of tests on tiles at Guocera's ceramic research centre.

Our team's insightful visit to Guocera's tile factory and ceramic research centre

VISIT TO NIPPON PAINT'S EXPO

We visited Nippon Paint's Expo at Shah Alam in November to better understand the different types of paints & its application for our projects.

Nippon Paint's personnel shared how their company evolved into being a one-stop coating & construction solution provider. Their specialised coatings include the environmentally-friendly Green Choice series.

Nippon Paint's personnel sharing with our team on their paint and coating solutions

MARCH

HEALTH TALK - POST COVID-19 2022

We organised a health talk session with Dr. Muhammad Bin Shahruddin from Columbia Asia Hospital to provide awareness of COVID-19 and what staff could do to reduce impact from COVID-19.

▲ *Invitation poster for health talk on post COVID-19*

MAY

HARI KELUARGA RAYA

We held our Hari Keluarga Raya celebration at Cybersouth Central Park which was officiated by YBhg. Dato' Haji Abd. Hamid Bin Hussain, Yang Di Pertua of Majlis Perbandaran Sepang.

It was a festive celebration attended by approximately 500 participants who enjoyed the food and fun activities prepared for them including food trucks, giant inflatable ball for kids, e-scooters, clowns and more.

▲ *Participants enjoying the food and festivities at our Hari Keluarga Raya celebration at Cybersouth Central Park*

JUNE

CUSTOMER SERVICE WORKSHOP

A customer service team with a strong customer-focused mindset not only finds solutions to customer problems but communicates those solutions clearly and effectively.

It is one that changes the way of thinking to approach problems from the customer's perspective and continually seek to add value.

Thus, we organised a workshop with these objectives:

→ Instilling the right "customer mindset".
→ Build self-confidence in dealing with typical customer concerns, different customer types and dealing with difficult situations.

▲ *Customer service workshop with practical training activities*

HEALTH TALK - MENTAL HEALTH AT THE WORKPLACE

We organised a health talk with Dr. Muhammad Bin Shahruddin from Columbia Asia Hospital to spread awareness of the importance of mental health at the workplace.

Topics that were discussed include current working issues, achieving work-life balance, dealing with stress at work and creating a healthy work culture.

▲ *Our staff filling up workplace mental health surveys*

JUNE

FIRST AID TRAINING

This 2-day competency training programme certified by Department of Occupational Safety and Health Malaysia ("DOSH") was specially designed to train the laypersons to become a fully qualified First Aider in order to provide competent help to the injured or ill person during an emergency.

The programme was attended by representatives from all departments. In the event of an emergency, they will become the first point of contact.

At the end of the training, participants were able to:

- Describe a method of systematic scene survey and patient assessment, recognise injuries and sudden illnesses and priorities of first aid treatment.
- Describe and demonstrate First Aid management for various injuries and illnesses.
- Demonstrate and practice Lay Rescuer Basic Life Support, including Cardiopulmonary Resuscitation (CPR).

▲ *Our employees undergoing hands-on first aid training*

JUNE

KEY HANDOVER FOR PHASE 2 OF LAKEFRONT HOMES

We successfully handed over 1,311 units of properties for Phase 2 of our LakeFront Homes project to our happy customers. 98% of the owners rated our handover customer service and support as excellent or good!

The residential property allows residents to enjoy lakeside living at its finest with all the essential amenities, designed for a well-balanced lifestyle. Plus, a host of recreational activities is easily available in a nurturing and secured environment.

▲ *Proud owners of a LakeFront Homes unit at the key handover ceremony*

▲ *Group briefing for owners at the key handover event*

AUGUST

ACQUISITION OF COMMERCIAL LAND AT BANGI

We entered into an agreement to acquire 4.02 acres of leasehold commercial land in Bangi, Selangor for a total purchase consideration of RM31.5 million. This is in-line with our Group's land acquisition strategy to expand our geographical footprint in the Klang Valley.

The land is located near the Bangi Golf Resort and is within close proximity to two shopping malls, hypermarkets and educational institutions.

▲ *Aerial view of land acquired at Bangi*

SEPTEMBER

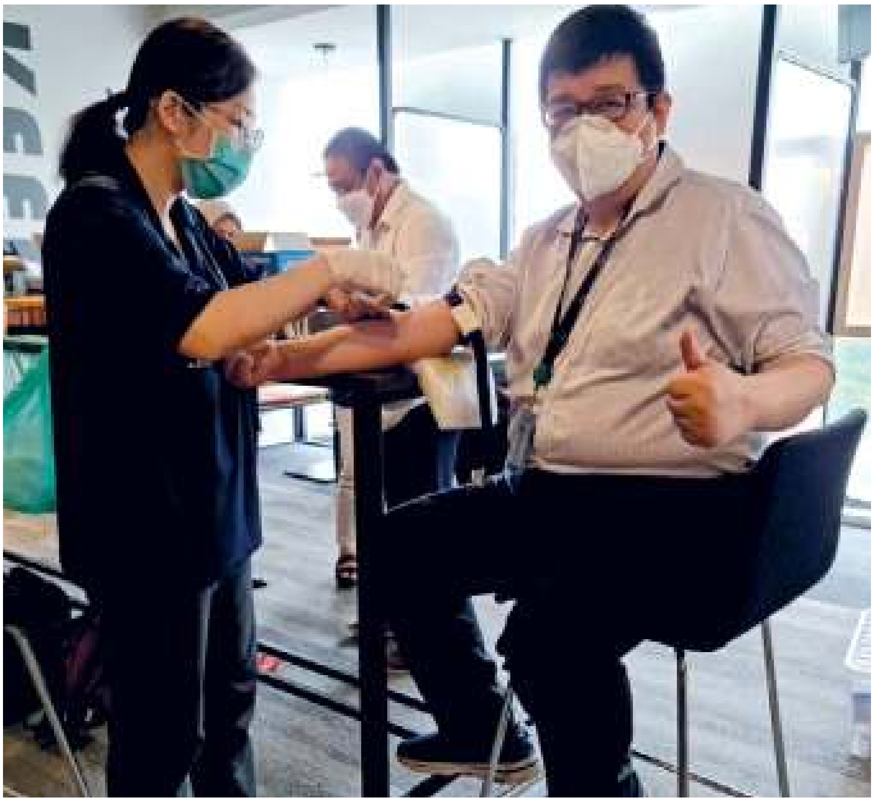
HEALTH TALK - MAKING HEALTHIER FOOD CHOICES

ANNUAL MEDICAL CHECK-UP CAMPAIGN

HEALTH DAY - APPLE DISTRIBUTION

Organised on a quarterly basis, the health talks for employees focused on promoting healthy lifestyles. The talks were conducted by healthcare professionals of their respective fields.

Our company also invited a PERKESO-registered health screening provider to conduct annual medical health checks for our employees.



▲ *Nurse taking an employee's blood sample for health screening*

PARK PLACE I KEY HANDOVER

We completed Park Place I, the first commercial development in Cybersouth and handed over all 53 units to our happy purchasers. 98% of the owners rated our handover customer service and support as excellent or good!

The development provides a platform for entrepreneurs to jump-start their businesses in spacious shop-lots in the bustling commercial hub of Cybersouth to complement a vivacious lifestyle.

▲ *Proud owner of a Park Place I commercial unit (left) receiving the keys and goodie bag from our staff*

SEPTEMBER

LAUNCH OF PHASE 2 OF ALIRA SUBANG JAYA

Our Alira Subang Jaya Phase 2 launch was held at our Alira Sales Gallery, Taipan with much fanfare in line with its unique selling proposition of contemporary living with a resort experience.

This freehold project comprises 340 units with a GDV of RM257.0 million. It offers units with built-ups ranging from 850 to 1,048 sq ft.

▲ *Our sales personnel promoting our Alira Subang Jaya project to prospective buyers at the launch*

OCTOBER

STARPROPERTY REAL ESTATE DEVELOPER AWARDS 2022

We bagged two awards at the StarProperty Real Estate Developer Awards 2022 for:

- Aetas Damansara: Best High-End High-Rise Development
- Alira Subang Jaya: Best Resort Living Home Award

BRANDLAUREATE PROPERTY BRAND OF THE YEAR AWARDS 2022

Our Group won the BrandLaureate Property Brand of the Year Awards 2022 in the category of Property Development.

▲ *Our StarProperty and BrandLaureate awards*

OCTOBER

TOWNHALL FOR EMPLOYEES

We organised a virtual townhall for our employees to get the latest updates on our Group's progress and development.

It also served as a HR platform to build closer rapport between employees and senior management in an interactive, engaging manner.

Our virtual townhall with management and staff

BUYER APPRECIATION NIGHT

The Aetas Damansara Buyer Appreciation Night was held over 4 days in October 2022 which saw approximately 240 owners being honoured at an exclusive appreciation dinner party. At the event, customers were updated on the construction status of Aetas Damansara and feted to a brandy appreciation workshop, much to their delight.

Aetas Damansara buyers admiring the architecture model

OCTOBER

SANDERLING AT LAKEFRONT CYBERJAYA LAUNCH

We celebrated the launch of Sanderling at our LakeFront Cyberjaya development at the LakeFront Show Village, Cyberjaya featuring acrobatic lion dance & 24 season drums performances.

Sanderling is located in a well-established area with comprehensive connectivity. The development has 606 units of condominiums and is surrounded by universities and technology-related workplaces.

▲ *Good turnout of prospective buyers at the launch event for Sanderling*

▲ *Sanderling show unit*

NOVEMBER

KLOTH CARES RECYCLING INITIATIVE

As part of our commitment to keep fabrics and plastics away from landfills, our employees worked together to gather 200kgs of unwanted clothing and fabric scraps.

This Kloth Cares recycling initiative was done in partnership with Kloth, a women-led social enterprise that aspires to become the catalyst of textiles, clothing and plastics circular economy in Malaysia, Singapore & Australia.

▲ *Our staff gathering unwanted fabric for recycling*

OCCUPATIONAL SAFETY AND HEALTH IN CONSTRUCTION INDUSTRY TRAINING (OSHCIM)

This training provided staff awareness and understanding of the newly introduced guidelines by Department of Occupational Safety and Health Malaysia (DOSH), on the Guidelines on Occupational Safety and Health in Construction Industry (Management) 2017 or OSHCIM.

It also provided the understanding, knowledge, and awareness of the OSHCIM concept based on prevention through design (PtD) and how those in charge can play their roles to fulfil the OSHCIM guidelines.

▲ *Our staff diligently absorbing information shared at the OSHCIM training*

DECEMBER

BEAM DEPLOYMENT

Our Group in partnership with Beam Scooters deployed a total of 20 personal mobility e-scooters at our Cybersouth development as part of our commitment towards reducing carbon emissions. While there is still much to be done, we are taking the necessary steps in the right direction to make this a reality with the support of our communities.

▲ *Members of the Cybersouth community trying out the e-scooters*

PREVIEW OF CASA EMBUN AT CYBERSOUTH

We organised a preview of our Casa Embun project for our business associates and residents at the Cybersouth Property Gallery. The event was attended by more than 300 pax.

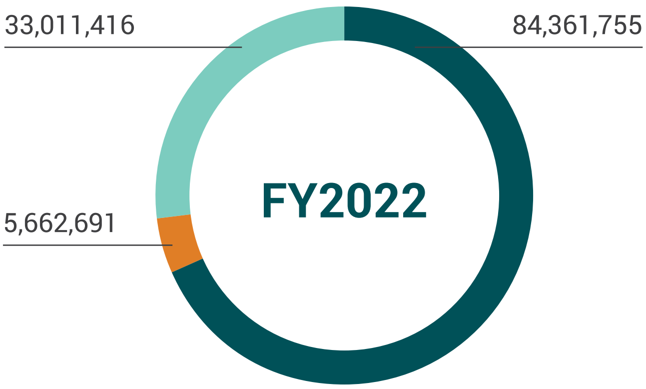
Complemented by the thriving township of Cybersouth, Casa Embun is envisioned to set a new beginning to an affordable urban lifestyle where comfort and convenience are within reach.

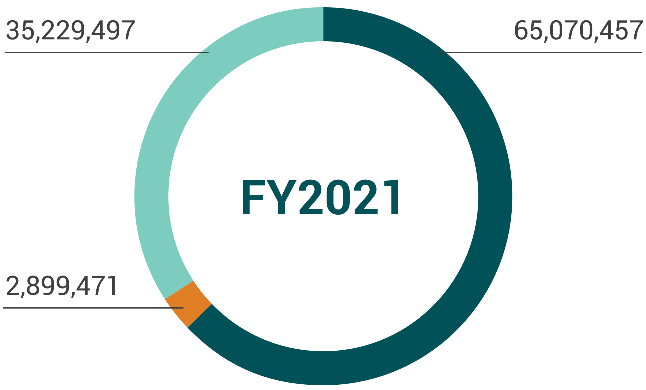
▲ *Casa Embun preview event*

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED	31 December 2022 ("FY2022")	31 December 2021 ("FY2021")
Financial Results	**(RM)**	(RM)
Revenue	**224,920,151**	326,941,466
Total Expenses	**123,035,863**	103,199,425
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	**45,145,832**	57,549,000
Profit Before Tax	**(4,722,923)**	5,100,689
Profit Attributable to Equity Holders	**489,230**	(16,235,537)
Financial Position	**(RM)**	(RM)
Total Cash and Bank Balances	**117,924,272**	459,481,754
Total Current Assets	**622,374,367**	904,425,631
Total Borrowings	**78,955,147**	-
Total Current Liabilities	**258,239,309**	841,741,110
Total Equity	**871,266,330**	864,180,719
Financial Ratios		
Basic Earnings per Share (sen)	**0.0**	(1.1)
Net Assets per Share (RM)	**0.6**	0.6
Current Ratio (times)	**2.4**	1.1
Net Debt-to-Equity Ratio (%)	**9.0**	0.0
Return on Equity (%)	**0.1**	-1.9

TOTAL EXPENSES (RM)

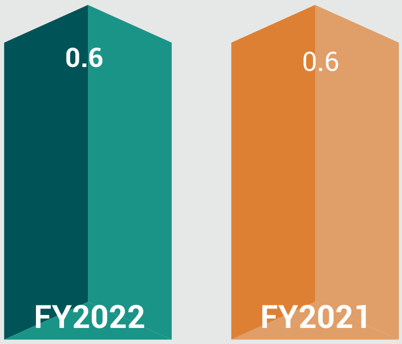




Other Operating & General Administrative Expenses · Selling and Marketing Expenses · Finance Costs

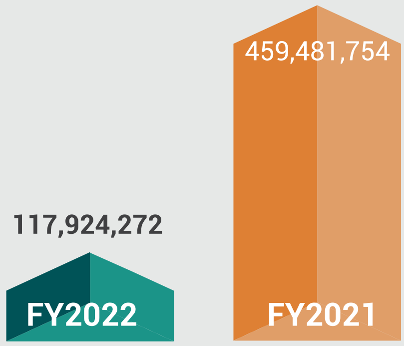
NET ASSETS PER SHARE (RM)

RM0.6



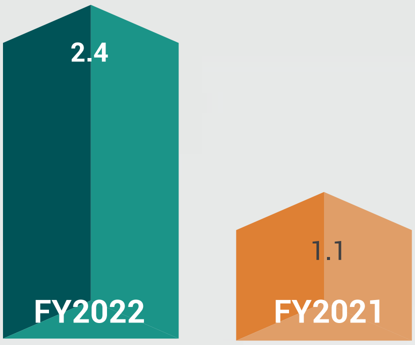
TOTAL CASH AND BANK BALANCES (RM)

RM117,924,272



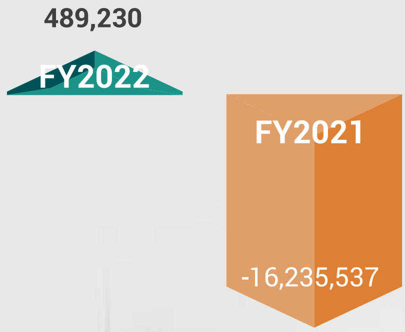
CURRENT RATIO (TIMES)

2.4 times



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (RM)

RM489,230



▲ *Aetas Damansara show unit*

BOARD OF DIRECTORS

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

TEH HENG CHONG
Executive Director and Chief Executive Officer

LAO CHOK KEANG
Independent Non-Executive Director

DATIN CHONG LEE HUI
Independent Non-Executive Director

MA. DIVINA YEE LOPEZ
Non-Independent Non-Executive Director

ROBERT SY LAO
Non-Independent Non-Executive Director

DANTE DOMINIC MACAREG ABANDO
Non-Independent Non-Executive Director

BERNARD VINCENT OLMEDO DY
Non-Independent Non-Executive Director

APOLLO BELLO TANCO
Non-Independent Non-Executive Director

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR

Independent Non-Executive Chairman

Age:	Nationality:	Gender:	Board Meeting Attendance:
73	Malaysian	Male	5/5

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor was appointed to our Board as an Independent Non-Executive Director on 1 April 2015 and was subsequently re-designated as the Chairman of the Company on 3 April 2015.

He holds a Bachelor of Economics (Honours) from the University of Malaya and a D.D.A from the University of Birmingham, United Kingdom. He obtained a Master's in Business Administration from the University of Birmingham, United Kingdom. He also holds an Honorary Doctorate in Economic Management from Sultan Idris Education University.

He served 33 years in the Malaysian Civil Service from 1973 until his retirement in 2006. He started work as an Assistant Director in the Public Service Department in 1973. He then served in the National Bureau of Investigation, National Institute of Public Administration and Petroleum Development Unit of the Prime Minister's Department before being appointed as the Deputy Budget Director in the Ministry of Finance in 1995. In 1998, he joined Federal Agriculture Marketing Authority as the Director General and subsequently as the Secretary General of the Ministry of Agriculture and Agro-based Industry from 2001 before retiring in 2006.

He is the Non-Independent Non-Executive Chairman of HeiTech Padu Berhad and the Independent Non-Executive Chairman of Swift Haulage Berhad, both public listed companies on the Main Market of Bursa Malaysia.

Save for the above, he does not hold any other directorship in public companies and listed issuers in Malaysia.

TEH HENG CHONG

Executive Director and CEO

Age:	Nationality:	Gender:	Board Meeting Attendance:
52	Malaysian	Male	5/5

Mr. Teh Heng Chong was appointed to our Board as an Executive Director and the CEO on 4 March 2019.

He graduated with a Bachelor's in Economics from the University Malaya, Kuala Lumpur, in 1995.

He has over 26 years' extensive experience in the real estate industry and was the Marketing Director of UOA Development Berhad from February 2017 to January 2019. He was the Chief Marketing Officer of our Group in 2016 and the Chief Operating Officer (Marketing) of Mah Sing Group Berhad from 2009 to 2015. Prior to 2009, he held various positions in various companies.

He is currently serving as a director of our Group and is also a director of MCT Consortium Bhd., a non-listed public company.

Save for the above, he does not hold any other directorship in public companies and listed issuers in Malaysia.

DATIN CHONG LEE HUI

Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
48	Malaysian	Female	2/2

(Appointed on 1 July 2022)

Datin Chong Lee Hui was appointed to our Board as an Independent Non-Executive Director on 1 July 2022. She is the Chairperson of the Nomination and Remuneration Committee and serves as a member of the Audit and Risk Management Committee.

Datin Chong graduated with a Bachelor's Degree in Laws from the University of London in 1998 and a Master Degree of Laws from the University of Malaya in 2003.

She joined Messrs. Halim Hong & Quek as an Advocate and Solicitor in 2000. With 22 years of practising in the area of real estate and project development, Datin Chong is regularly engaged by major developers, corporate clients and financial institutions for advice and representation in matters relating to real estate.

She has vast experience in advising and representing major property developers in the sale and purchase transactions of mixed developments, landed stratified developments, guarded neighbourhood projects, as well as commercial industrial developments with freehold and leasehold titles.

She has represented several corporate bodies in the purchase of large estates and industrial land and the sale and purchase of office buildings.

Datin Chong is also entrusted by Real Estate and Housing Developers' Association Malaysia (REHDA) as one of the task force committee members to discuss with respective stakeholders on the proposed amendments to Housing Development (Control and Licensing) Act 1966, Strata Management Act 2013 and proposed Commercial Residence Act.

Besides providing strong stewardship in heading Messrs. Halim Hong & Quek's Real Estate Department, Datin Chong is the incumbent Deputy Head of its Risk Management Committee and heads the Learning & Development Team, through which she organises and provides various training sessions to empower and update clients on the latest laws relating to the real estate industry.

She does not hold any other directorship in public companies and listed issuers in Malaysia.

LAO CHOK KEANG

Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
66	Malaysian	Male	5/5

Mr. Lao Chok Keang was appointed to our Board as an Independent Non-Executive Director on 24 February 2017. He is the Audit and Risk Management Committee Chairman and serves as a member of the Nomination and Remuneration Committee.

He started his career in a public accounting firm and is a Malaysian Institute of Accountants member.

He held several senior management positions in large property development companies, including the Chief Operating Officer of Saujana Triangle Sdn. Bhd., the developer for the 800-acre township development known as Damansara Perdana in Petaling Jaya, Selangor. He was also the Director of Murray Riverside Pty Ltd, a 1,000-acre mixed development developer in Western Australia.

In 2004, he joined Setia Haruman Sdn. Bhd. the then Master Developer of Cyberjaya, as a Director/Chief Operating Officer and had since been responsible for the company's overall performance. In 2013, he assumed the role of the Executive Director of Setia Haruman Sdn. Bhd. He was re-designated as a Director/Business Advisor in May 2016.

He does not hold any other directorship in public companies and listed issuers in Malaysia.

BERNARD VINCENT OLMEDO DY

Non-Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
59	Filipino	Male	4/5

Mr. Bernard Vincent Olmedo Dy was appointed to our Board as a Non-Independent Non-Executive Director on 3 April 2015. He was later re-designated as a member of the Nomination and Remuneration Committee.

He earned a degree of Bachelor of Business Administration in Accountancy from the University of Notre Dame in 1985. He received his Master of Business Administration in 1989 and Master of Arts in International Relations in 1997, both from the University of Chicago.

He is the President and Chief Executive Officer of Ayala Land, a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee since April 2014. He is also the Chairman of AyalaLand Logistics, Holdings Corp. and a director of AREIT, Inc., both publicly-listed companies in the Philippines.

He does not hold any other directorship in public companies and listed issuers in Malaysia.

ROBERT SY LAO

Non-Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
49	Filipino	Male	0/5

(Appointed on 22 February 2023)

Mr. Robert Sy Lao was appointed to our Board as Non-Independent and Non-Executive Director on 22 February 2023 and served as a member of the Audit and Risk Management Committee.

He holds a Bachelor of Science in Industrial Engineering from the University of Sto. Tomas, Espana, Manila. He obtained a Master of Business Administration from University of Asian Institute of Management, Makati in 2001.

He is currently a Senior Vice President, Head of the Estates Group overseeing all township projects, Head of the Central Land Acquisition Unit and a member of the Management Committee of Ayala Land. He has been with Ayala Land since 2001 and was formerly the Group Head for the Residential Business covering the 5 brands – Ayala Land Premier (High-end market segment), Alveo Land (Mid-upper market segment), Avida Land (Affordable segment), Amaia Land (Mass Housing) and Bella Vita (Socialised Housing).

He does not hold any other directorship in public companies and listed issuers in Malaysia.

DANTE DOMINIC MACAREG ABANDO

Non-Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
58	Filipino	Male	0/5

(Appointed on 22 February 2023)

Mr. Dante Dominic Macaraeg Abando was appointed to our Board as Non-Independent and Non-Executive Director on 22 February 2023.

He graduated with a degree in Bachelor of Science in Civil Engineering from the University of the Philippines in 1986 and earned his Master's degree in Business Administration in 1995 from the same university. In 2012, he completed the Executive Program on Real Estate Management at Harvard University Graduate School of Business.

He is a Senior Vice President and a member of the Management Committee of Ayala Land. He currently heads Makati Development Corporation (MDC) and subsidiaries – the construction arm of Ayala Land where he is responsible in managing the organisation, develop strategies and plan, to align and integrate the project management activities in the project development process and takes the lead in transforming MDC to ensure delivery of all Ayala Land products.

He does not hold any other directorship in public companies and listed issuers in Malaysia.

MA. DIVINA YEE LOPEZ

Non-Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
52	Filipino	Female	5/5

(Appointed on 1 June 2021)

Ms. Ma. Divina Yee Lopez was appointed to our Board as a Non-Independent Non-Executive Director on 1 June 2021.

She holds a Bachelor of Science in Business Administration and Accountancy from the University of the Philippines and placed 11th in the Certified Public Accountants Board Examinations in 1993. She obtained a Master of Science in Computational Finance from the De La Salle University in 2002.

She is currently Vice President and Chief Finance Officer of Ayala Land Estates Group. Her other current significant positions are Corporate Finance Officer of Aurora Properties Inc., Ceci Realty, Inc. and Vesta Properties Holdings, Inc., Comptroller, Chief Finance and Compliance Officer of Alviera Country Club, Inc., and Treasurer, Chief Finance and Compliance Officer of Accendo Commercial Corp. and Cagayan de Oro Gateway Corp.

She does not hold any other directorship in public companies and listed issuers in Malaysia.

APOLLO BELLO TANCO

Non-Independent Non-Executive Director

Age:	Nationality:	Gender:	Board Meeting Attendance:
56	Filipino	Male	5/5

Mr. Apollo Bello Tanco was appointed to our Board as a Non-Independent Non-Executive Director on 23 January 2019. He was re-designated as an Executive Director and the Chief Operating Officer on 4 March 2019. On 31 December 2022, he was re-designated as a Non-Independent Non-Executive Director.

He graduated cum laude from the Central Philippine University, Iloilo City, with a Bachelor of Science in Commerce, major in Accounting in 1987. He earned his Master of Arts in Applied Business Economics from the University of Asia and the Pacific in 1994. He is also a Certified Public Accountant who passed the Philippine licensure exams in 1987.

He was the Head of Project and Strategic Management Group and a member of the Management Committee of Avida Land Corp., a subsidiary of Ayala Land. He served as an Assistant Vice President of Ayala Land and has been with Ayala Land for twenty-eight (28) years. Prior to this, he was the Project Development Manager involved in the master planning of Nuvali and other major land development projects of Ayala Land.

He is currently serving as a director of our Group and is also a director of MCT Consortium Bhd., a non-listed public company.

Save for the above, he does not hold any other directorship in public companies and listed issuers in Malaysia.

Notes:

None of the Directors have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Our Core Values And Culture

Our seven core values are Winning Mindset, Empowerment & Ownership, Agility, Customer Centricity, Ethics & Integrity, Innovations and Teamwork (WE ACE IT). We embrace a growth-oriented mindset, sustainability and a healthy working culture.

Empowerment & Ownership and Teamwork are the key pillars of our Group's culture that nurtures an environment of trust and respect among colleagues.

We deeply value our employees and talents as our greatest assets, which enables us to forge ahead for growth.

TEH HENG CHONG
Executive Director and CEO

KEY MANAGEMENT TEAM PROFILE

AW SEI CHEH
Chief Operating Officer

Age:	Nationality:	Gender:
42	Malaysian	Male

Mr. Aw Sei Cheh was appointed as Chief Operating Officer of our Group on 1 June 2022.

He obtained a dual award Master of Business Administration from Lancaster University and Sunway University in 2016 and earned his Bachelor of Science (Hons) in Building (Contract Management) from Liverpool John Moores University in 2004.

A stalwart in the property industry, he brings a wealth of experience to his role with more than eighteen (18) years in the property development and construction sector.

He has managed projects in China, Singapore, Vietnam, Australia and Malaysia and his last position prior to joining our Group was as Chief Operating Officer at Gamuda Land Sdn. Bhd. Prior to that, he held various positions within large property developers such as Sunway Berhad and Sunrise Berhad.

He does not hold any directorship in public companies and listed issuers in Malaysia.

CHEE KOK KEONG
Deputy Chief Operating Officer

Age:	Nationality:	Gender:
48	Malaysian	Male

Mr. Chee Kok Keong was appointed as the Deputy Chief Operating Officer of our Group on 15 March 2023.

He earned a Master of Business Administration from Anglia Ruskin University in 2017 and has a Post Graduate Diploma in Marketing from The Chartered Institute of Marketing Malaysia.

He is a versatile leader in the real estate industry and his professional skills encompass sales & marketing, product development, business development and management.

He has more than 25 years of experience which includes the role of General Manager for Sales & Marketing with listed property developers like Hap Seng Consolidated Berhad and OSK Property. Prior to that, he held a sales and marketing position with Mah Sing Group Berhad.

He does not hold any directorship in public companies and listed issuers in Malaysia.

SUSAN JACOB SECRETO

Chief Financial Officer

Age:	Nationality:	Gender:
51	Filipino	Female

Ms. Susan Jacob Secreto has been with our Group since 2019 as the Chief Financial Officer of the Company and has twenty-eight (28) solid years of finance related work experience in the real estate industry under her belt.

Prior to joining our Group, she held key positions across the various business units in Ayala Land in the Philippines as follows: CFO, Ayala Land Offices (commercial office leasing unit); CFO, Avida Land Corp. and subsidiaries (affordable residential property development unit); CFO, Amaia Land Corporation (economic housing development unit); and CFO, Ayala Property Management Corporation (property and facilities management unit).

A Certified Public Accountant, she passed the Philippine licensure exams in 1994 and has earned her Bachelor of Science in Business Administration degree, majoring in Accounting from the University of the City of Manila (Pamantasan ng Lungsod ng Maynila).

She is currently serving as a director of our Group and is also a director of MCT Consortium Bhd., a non-listed public company.

Save for the above, she does not hold any other directorship in public companies and listed issuers in Malaysia.

SHIRLEY LEONG LEE CHUIN

Deputy Chief Financial Officer

Age:	Nationality:	Gender:
50	Malaysian	Female

Ms. Shirley Leong Lee Chuin was appointed as the Deputy Chief Financial Officer of our Group on 9 November 2022.

She is a Chartered Accountant by profession and she is a member of the Chartered Institute of Management Accountant (CIMA), the Malaysian Institute of Accountants (MIA) and the Chartered Global Management Accountants (CGMA).

Prior to joining our Group, she was the Chief Operating Officer of Quill Group of Companies overseeing the retail mall, automotive, healthcare and investment properties. She is an experienced financial professional who has more than 25 years of experience in Financial Accounting, Project Financing, Debt & Equity Capital Funding, Corporate and Debt Restructuring and Group Treasury Cash Management and Information Technology in various sectors such as property development, investment property, retail malls and hospitality.

She has also worked in in few other major listed companies such as Road Builder's Group, Sunsuria Berhad and Tropicana Corporation Berhad.

She does not hold any directorship in public companies and listed issuers in Malaysia.

Notes:

None of the Key Management Team have:

- *any family relationship with any Director and/or major shareholder of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past five (5) years (other than traffic offences, if any) and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

MANAGEMENT TEAM

KOGELEVANAN THINAKARAM
Director, Business Unit 1

Age:	Nationality:	Gender:
46	Malaysian	Male

YAW SHENG FUNG
Senior Director, Business Unit 2

Age:	Nationality:	Gender:
46	Malaysian	Male

WEE PANG SIANG
Director, Business Unit 3

Age:	Nationality:	Gender:
44	Malaysian	Male

TAN CHING PIN
Director, Project Management

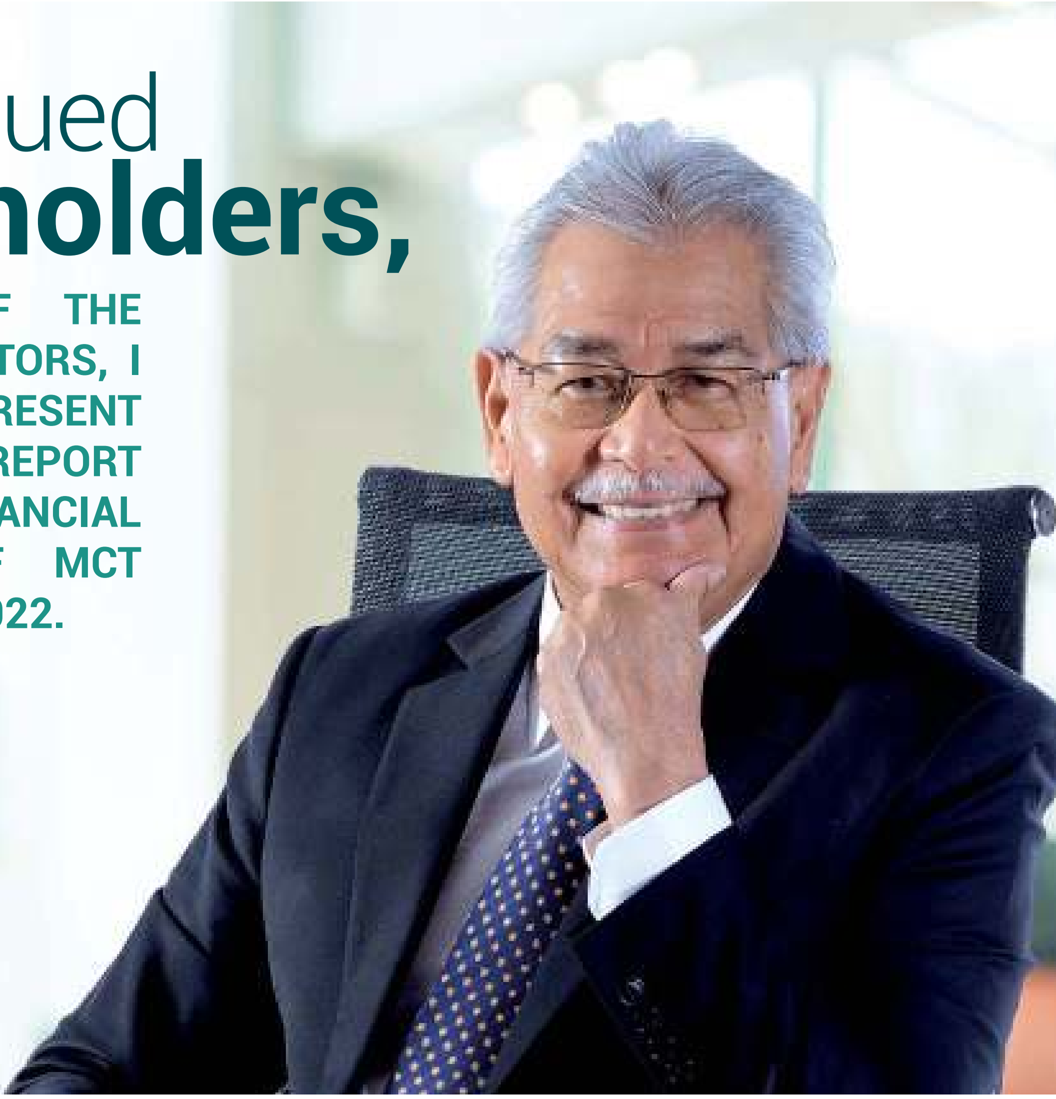
Age:	Nationality:	Gender:
55	Malaysian	Male

MUHAMMAD SYAFIQ SOH BIN ABDULLAH
Director, Human Capital & Administration

Age:	Nationality:	Gender:
65	Malaysian	Male

AW CHONG SENG
Director, Strategic Planning

Age:	Nationality:	Gender:
37	Malaysian	Male



Dear Valued Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF MCT BERHAD FOR FY2022.

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

A year of recovery

2022 has been a turbulent 12 months for the global economy. Just when global trade across the world was about to take-off to levels seen before the pandemic, the Russian-Ukrainian conflict and the associated cost-of-living crisis seen in many countries dampened the sentiment. Coupled with the long-tail of the pandemic which stretched out the impact of COVID-19, global economic growth slowed to 3.2% after rebounding by 5.9% in 2021.

On the other hand, the Malaysian economy rebounded from the impacts of the COVID-19 pandemic and grew by 8.7% in 2022, up from the 3.1% growth recorded for 2021. The most significant sign of recovery came from an improvement in private consumption whilst the labour market improved with unemployment figures moderating over the course of the year.

Amidst the economic recovery as Malaysia transitions into the COVID-19 endemic phase, other problems emerged and threatened to impede the country's return to growth. Rising inflationary pressures, tightening financial conditions and the Russia-Ukraine crisis all weighed heavily on the country's outlook.

Businesses were not spared from the rising prices of commodities as a result of persistent high inflation and the raising of interest rates by Bank Negara Malaysia. These conditions led to increases in costs of intermediate products used in the construction and manufacturing sectors and had cut into business profit margins.

RISING UP FROM THE CHALLENGE

For FY2022, we recorded revenue of RM224.9 million with a healthy gross profit margin of 41.4% as we realised some savings on our construction cost following the completion of our projects.

Despite all the adversities faced in FY2022, our Group persevered and successfully turned around our financial performance to be back in the black. We reported a profit after tax of RM0.5 million for FY2022 from the loss after tax of RM16.2 million recorded in FY2021, highlighting the success of our Group's reorganisation strategies. We emerged from the pandemic stronger as a result of staying the course with our strategic growth plans. We focused on reinforcing operational momentum by enhancing internal structures, accelerating operational scale and efficiency, and strengthening our financial position to seize opportunities arising from the country's transition to endemicity. With all these building blocks in place, we believe we are well poised for the next phase of sustained growth.

EMPOWERING GOVERNANCE AND SUSTAINABILITY

Our Group continues to enhance corporate governance to maintain the trust and confidence among stakeholders, and to ensure our Group's long-term success and sustainability. We conduct regular reviews on our internal practices against the Malaysian Code of Corporate Governance ("MCCG") 2021 to continuously improve our standards of operational performance and corporate governance. This includes the review and revision of our Group's Board Charter and Terms of Reference of the Board Committees.

"We focused on reinforcing operational momentum by enhancing internal structures, accelerating operational scale and efficiency, and strengthening our financial position to seize opportunities arising from the country's transition to endemicity."

To further strengthen our governance, we adopted various measures in FY2022, such as introducing the Malaysian Anti-Corruption Commission's Policy on Corporate Liability and aligning with the MCCG 2021 updates. We also enforced the Anti-Bribery and Anti-Corruption Policy during the year to further reinforce our zero-tolerance stance towards corruption. Similarly, our anti-corruption practices have been broadened to include our supply chain.

In addition, we renewed our commitment to sustainable development and growth in our business by developing the following sustainability-linked policies:

Sustainability Policy - Overall guide of our practices that all members of our Group, suppliers, joint-ventures and community partners must abide by;

Environmental Policy - Highlights our commitment and involvement towards environmentally-linked initiatives such as protecting biodiversity, reducing carbon footprint and managing waste generation; and

Human Rights Policy - Upholds the protection of human rights of all individuals in the communities where we operate and includes policies on modern slavery & human trafficking.

Sustainability will remain a key focus area for our Group as we integrate sustainable practices into our operations and businesses. However, successful integration and effective management of sustainability practices requires a robust sustainability governance structure which will help a company implement sustainability strategies across its businesses, manage goal setting and reporting processes, strengthen relations with external stakeholders, and ensure overall accountability. Our Board is cognisant of this and sit atop the sustainability governance structure to ensure that our business strategies incorporate sustainable practices and driving the setting of sustainability strategies, priorities and targets.

▲ *Aerial view of LakeFront Homes*

START OF A NEW CYCLE

The Organisation for Economic Cooperation and Development projects global growth to be at 2.6% for the financial year ending 31 December 2023 ("FY2023") as the conflict between Russia and Ukraine continues to overshadow the world economy. However, the decline in energy and food prices has boosted sentiment and business activities. While price levels are still relatively high compared to 2021, the decline in energy and food prices helped to lift purchasing power for most firms as well as households, and in turn reduce headline inflation. The earlier-than-expected re-opening in China is also expected to have a positive impact on global activity, reducing supply chain pressures and giving a boost to international tourism.

On the domestic front, Malaysia's economy is expected to grow by 4.0%, which is above projected global growth rates as several factors mitigate the downsides to domestic economic outlook. Firstly, the moderate overnight policy rate ("OPR") hikes are growth-friendly and Bank Negara Malaysia's monetary policy remains accommodative and supportive of economic growth. In addition, the drawdown of excess individual/household savings built since January 2020 amid lockdowns and economic stimulus measures provided a buffer to consumer spending. Furthermore, the recovery of inbound tourism and positive investment outlook amid a technology-driven surge in approved foreign investments augurs well for the Malaysian economy.

While we anticipate economic growth in 2023, concerns surrounding job security, overall affordability and availability of financing will continue to affect demand in the property market. However, various government initiatives such as the exemption on stamp duties and real property gains tax, coupled with the low interest rate environment will serve to cushion the blow and gradually lead the market to recovery.

As we enter 2023, we find ourselves at the beginning of a new era for MCT, one that has been brought about by a global reset due to the COVID-19 pandemic. We reinvented ourselves to pursue only what we can truly grow, and our transformation plans are now starting to bear fruits after registering a profit for FY2022. With support from Government initiatives that are expansionary for both the economy and the property market, coupled with our robust balance sheet and healthy unbilled sales levels of RM720.0 million, we

"Sustainability will remain a key focus area for our Group as we integrate sustainable practices into our operations and businesses."

Organisation for Economic Cooperation and Development projects global growth at

2.6%

Unbilled sales as at 31 December 2022

RM720.0 million

are excited about what the future holds for our Group. We believe that by continuing to focus on developing high value proposition projects and seizing opportunities that come our way, we can emerge from this challenging period even stronger than before. Let us move forward with confidence, knowing that the future is promising and that we have what it takes to succeed.

ACKNOWLEDGEMENTS

On behalf of our Board, I wish to express our sincere appreciation to our management team and employees for their hard work, dedication, and resilience to navigate the many challenges and deliver a commendable business performance in FY2022.

During the year, Ms. Anna Maria Margarita Bautista Dy and Mr. Jaime Alfonso Antonio Eder Zobel de Ayala retired from our Board as Non-Independent Non-Executive Directors, and Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar retired as an Independent Non-Executive Director. On behalf of our Board, I wish to thank the three of them for their invaluable contributions to our Board and keen insights to support our business strategies. We wish them all the best in their future endeavours.

At the same time, I would like to take this opportunity to warmly welcome Datin Chong Lee Hui, who joined us on 1 July 2022 as an Independent Non-Executive Director, and Mr. Robert Sy Lao and Mr. Dante Dominic Macaraeg Abando who both joined us on 22 February 2023 as Non-Independent Non-Executive Directors. They bring with them a wealth of corporate experience and expertise, and we look forward to their positive contribution on our Board.

To the rest of our esteemed Board members, my gratitude for your guidance and counsel to work together and continue to chart our journey moving progressively forward.

Lastly, I would like to thank all stakeholders, including customers, business associates, financial institutions, industry regulators, and shareholders. Thank you for placing your trust in us, and for your continuing and unwavering support as we strive to deliver excellence and create value for all.

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman

Dear **Shareholders,**

AS MALAYSIA TRANSITIONED TO THE ENDEMIC STAGE OF COVID-19 IN FY2022, OUR BUSINESS LANDSCAPE REMAINED CHALLENGING DUE TO RISING CONSTRUCTION COSTS AND INFLATIONARY PRESSURES. NONETHELESS, WE SUCCESSFULLY TURNED AROUND AND REGISTERED A NET PROFIT OF RM0.5 MILLION AGAINST A LOSS AFTER TAX OF RM16.2 MILLION IN FY2021.

TEH HENG CHONG
Executive Director and CEO

NEW LAUNCHES AND SALES PERFORMANCE

In tandem with the reopening of the economy, we launched four new projects in FY2022 with a combined GDV of RM784.3 million, namely:

1

Phase 2 of Alira Subang Jaya – GDV:

RM256.8 million

2

Sanderling at LakeFront Cyberjaya – GDV:

RM321.2 million

3

Phases 1 & 1A of Casa Embun at Cybersouth – GDV:

RM206.4 million

The positive response to these new launches saw our sales in FY2022 increase by 11.7% to RM544.7 million (FY2021: RM488.4 million) on the back of the success of Alira Subang Jaya, Aetas Damansara and Casa Bayu at Cybersouth. Consequently, our unbilled sales rose by 39.0% to RM720.0 million (FY2021: RM518.0 million), our highest level since 2018.

HANDOVER OF VACANT POSSESSION

We also successfully handed over 1,364 units of properties from two projects, namely Phase 2 of the LakeFront Homes development, Market Homes, and Park Place I at Cybersouth. Both projects achieved Quality Assessment System in Construction ("QLASSIC") scores of 79% and 76% respectively, which reflects above average industry standards. 98% of our customers also rated the quality of our project as good or excellent. This is a significant milestone for our Group as it represents the first batch of projects to be completed by external main contractors after we embarked on our transformation journey back in 2019 and transitioned from constructing our projects internally to utilising external main contractors.

AWARD-WINNING PROPERTY DEVELOPER

In MCT, we strive to deliver projects that are market-driven to meet the changing trends and lifestyle needs of homebuyers. Our strive for excellence were subsequently recognised when we won the StarProperty Real Estate Developer Awards for Best Resort Living Home Award (Alira Subang Jaya) and the StarProperty Real Estate Developer Awards for Best High-End High-Rise Development Award (Aetas Damansara), as well as the BrandLaureate Property Brand of The Year Awards 2022 for the category of Property Development.

These key awards are a testament to the innovative concepts and unique design of our developments and reinforces our credibility and reputation as a property developer committed to delivering projects of high standards.

"One of our key targets is to introduce market driven designs and features that cater to market demands whilst remaining viable."

LANDBANK EXPANSION

In addition, we continued to expand our development footprint in strategic locations across the Klang Valley by acquiring a 4-acre land in Bangi. This was our first land acquisition since 2018 and possesses an estimated GDV of RM404.2 million. We did not rest on our laurels and made another two land acquisitions in the first quarter of 2023 with the purchase of 1.57-acre and 3.93-acre lands at Seputeh and Taman Desa with estimated GDV of RM320.0 million and RM500.0 million respectively, marking our maiden foray into the Kuala Lumpur residential market. Going forward, we are optimistic that these projects that are located at matured growth centres will contribute positively to our Group's future growth plans and earnings prospects.

STEPPING UP OUR "A" GAME

We continued our transformation journey during the year by streamlining our property development team into individual business units, serving as the business-oriented nerve centre responsible for the entire lifespan of a project, starting from design and planning of the development to handover of vacant possession. This will increase operational efficiency and accountability and also allow us to up-scale to meet future business growth. These business units would be supported by experts in various functional departments who will focus on strategic initiatives to ensure business units are supported to achieve the targeted growth trajectory. We believe the groundwork laid thus far will enable us to better cater to the changing needs of our prospective and existing stakeholders. Moving forward, we will focus on the following five key reinvention initiatives as we reinvent ourselves to Forge Ahead for Growth:

Design and Product Standardisation

One of our key targets is to introduce market driven designs and features that cater to market demands whilst remaining viable. As such, we have introduced the MCT design manual that will enable us to have design and products standardisation across our new projects. In developing the MCT design manual, we have adopted elements of our award-winning projects that are desirable and enhanced it further after obtaining feedback from our stakeholders. This initiative will not only enhance our projects' marketability and make our products more appealing to potential buyers, but it will also strengthen the MCT brand and reputation in the property market space.

Meanwhile, by establishing a consistent design blueprint, it will allow us to increase our overall efficiency as we are able to streamline business processes and workflows to minimise errors, enhance our speed to market and improve product quality. Other than that, we can increase our costs savings associated with design and construction by reducing the need for custom design solutions and enabling bulk purchase.

Effective Cost Management

In order to be able to price our properties competitively, we would need to implement stringent cost management measures to help enhance our bottom-line going forward. With the MCT design manual in place, we can streamline the procurement plan across our new projects and plan our timeline accordingly for bundle award and achieve economies of scale. We will continue to seek for opportunities to partner with reputable suppliers in the industry that allows us to make bulk purchases, enjoy better prices and more favourable payment terms, as well as mitigate risks associated with supply chain disruptions.

Meanwhile, we have also digitalised our contract evaluation and awarding process which will help speed-up our cost-planning and tender & award processes. This will also enable us to establish our cost database so that our team can make informed decisions.

Strengthening Branding & Strategic Marketing Capabilities

Strengthening our brand positioning will be our primary focus after we have laid down all foundations for growth. In FY2023, we plan to carry out rebranding activities that will highlight the much needed change in the organisation as well as enhance market perception towards our product offering, quality and corporate identity.

As we continue to launch more projects, we will be looking to increase the number of internal sales agents and incentivise our sales team with a better commission structure and ultimately boost the contribution from our internal sales team. We have also established a robust in-house training programme for our internal sales team that will enhance our internal sales team capabilities and hence improve customer experience.

In addition, we are looking to launch a new customer loyalty and engagement programme to reward our customers. We believe this will improve customer retention by increasing engagement with followers and customers as well as offering targeted promotions and incentives based on customer behaviour and preferences.

Commitment to Sustainability Initiatives

As a corporate citizen, we are committed to wholeheartedly embrace sustainable business practices and we aspire to create timeless value and improve lives for generations to come by integrating sustainability at every level of our organisation. In FY2022, we established our sustainability policy together with our human rights and environmental policies. We are in the midst of drafting the MCT Green Plan that is tailored to our business environment and capacity, and will highlight our sustainability framework, initiatives and targets. As part of our commitment to develop projects that are sustainable, we will be collaborating with Green Real Estate ("GreenRE") Malaysia, a green building certification agency, whereby all our new projects would be certified as Green Developments.

Digitalisation Programme

In FY2022, as part of our transformation journey, we have introduced many digitalisation initiatives across our business processes such as digitalisation of sales rebate package deployment and internal approval forms. We have also made several enhancements to our IT infrastructure and heightened our cybersecurity measures. Moving forward, we will continue to embark on our digitalisation programme, optimise more of our business processes and make enhancements to our cybersecurity measures on an incremental basis so that we are able to respond quickly to changes in the workplace, competition and the marketplace.

OUTLOOK

In FY2022, Malaysia's total property transaction value grew by 23.6% year-on-year and hit RM179.1 billion, the highest-ever value recorded by the National Property Information Centre ("NAPIC") since 2001. The growth in the local property market was mainly supported by strong growth of the Malaysian economy and homeownership campaigns such as stamp-duty exemption for first-time homebuyers that were initiated by the Government.

Recovery in the property market is expected to continue in 2023, albeit at a slower pace dragged by oversupply amid rising borrowing costs and growing inflationary pressures. However, the number of overhang units have declined

▲ *Key Senior Management*

▲ *View from an Aetas Damansara unit*

significantly in 2022, indicating that the demand for homes is recovering and this augurs well for our Group's prospects. We believe that the accommodative policies by the Government to spur foreign direct investments, continued investments in public infrastructure such as the MRT3 line, as well as targeted initiatives by the Government for stamp-duty exemptions for first-time homebuyers and establishing the Housing Credit Guarantee Scheme will propel housing demand in Malaysia.

Guided by the optimism for the uptick in activities in the property market, we are confident in maintaining profitability as we are able to leverage on our strong track record and robust unbilled sales of RM720.0 million as at 31 December 2022. In addition, we are targeting to launch three new projects with a total GDV of RM954.0 million in FY2023, which would further enhance our bottom-line going forward.

We want to maintain the positive momentum coming out from the COVID-19 pandemic. As we chart our growth plans, we will continue to seek out land-banking opportunities with strong value propositions across the Klang Valley to enhance our Group's future prospects.

Shareholders can rest assured that we are prepared for the anticipated industry headwinds and are able to ride the anticipated turbulent economic waves as we are in a better position now than where we were a year ago after the reorganisation of our Group's structure.

Hence, we will move forward into FY2023 with renewed optimism whilst leveraging on our competitive positioning to maximise shareholders' value. We stay committed to our ESG goals and to uphold good corporate governance for sustainable long-term growth.

ACKNOWLEDGEMENTS

Enhancing operational performance has been a key emphasis in MCT's strive for resilience and building value in its transformation journey. I am proud of the MCT Team for their persistence and dedication in their hard work to face the adversities the year presented as we reinvent ourselves going into 2023.

My sincere gratitude goes to the team for their excellent performance, and to our Board for their continued wisdom, guidance and support in MCT's aspiration for success and achievement of new heights.

On behalf of our Board, I would like to extend our appreciation to all our valued shareholders, business partners, bankers, regulators, and loyal customers for their unwavering support and continued trust in our Group.

TEH HENG CHONG
Executive Director and CEO

MANAGEMENT DISCUSSION & ANALYSIS

Pool view of Aetas Damansara

Revenue

RM224.9 million

Profit after tax

RM0.5 million

OVERVIEW

The Malaysian economy expanded by 8.7% in 2022. The easing of COVID-19 restrictions in early 2022 helped to drive the economic recovery boosted by higher commodity prices and buoyant growth in manufacturing exports. Private sector activity remained the key driver of growth, supported by private consumption and investment as well as improving labour market conditions.

In tandem with the country's growth recovery, the property sector saw improvement both in terms of transactions and value supported mainly by the resumption of economic activities across the board and the reopening of the country's international borders. However, the industry was impacted by price hikes of building materials and labour shortages, severely affecting productivity in both the property and construction sectors.

Despite the challenges, we stayed the course of our transformation journey through the year to reposition and restructure our Group with a very clear business direction and target for transformative growth. This involved undertaking measures to strengthen the MCT team by filling up key positions with personnel who were equipped with relevant industry knowledge and experience. Our earlier efforts over the past three years leading into FY2022 have given us the operational resilience to outperform industry expectations and we posted a net profit after tax of RM0.5 million for FY2022 compared to a net loss of RM16.2 million recorded in FY2021.

RESULTS OF OPERATIONS

Our Group recorded revenue of RM224.9 million for FY2022, moderating 31.2% from the revenue recorded in FY2021 of RM326.9 million as the majority of our Group's active projects were either at the infancy stage of development (i.e. Aetas Damansara and Alira Subang Jaya) or at the tail-end (i.e. Phase 2 of LakeFront Homes and Casa Bayu at Cybersouth). For the past three years, we have been diligently implementing several measures to drive operational efficiency and manage the cost of our projects and we were able to reap the fruits of the cost management initiatives in FY2022 when we realised one-off savings in the development cost of some of our completed projects. This led to an increase in our gross profit margin to 41.4% from 29.1% in FY2021.

On the other hand, our other operating and general administrative expenses increased by 30.1% to RM84.7 million from RM65.1 million in FY2021 mainly due to a RM8.1 million impairment on our receivables, RM3.5 million impairment loss on plant and machinery and investment properties as well as the accelerated depreciation of construction equipment of RM2.2 million. We also recorded RM3.3 million in fair value loss on foreign exchange forward contract attributable to the weaker Malaysian Ringgit. Without the one-off adjustments, our other operating and general administrative expenses would be at RM67.3 million or 3.4% higher than FY2021. In addition, sales and marketing expenses also increased from RM2.9 million to RM5.7 million in-tandem with the higher sales and launch activities.

We also reported other income of RM25.2 million in FY2022 from RM13.2 million in FY2021 which was largely from the gain on disposal of assets from our internal construction unit as well as interest income. In addition, as part of our rationalisation programme to increase our tax efficiency, we were also able to record tax credits of RM5.2 million for FY2022 arising from recovery of provisions in tax expense made in prior years. Accordingly, our Group recorded a profit after tax of RM0.5 million in FY2022 from a net loss of RM16.2 million previously.

The turnaround of our financial performance to be back in the black in FY2022 reflects the success of the strategies we have implemented to streamline our Group's operations despite having to contend with changing operating conditions. Moving forward, we will remain focused in executing our strategic priorities and capturing business opportunities to deliver sustainable outcomes and achievement of our goals.

FINANCIAL POSITION & LIQUIDITY

Our cash and bank balances stood at RM117.9 million at the end of FY2022 as compared to RM459.5 million recorded at the end of FY2021 as we unlocked the cash arising from the completion of our LakeFront Homes project and Park Place I projects to repay RM279.2 million of advances from Ayala Land to reduce the total amount owing Ayala Land to RM241.5 million (FY2021: RM520.6 million).

Our total debt in FY2022 stood at RM79.0 million as we tapped on the local debt market to fund our working capital requirements as part of our capital management strategy to reduce our effective interest rate.

Our strong cash flow and robust balance sheet are reflective of our sound financial management and prudent use of resources. This positions us favourably to execute our growth strategies with the agility to respond and seize opportunities and grow our landbank while mitigating risks, and provide us with the resilience to manage any challenges we may encounter in our business environment.

Our Group will continue to leverage on the strength of our financial fundamentals to continue with our transformation journey towards furthering our ambitions focused on accelerating our operational momentum by enhancing internal structures, drive operational scale and efficiency, and further strengthen our financial position.

OUR BUSINESS IN 2022

On 1 April 2022, Malaysia begun its transition to the endemic phase of COVID-19 with the reopening of international borders and the lifting of most pandemic-related restrictions in order to stimulate economic activities. This led to improvements in domestic economic activities and spurred activities in the property sector.

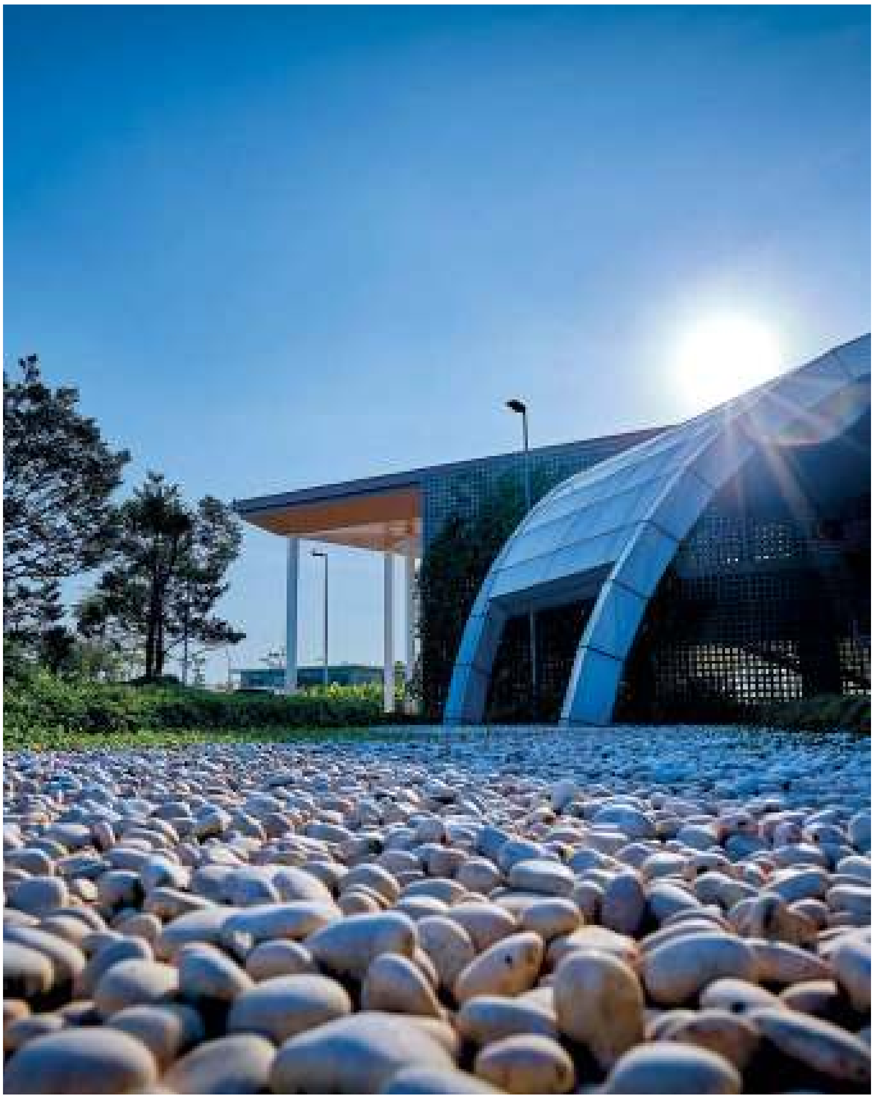
According to the National Property Information Centre, more than 389,000 transactions worth RM179.1 billion were recorded in 2022, showing an increase of 29.5% in volume and 23.6% in value compared to 2021. The residential sub-sector led the overall property market activity, with 62.5% contribution in volume from 243,190 transactions worth RM94.3 billion, an increase by 22.3% in volume and 22.6% in value year-on-year.

The residential and service apartment overhang situation improved with overhang numbers reduced to 27,746 units worth RM18.4 billion as at 31 December 2022, down by 24.7% and 19.2% in volume and value respectively (31 December 2021: 36,863 units worth RM22.8 billion).

Nonetheless, the Malaysian economy continues to be weighed down by elevated cost pressures due to rising headline and core inflation. In 2022, Bank Negara Malaysia ("BNM") gradually increased its Overnight Policy Rate ("OPR") from 2.00% to 2.75%. The Monetary Policy Committee under BNM had decided to adjust the degree of monetary accommodation amid positive growth prospects for the Malaysian economy to reduce inflationary pressures due to strong demand conditions, tight labour markets, and the elevated commodity prices, despite some improvements in global supply chain conditions.

"The turnaround of our financial performance to be back in the black in FY2022 reflects the success of the strategies we have implemented to streamline our Group's operations despite having to contend with changing operating conditions."

▼ *Clubhouse at Cybersouth*



BNM's cumulative OPR adjustments have impacted housing affordability and dampened demand for property with house prices continuing its low pace of growth. Demand for residential properties continued to focus on those properties priced below RM1.0 million with properties priced below RM500,000 accounting for 80.5% of the total residential transactions in 2022. Properties priced between RM500,000 and RM1.0 million comprised 14.8% of total residential transactions. This bodes well for our Group's continued strategy to focus on the mid-tier and affordable market segment.

PROJECT LAUNCHES AND SALES PERFORMANCE

Our Group's diverse development portfolio includes township, mid to upmarket homes, affordable homes, and integrated developments with a pricing strategy formulated to meet current market demands.

Property development remain the key revenue generator of our Group in FY2022 with contributions of RM212.8 million or 94.6% of our Group's total revenue which was driven by the sales of our ongoing projects. In FY2022, the timely completion of our projects saw us hand-over 1,364 units of properties with GDV of RM648.4 million across two projects – Market Homes of our LakeFront Cyberjaya development and Park Place I at Cybersouth.

▲ *LakeFront Residence*

Buoyed by the success of Phase 1 of Alira Subang Jaya which has garnered sales of 83.1% since its launch in November 2021, we launched Phase 2 of Alira Subang Jaya in July 2022 with a total GDV of RM256.8 million. By the end of FY2022, 30.6% of the units have been sold which is equivalent to a GDV of RM77.2 million. This is a testament of the trust purchasers have over the MCT brand and that our products are able to meet the needs and expectations of our customers.

In the fourth quarter of FY2022, we launched Sanderling at LakeFront Cyberjaya (GDV: RM321.2 million) and Phases 1 and 1A of Casa Embun at Cybersouth (GDV: RM206.4 million). Sanderling and Phase 1 of Casa Embun at Cybersouth are both affordable horizontal developments where the average price per unit is less than RM500,000, the market segment with the strongest demand. Phase 1A of Casa Embun at Cybersouth is the commercial component of the development and has since been fully snapped-up, reflecting investors' confidence over the prospects of Cybersouth.

Supported by the success of our four new launches in FY2022 which has a combined GDV of RM784.3 million, and coupled with the encouraging take-up rate for Phase 1 of Alira Subang Jaya, Aetas Damansara and Casa Bayu development, our total sales for FY2022 stood at RM544.7 million, 11.7% higher than the RM488.4 million we recorded for FY2021. This in turn bolstered our unbilled sales to RM720.0 million (FY2021: RM518.0 million) as at the end of FY2022, our highest levels since 2018. The increase in our unbilled sales is a result of our positive take-up rate for all of our new launches over the past two years and will provide earnings visibility for our Group over the coming years.

One of the key strategic thrusts of our growth plan is to acquire land and create new growth centres beyond our current landbank which is primarily located at Cyberjaya, Dengkil, Petaling Jaya and Subang Jaya. In August 2022, we acquired a 4.0 acre commercial land in Bangi, Selangor for RM31.5 million. This was an important milestone for our Group as it was our maiden foray into the Bangi market and is our Group's first land acquisition since 2018. We did not rest on our laurels and continued to acquire more land as we purchased a 1.6-acre residential land in Seputeh, Kuala Lumpur for RM58.0 million and a 3.9-acre residential land at Taman Desa, Kuala Lumpur for RM65.0 million in February 2023. With a combined GDV of approximately RM1.2 billion, these new landbank will contribute positively to our Group's future growth plans and earnings prospects. Moving forward, we will continue to look for land at strategic locations and expand our development footprint in the Klang Valley with more exciting projects as we continue to build the MCT brand.

Set out ahead are our ongoing and completed property developments during FY2022:

Aetas Damansara

Aetas Damansara is our first luxury development spanning 1.8 acres and is situated adjacent to the prestigious Tropicana Golf and Country Resort in Petaling Jaya. Each unit features seamless wide open living spaces with a multi-functional kitchen that opens to the dining area which flows to an expansive scenic balcony with a breathtaking view of the award-winning golf course. The residential development features an exclusive private lift lobby for each unit which is further safeguarded by a multi-tier security system.

Development Type:
Residential

Launch Date:
2H2020

Details:
226 units

Location:
Petaling Jaya

Expected Completion Date:
1H2025

Take up Rate:
76.5%

Estimated GDV:
RM574.4 million

▲ *Aetas Damansara*

▲ *Aetas Damansara show unit*

Alira Subang Jaya

PHASE 1

Development Type:
Service Apartment

Launch Date:
2H2021

Details:
492 units

Location:
Subang Jaya

Expected Completion Date:
1H2025

Take up Rate:
83.1%

Estimated GDV:
RM320.4 million

▲ *Alira Subang Jaya*

Alira Subang Jaya

PHASE 2

Alira Subang Jaya is the second development that we have ventured outside the Cyberjaya-Dengkil corridor. It is a freehold development comprising of serviced residences and low-rise villas located at Subang Jaya. Alira Subang Jaya features a diverse selection of modern resort-style facilities and an excellent connectivity to a variety of business, dining, education, medical, recreation and shopping amenities.

Development Type:
Service Apartment

Launch Date:
1H2022

Details:
340 units

Location:
Subang Jaya

Expected Completion Date:
2H2026

Take up Rate:
30.6%

Estimated GDV:
RM256.8 million

▲ *Sky garden at Alira Subang Jaya*

LakeFront Cyberjaya

LakeFront Cyberjaya is a mixed-use development consisting of high-rise condominiums, villas and commercial outlets. Situated on a 60-acre freehold land by the lake, the development is surrounded by lush greenery and beautiful landscaping. The development boasts resort-styled facilities such as themed recreational gardens, jogging paths, outdoor workout stations, rooftop infinity pool and a clubhouse which comes with complete amenities.

▲ *LakeFront Residence*

Market Homes

Launched in November 2018, Market Homes is the second phase of our Group's LakeFront Homes development in Cyberjaya and overlooks a serene lake, providing residence with a breathtaking view and a tranquil atmosphere.

Development Type:
Residential

Estimated GDV:
RM592.1 million

Details:
1,311 units

Location:
Cyberjaya

Completion Date:
2H2022

Take up Rate:
100.0%

▲ *Market Homes*

Sanderling

The long-awaited Phase 3, Sanderling is the latest addition to the LakeFront Residence Series at Cyberjaya. As part of the overall residential masterplan for LakeFront Cyberjaya, the upcoming condominium consists of 2 towers with a total of 606 units. It is also strategically connected in Cyberjaya, having connections to various highways and surrounding amenities.

Development Type:
Residential

Launch Date:
2H2022

Details:
606 units

Location:
Cyberjaya

Expected Completion Date:
2H2025

Take up Rate:
11.1%

Estimated GDV:
RM314.2 million

▲ *Sanderling*

Cybersouth

Cybersouth is our first integrated township that has been thoughtfully designed to cater to family living in a lush and green environment. The 417-acre township consists of affordably priced homes that boast beautiful designs and spacious built-up areas. Residents of the township can enjoy a 25-acre central park which features a jogging track that doubles as a cycling track, and is complemented by clubhouse facilities.

▲ *Aerial view of Cybersouth*

Casa Bayu Apartment

Development Type:
Residential

Launch Date:
1H2020

Details:
80 units

Location:
Cybersouth, Dengkil

Expected Completion Date:
1H2023

Take up Rate:
100.0%

Estimated GDV:
RM38.5 million

▲ *Aerial view of Casa Bayu Apartment*

Casa Bayu Townhouse

Casa Bayu features a mixed residential development consisting of low-density apartments and townhouses designed to emphasise nature and greenery. The low-density four-storey apartments comprise four units per level that overlook nature. The townhouses feature an open-plan living-dining- kitchen area as well as green spaces.

Development Type:
Residential

Launch Date:
2H2020

Details:
180 units

Location:
Cybersouth, Dengkil

Expected Completion Date:
1H2023

Take up Rate:
66.1%

Estimated GDV:
RM106.7million

▲ *Casa Bayu Townhouse*

Casa Embun

PHASE 1 & 1A

Complemented by the nurtured and thriving township of Cybersouth, Casa Embun is envisioned to set a new beginning to an affordable urban lifestyle where comfort and convenience are within reach.

Development Type:
Service Apartment (Phase 1) & Shop Lots (Phase 1A)

Launch Date:
2H2022

Details:
498 units

Location:
Cybersouth township

Expected Completion Date:
1H2026

Take up Rate:
16.4% (Phase 1) & 100.0% (Phase 1A)

Estimated GDV:
RM206.4 million

Aerial view of Casa Embun

Park Place I

Park Place I is Cybersouth's first commercial development launched in July 2019. The development consists of 53 shoplot units which will cater to the community within the township. The commercial lot complements the surrounding residential properties and provides the residents access to essential needs such as F&B, groceries and hardware stores.

Development Type:
Shop Lots

Estimated GDV:
RM56.3 million

Details:
53 units

Location:
Cybersouth, Dengkil

Completion Date:
2H2022

Take up Rate:
96.2%

▲ *Park Place I*

BUSINESS RISKS AND MITIGATION STRATEGIES

Our Group's operational performance is dependent on the performance of the property market. Economic uncertainties and instability stemming from tight labour market, surging inflation, rising costs and decreasing affordability continue to deter potential spending by house buyers. The demand for properties in all areas that our Group operate in could be affected by a weakening domestic and global economic environment, changes in Government policies, tightening of monetary policies and the oversupply of properties. Our Group assesses its risk exposure on a quarterly basis to assess its risk position and take measures to balance our exposure risks with opportunities.

	Depletion of landbank	Delays in project completion and handover
RISK AND IMPACT	The size of our remaining landbank and its geographical coverage are essential to our business continuity as the development of these landbank are a significant contributor of our future revenue streams.	Despite the lifting of movement restrictions, we continued to face labour shortages exacerbated by the implementation of the minimum wage policy. Resource planning by our contractors continued to be impacted as time required by the authorities to process applications for our projects has also increased.
HOW WE MANAGE OUR RISKS	As at 31 December 2022, our landbank stood at 191.0 acres for ongoing and future development with GDV of over RM10.5 billion which is estimated to last for the next 10 years. We continue to actively explore potential acquisitions of prime development land in the Klang Valley through direct acquisitions and/or joint ventures in line with our business growth strategies.	We took measures to hold periodic project reporting and coordination meetings regularly in order to stay abreast of developments and to take quick remedial action to address and mitigate any challenges arising. Regular updates are also being made to the Audit and Risk Management Committee as captured in the risk register report.
CHANGES MADE IN FY2022	Land acquisitions are capital intensive endeavours that focuses on diligent evaluation and due consideration of the risks in our search for suitable land. We have established a task force comprising representative from different departments with varying expertise to conduct legal, technical and financial due diligence and assessment. This ensures all land acquisitions are carefully and thoroughly evaluated in order to safeguard the interests of our stakeholders.	To mitigate potential delays in completion of our projects, our contractors have revised their construction work schedules to ensure timely completion by deploying additional resources and extending their working hours. Our contracts with external contractors are firm priced and exclude labour and material costs variations that are to be borne by the contractors.

Our holistic approach in enterprise risk management looks at risk management strategically from the perspective of the entire Group. It is a top-down strategy that aims to identify, assess, and prepare for potential losses, threats, weaknesses, and other potentials for harm that may interfere with our operations and objectives and/or lead to losses.

Subsequently, we have identified our vulnerability to the following four key factors which may have a material effect on our operations:

Health, safety and security	Economic outlook and market conditions
Workplace health, safety, and security concerns is a top priority as we operate in the real estate development industry where security threats, work-related injuries, illness and inherent risks are present.	Turbulence in the economic environment and market volatility present both risks and opportunities in our business as they dictate consumer trends which ultimately affect our growth strategy and financial performance.
We take a comprehensive approach to the health, safety, and security in the workplace by nurturing a culture of operational excellence whilst empowering everyone within the organisation to be part of the solution. Our Group views health, safety, and security concerns in the workplace as a collective responsibility and continually push for new initiatives in these areas to be implemented with the support from our leadership.	We have in place an enterprise risk management team as part of our project team and together with the senior management, formulate strategies to identify and evaluate economic and market risks. The results of our evaluation help us to prepare for any challenges as well as to assess whether the changing economic outlook requires a reassessment of our Group's risk management. Our business plans are regularly reviewed and revised against negative outlooks to ensure that our finances, operations, and objectives remain resilient during a downturn. We also constantly innovate to enhance our business model to advance our prospects while safeguarding our position as a leading marketplace competitor.
Preventing illness, injuries, and crime will always be a challenge for businesses. We recognise these risks and are fully aware of our responsibilities and regulatory compliance. Our Group's safety and health priorities exceeds compliance and encourage workers to protect each other's well-being in mutual efforts to keep everyone safe and productive.	Our Group recognises that consumer purchasing behaviour is always changing given the uncertainties and instability affecting the market. A change in market sentiment may exacerbate the property overhang issue as consumers divert spending for more essential purposes. To mitigate the impact from a change in market sentiments, our Group has diversified its product offerings which ranges from affordable housing to luxury residential projects. The affordable housing segment remains a key part of our main portfolio to cater to sensitivities in market trends and demands. Innovative and creative marketing campaigns and the use of digital technology are employed to expand our reach and to target specific customer segments.

▲ *Viewing deck at Aetas Damansara unit*

Global growth is expected to further soften at

2.6%

We earmarked the launch of 1,776 units of properties with an estimated GDV of

RM1.1 billion

OUTLOOK & PROSPECTS

In 2023, global growth is expected to further soften at 2.6% on the back of persistent pressures such as inflation, tightening global financial conditions and economic deceleration among major economies. Amid the signs of weakness in the global growth momentum, Malaysia's economic growth is projected to moderate in 2023 to 4.0%.

Budget 2023 was Malaysia's highest ever budget at RM388.1 billion of which RM289.1 billion was allocated towards operating expenditure, RM99.0 billion for development expenditure and RM2.0 billion as contingency fund. The expansive budget will drive investments and expenditure with an aim to accelerate foreign investments via tax incentives. The Government has established the special task force to facilitate businesses which will be empowered to improve the investment climate and business environment. The reduction in individual tax rate for the lower income group will also boost disposable income and ease the burden of families faced with rising costs.

In order to boost home-ownership, the Government introduced stamp duty exemptions for first time home-buyers for properties priced below RM1.0 million. The Government is also revisiting the MRT3 plan, which will boost connectivity and will serve as a catalyst for growth in Klang Valley's property market. Coupled with the opening of the MRT2 line, the Damansara – Shah Alam elevated expressway, the Sungei Besi – Ulu Kelang elevated expressway as well as the projected completion of the LRT3 line in 2024, the property market is set for its next phase of growth amidst boosted connectivity and continuous Government support.

As a future-focused property developer dedicated to sustainable development that enhances the quality of life, our growth strategies are derived from a keen understanding of changing market trends and consumer demand. Our

▲ *Aerial view of Central Park at Cybersouth*

"Our Group's diverse property portfolio includes a township, mid to upmarket homes, affordable homes, and integrated developments with a pricing strategy formulated to meet market demands."

Group's diverse property portfolio includes township, mid to upmarket homes, affordable homes, and integrated developments with a pricing strategy formulated to meet market demands. This allows us the flexibility to scale our developments accordingly to respond to market conditions.

MOVING FORWARD INTO 2023

Our Group is focused on business strategies that will facilitate our long-term growth prospects. Our primary market is still in the affordable to middle range projects that cater towards the majority of our customer profiles. However, as we move forward, we will continue to develop a variety of products with varying price points to cater to the wider market.

In FY2023, we earmarked the launch of 1,776 units of properties with an estimated GDV of RM1.1 billion. One of the new launches will be Alora Residences, the first phase of the 2Fifth Avenue development, will comprise 770 serviced apartments and 8 retail units with total GDV of RM566.8 million. Located at USJ 25, Subang Jaya, 2Fifth Avenue is our latest modern and sustainable development that blends urban living with nature. The development will be USJ's latest green development featuring an urban forest sanctuary with lush greenery within the compounds, and will have direct access to to the USJ21 LRT station via a covered walkway. The total GDV for 2Fifth Avenue is RM2.6 billion and will be a key contributor to our growth plans.

On the back of the success of Alira, another exciting project to look-out in FY2023 is AMIKA Residences. AMIKA Residences is a Japanese-inspired development with 493 units of serviced apartments and retail units. The development will also feature a retail garden alfresco street fronting the central park at Subang Jaya. With a total GDV of RM421.3 million, we are confident that the project will be well received judging by the favourable response for Alira Subang Jaya.

As we chart our growth plans, we will continue to seek out land banking opportunities with strong value propositions across the Klang Valley to enhance our Group's future prospects. Having already acquired a 1.6-acre residential land in Seputeh, Kuala Lumpur for RM58.0 million and a 3.9-acre residential land at Taman Desa, Kuala Lumpur for RM65.0 million in February 2023, we will continue to lookout for new landbank in new and different locations so that we can have more growth centres moving forward.

Our Group will exercise caution in the management of our working capital and will leverage cost optimising measures to achieve further operational efficiency going forward. We will continue to leverage on the strengths of our digital market platforms to boost sales by streamlining our processes to deliver better customer experiences. Underpinned by our robust unbilled sales and contributions from our launches, we are confident of a positive growth trajectory and to record a positive performance for FY2023.

Our Sustainability Statement

We are committed to actualise our ongoing transformation plans by drafting our first Sustainability Blueprint. The blueprint outlines our specific sustainability goals and the strategies we will implement to achieve them. We believe that our new Environmental, Social and Governance ("ESG") approach will accelerate our progress and contribute to building more sustainable and inclusive communities.

Our primary goal is to create an environment that provides the holistic needs of our stakeholders. Consistent with Our Mission: *"Creating Communities, Enhancing the Life for Generations Where People Enjoy a Complete Lifestyle Experience"*, we intend to nurture a sustainable, resilient and vibrant community that will benefit current and future generations.

3-YEAR SUSTAINABILITY BLUEPRINT :-

2022 (Year 1):
Building the Foundation

1.1: Benchmarking & Gap Analysis
1.2: Sustainability Governance
1.3: Sustainability Policies
1.4: Focus Area

In FY2022, we performed a benchmarking and gap analysis to assess our level of performance against that of our industry peers and sustainability best practices. We implemented a top-down sustainability governance structure to demonstrate MCT's accountability and to ensure that our sustainability strategy is implemented across our entire organisation. Our sustainability governance structure outlines our processes for setting our targets and goals, furnishing clear and accurate reports and strengthening our relations with external stakeholders.

We have established a Sustainability Policy, which will serve as our overarching guide. It outlines our commitment to operate in an environmentally and socially responsible manner. We have also identified focus areas to find the perfect balance between economic growth, environmental care and social well-being. In addition, we have conducted a materiality reassessment and reviewed our sustainability impacts to maintain and potentially improve good relationships with our stakeholders.

2023 (Year 2):
Starting the Journey

- 2.1: Setting Targets
- 2.2: Programmes & Initiatives
- 2.3: Monitoring & Evaluation
- 2.4: Performance Review
- 2.5: Reporting

To obtain a clear picture of our sustainability journey, we have reflected on our historical sustainability indicators so that we can set achievable and meaningful targets. We have also adopted other helpful initiatives, such as a green masterplan. We look forward to completing this journey so that we can forge ahead on our other future plans.

2024 (Year 3):
Continuously Raising the Standard

- 3.1: Continuous Improvement
- 3.2: Emerging Issues
- 3.3: Set New Targets

We do not intend to rest on our laurels. Rather, we will continuously and consistently monitor our performance and improve our solutions accordingly. We will strive to be kept informed of any emerging issues and address them to the best of our abilities. Taking all of these into account, we will review our targets and set even more ambitious ones in order to create added value.

We focus and strive for excellence in ESG to find the perfect balance between economic growth, environmental care and social wellbeing.

Our Group incorporates sustainable ecosystem ideas in our developments to make communities healthier, greener and more liveable.

About **This Report**

This Sustainability Statement presents our Group's ESG impacts, and the policies and practices that we have enforced to address them. This disclosure highlights the importance of sustainability in our overall value proposition during our ongoing transformation. We have ensured that all our activities are aligned with the 2021 Updates to the Malaysian Code on Corporate Governance and Bursa Sustainability Guidelines 2022.

This Sustainability Statement is one of our many ways of declaring our commitment to ESG and corporate responsibility. Our goal is for MCT to be deemed a timeless value creator, which we can achieve by sharing our programmes and accomplishments and making all relevant corporate disclosures available.

Scope and Boundary:
This report covers our entire domestic operations, including subsidiaries that we directly control and where we hold a majority stake.

Reporting Period:
The disclosure comprises our ESG activities spanning from 1 January to 31 December 2022. Historical information from previous reports has been included to provide context and illustrate actionable patterns.

Reporting Guidelines:

Principal Guide:
- Bursa Securities Sustainability Reporting Guide, 3rd Edition ("Bursa Sustainability Guidelines 2022")
- Malaysian Code on Corporate Governance ("MCCG") 2021

Reference:
- The United Nations Sustainable Development Goals

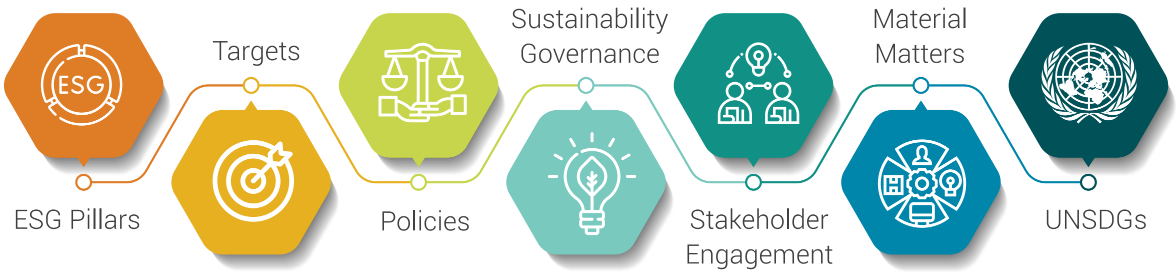
Reporting Cycle:
Annual; coinciding with our financial year-end

Feedback:
We value your thoughts. Please send your feedback to *investorrelations@mct.com.my.*

Our Approach To Sustainability

In FY2022, we further expanded our sustainability commitment beyond standard compliance and regulatory requirements. Specifically, we made sure that we are aware of emerging sustainability issues and are closing our gaps by reviewing our policies and strengthening our sustainability governance structure. Our entire organisation – from Board members to employees at construction sites – are champions of our sustainability, ESG and corporate responsibility initiatives.

Our approach to sustainable development is composed of seven dimensions which are complementary to one another. We believe that this approach is the most effective in addressing the most pressing risks and recognising the most promising opportunities for our business and operations.



ESG PILLARS

We conduct our business in a manner that is rooted in our three ESG pillars – Environmental, Social and Governance. That is, protecting the environment, managing the needs of our stakeholders, and practising ethical and transparent organisational governance, which make up the foundation of everything we do.

POLICIES

In addition to our newly established Sustainability Policy which serves as our overarching guide, we have also enacted Human Rights and Environmental Policies to reinforce our commitments to these matters. We have also reviewed our Governance Policies to ensure that they adhere to the current Main Market Listing Requirements of Bursa Malaysia ("MMLR").

MATERIAL MATTERS

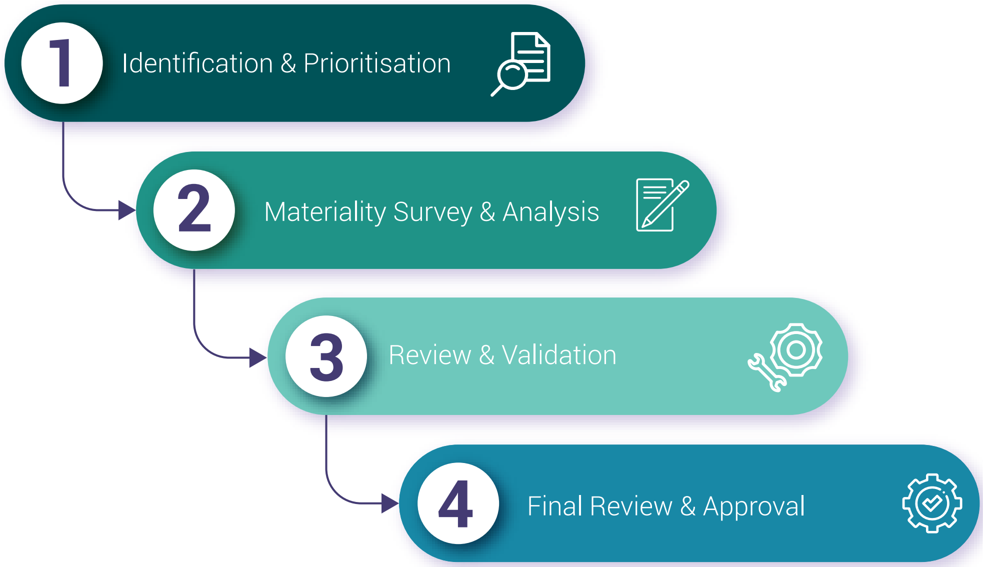
Materiality analysis refers to the process of identifying the critical ESG themes where our actions can impact sustainable development according to the assessment of our Group and stakeholders.

In FY2022, we carried out a materiality assessment to accurately reflect any changes in emerging issues due to our transformation. We determined the material issues by collecting survey responses from our stakeholders and by conducting meetings with key members of Management. The results revealed the risks and opportunities presented by the ESG issues. The collated data also allowed us to address the concerns of our stakeholders.

Our Approach To Sustainability (cont'd)

MATERIALITY PROCESS

To determine our Group's material concerns, we piloted our first materiality workshop through the following process:



1 Identification & Prioritisation

We listed our key stakeholders and identified the sustainability issues that were deemed significant by them and by our Group. This step illustrates how we take into account our stakeholders' needs and expectations in defining our material issues. The material matters are ranked in priority according to their importance to each of our stakeholders.

2 Materiality Survey & Analysis

We considered the perspective of our stakeholder groups by asking their representatives to rank the sustainability matters according to importance. By combining the survey results with our Group's own rankings, we can create a matrix that illustrates the importance of each sustainability matter relative to one another.

3 Review & Validation

The result of the matrix was reviewed by the Management and subsequently submitted to the Key Management for validation and approval. Such approval indicates a clear throughline from our Group's leadership and will drive sustainability management across the entire organisation, thereby ensuring an adequate response to the material sustainability matters.

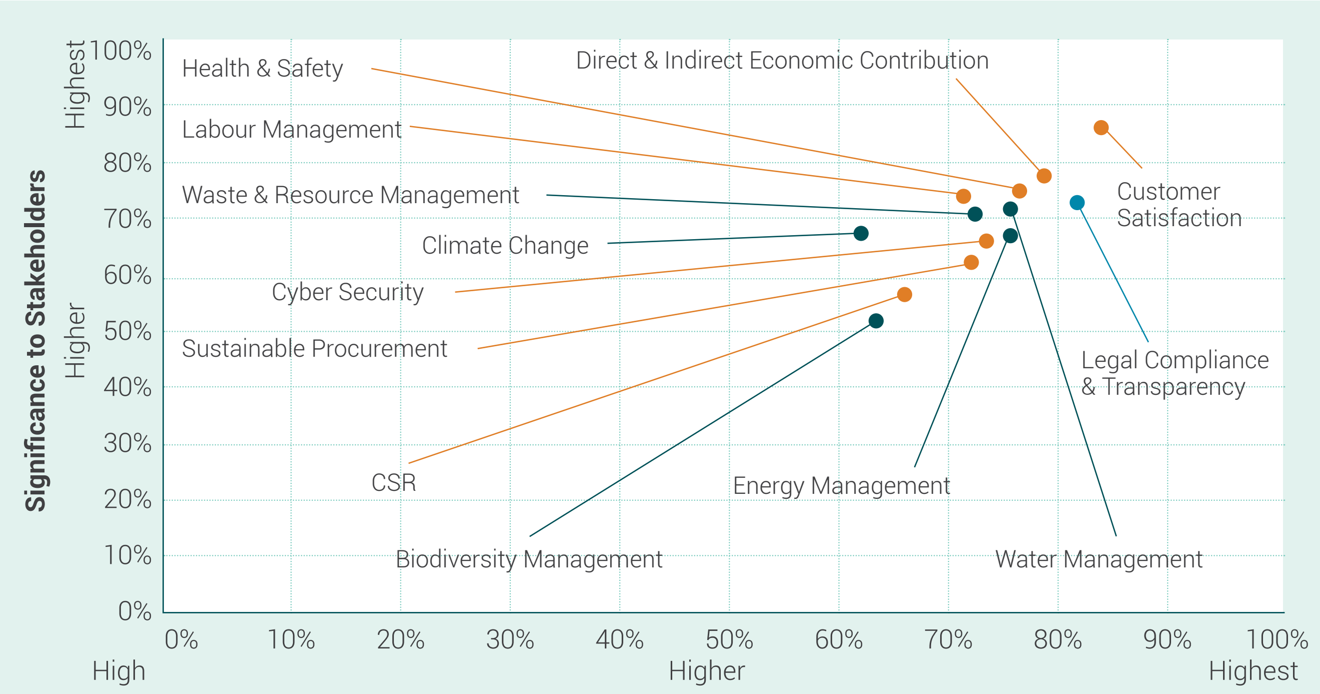
4 Final Review & Approval

The final matrix was reviewed during the board meeting to confirm whether the result is in line with our strategies.

Our Approach To Sustainability (cont'd)

MATERIALITY MATRIX

Our materiality matrix is shown in the diagram below. The X-axis denotes the significance of the sustainability matters to our Group, and the Y-axis reflects their significance to our stakeholders. The sustainability factors that are deemed most important by both our Group and our stakeholders are those that are graphed on the top right-hand quadrant.



Environment

- Waste & Resource Management
- Energy Management
- Water Management
- Biodiversity Management
- Climate Change

Social

- Direct and Indirect Economic Contribution
- Health & Safety
- Labour Management
- Sustainable Procurement
- Customer Satisfaction
- Cybersecurity
- Corporate Social Responsibility ("CSR")

Governance

- Legal Compliance & Transparency

Our Approach To Sustainability (cont'd)

SUSTAINABILITY GOVERNANCE

In FY2022, we formed an improved sustainability governance structure that is consistent with the new recommendations stated in MCCG 2021 and Bursa Sustainability Guidelines 2022. The structure ensures that every level of the organisation is accountable for realising our sustainability goals and that adequate resources are in place. Our Board and the Management are jointly responsible for our Group's sustainability governance, which includes setting sustainability strategies, priorities, and targets.

MCT Sustainability Governance

Board

Sustainability Management Team ("SMT")

Sustainability Council

Sustainability Manager

ESG Task Force

Business Units

Board: Ultimately accountable for managing sustainability in the organisation

- Keeps sustainability positioned at the top of the agenda
- Ensures that sustainability is integrated in the business strategy
- Approves and reviews the sustainability targets and performance
- Keeps informed of all sustainability issues relevant to our Company, particularly risks and opportunities, to support long-term strategy and success

SMT: Drives the strategic management of material sustainability matters under the leadership of the CEO and assisted by the Key Management Team. Aligns our Group's sustainability strategy with long-term business growth and goals.

- Sets sustainability targets and monitors progress
- Addresses sustainability matters using strategies approved by our Board
- Appraises and evaluates the sustainability performance
- Identifies issues that may require intervention
- Reports and make recommendations to our Board

Sustainability Council and Business Units: Headed by the sustainability manager and consisting of representatives from business units and the ESG Task Force.

- Support the strategy decisions and are in charge of developing, implementing, monitoring and improving sustainability initiatives
- Make sure that sustainability is integrated in every aspect of the organisation
- Review the progress of the sustainability measures against the targets
- Report their findings to the SMT

Our Approach To Sustainability (cont'd)

Sustainability Risk Management

Current best practices suggest that there is a growing trend for companies to apply a more holistic approach in examining the interrelations between strategy, risk, and corporate sustainability by considering ESG factors. We believe that we can proactively identify risks and maximise our opportunities through the proper management of our processes.

A business review process must take into account environmental and social risks to obtain a more balanced assessment of our business opportunities. Thus, we have established a risk management framework to ensure that ESG risks are accounted for in our corporate governance process.

Our business review process involves identifying and addressing environmental and social issues that could potentially materially affect our business. Specifically, we monitor, evaluate and treat ESG risk registers that are deemed relevant. This review also assesses our regulatory and standards compliance with ISO 9001:2015, Occupational Health and Safety, and other industry best practices.

Ethics And Integrity

Ethics and integrity play major roles in our newly redefined values. Our Code of Ethics ("COE") is the guide that all employees and external stakeholders must follow to ensure that only ethical business activities are being conducted. The COE covers a wide range of ethical considerations, such as supplier responsibility, human rights, health and safety, environment, conflicts of interest, regulatory compliance, and confidentiality.

In FY2022, we have maintained the enforcement of our Group's Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") and the Sponsorship and Donation Policy to reiterate our strict zero-tolerance for corruption and bribery at all levels of our organisation.

Built upon these aforementioned policies is our Whistle-Blowing Policy ("WBP"), which secures the right of employees, external stakeholders and members of the public to confidentially report incidents of improper conduct. The WBP states the procedures on investigating and following up on any identified and reported non-compliance. In FY2022, there were no recorded reports of breach of these policies.

TARGETS

One of our top priorities is to protect our stakeholders by preserving and nurturing the environment that we all live in. We started to set targets in FY2022, and we will continue to identify and set ambitious goals as we move forward to 2023.

POLICIES

Our Group's policies and procedures establish the rules of conduct within our organisation, outlining the responsibilities of our Group and stakeholders to society and the environment. Our policies are reviewed and amended based on new laws and emerging sustainability issues. These policies are the basis by which we set our procedures, due diligence and targets. *To access the above policies please go to: https://www.mct.com.my/corporate-governance*

Our Approach To Sustainability (cont'd)

22 June 2022 **Fit and Proper Policy** View	23 November 2022 **Human Rights** View	23 November 2022 **Sustainability Policy** View
23 November 2022 **Environmental Policy** View	01 April 2022 **Nomination and Remuneration Committee** View	23 February 2022 **Audit and Risk Management Committee** View
23 February 2022 **Board Charter** View	17 February 2022 **ABAC Policy** View	14 February 2022 **ABAC Policy for Third Party** View
25 November 2020 **Code of Ethics** View	30 July 2020 **Whistle-blowing Policy** View	27 May 2020 **Sponsorship & Donation Policy** View

Note: Our policies and procedures above can also be viewed at www.mct.com.my/corporate-goverrnance

STAKEHOLDER ENGAGEMENT

We use different modes and avenues of engagement to maximise our reach to our stakeholders. Each business unit is responsible for identifying the most suitable approach and for defining the stages and intensity of involvement that will work best for their respective units. We believe in the importance and power of stakeholder engagement to foster strong relationships, solidify their trust, and address any of their concerns. The frequency of engagement varies depending on the needs of each stakeholder group. Communications can be scheduled periodically or as and when necessary.

STAKEHOLDERS	CONCERNS	MODE OF ENGAGEMENT & RESPONSE
Customers	• Product quality • Transparent and timely information	• Reaffirmation of ISO 9001 Certification • Timely defect management • Open house and in-person discussions • Meetings with property owner and tenants
Shareholders/ Investors	• Corporate updates • Reputation	• Provision of comprehensive and timely data to shareholders, and updated company website • Protection of company image via responsible actions • Shareholders' meetings

Our Approach To Sustainability (cont'd)

STAKEHOLDERS	CONCERNS	MODE OF ENGAGEMENT & RESPONSE
Government	• Compliance with regulations • Contribution to the International Agenda • Affordable Housing	• Timely submission of accurate reports based on requirements • Site monitoring and "0" non-compliance issues • Meetings and site inspections with regulators • Compliance conference and seminars • Collaborative partnerships
Contractors & Suppliers	• Health and safety • Fair contract conditions • Fair evaluation	• Health, Safety, Security and Environment ("HSSE") training and monitoring • Meetings and negotiations with vendors • Fair and equal procurement policies and opportunities
Employees	• Remunerations • Career advancement • Work-life balance	• Work-life balance activities • Performance reviews • Employee career development
Community	• Safe and healthy environment • Corporate social responsibility	• Security site control and patrolling • HSSE monitoring of construction sites • Philanthropic activities

UNITED NATION SUSTAINABLE DEVELOPMENT GOALS ("UNSDGs")

Malaysia aims to achieve the UNSDGs by integrating mitigation strategies into various development plans. In support of the government's agenda, we have incorporated sustainability in our design, planning and operations. The graphic presentation below captures our contributions to attaining the SDGs.

United Nations Sustainable Development Goals	Our Contributions
Goal 3. Ensure healthy lives and promote well-being for all at all ages	✓ Provide employee health benefits, compassionate leaves such as maternal and paternal leaves ✓ Promote activities that enrich employee well-being ✓ Established COVID-19 Standard Operating Procedures ("SOP")
Goal 5. Achieve gender equality and empower all women and girls	✓ Female representation in the Board and managerial positions are above the recommended ratio of 30% ✓ Implemented equal opportunities for leadership at all levels of decision making, and encouraged consistent increase of women across the organisation ✓ Adoption of the COE to reinforce non-discriminatory practices
Goal 6. Ensure availability and sustainable management of water and sanitation for all	✓ Preventive measures that stop the entry of effluents into the water system during construction ✓ Installation of rainwater harvesting and water efficiency systems
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	✓ Increased employment opportunities through local hiring and material procurement ✓ Compliance with applicable ✓ Occupational Health and Safety best practices

Our Approach To Sustainability (cont'd)

United Nations Sustainable Development Goals	Our Contributions
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	✓ Adopted Green Building in construction ✓ Our development complements the Cyberjaya Smart City Agenda
Goal 10. Reduce inequality within and among countries	✓ Equitable treatment and recruitment of migrant workers ✓ Establishment of Human Rights Policy
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	✓ Integrated mixed development of high, medium and affordable homes with access to public transportation ✓ Implemented security measures within its integrated community
Goal 12. Ensure sustainable consumption and production patterns	✓ Reduced waste generation through prevention, reduction, recycling and reuse ✓ Use of sustainable materials in construction
Goal 13. Take urgent action to combat climate change and its impacts	✓ Adopted Green building concept in construction and rainwater harvesting for landscaping operations ✓ Reduction of energy use in residential common areas
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	✓ Adopted sustainable landscaping to reduce the degradation of natural habitats and the release of chemicals into the air, water and soil
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	✓ Restored and converted tin mining pools into recreational activities ✓ Prevented the introduction and significantly reduced the impact of invasive alien species on land
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	✓ Conducted stakeholder engagements between the public and private sectors ✓ Updated policies to further prevent corruption and bribery in all their forms ✓ Established a Sustainability Policy

Creating
Economic Value

Local Income | Wages and Salaries | Local Taxes | Creating Jobs

The national economy is partly boosted by the tripartite interrelations between economic growth, property investment and construction activities. As generators of vast employment opportunities, the construction and property development sectors are significant drivers of economic development. Through constant innovation, the property development and construction sectors can facilitate a more competitive market that yields a higher standard of living.

Direct Economic Impact

The multiplier effect of property developers is apparent well before any construction activity begins. Planning professionals, lawyers, engineers, architects and designers are already commissioned in the development of preliminary designs. Property developers further stimulate direct economic impacts during construction. The industry's direct and indirect revenue payments to the government also contribute to advancing community welfare.

Moreover, property developers generate revenue and profit from the sales of their properties and provide their employees with sustainable employment incomes.

▲ *Aerial view of Casa Bayu Apartment*

Economic Impacts in FY2022

RM224,921,151
Revenue

293
Number of Employees

RM871,266,330
Total Equity

715
Number of Units Sold

2,422 Units
Current Projects

- Aetas Damansara
- Alira Subang Jaya-Phase 1&2
- Sanderling
- Casa Bayu Townhouse
- Casa Bayu Apartment
- Casa Embun Phase 1&1A

1,829 Units
Upcoming Projects

- Casa Embun Phase 2
- 2Fifth Avenue Phase 1
- AMIKA Residences

Creating Economic Value (cont'd)

Indirect Economic Impact

Indirect economic impact refers to the ripple effect induced by our activities on a variety of business types. Aside from the direct purchase of construction materials for the project, construction workers make purchases that affect the local economy. Towards the completion of a project, the ripple effect will also be felt by financial institutions, appraisers, insurance agents, moving and rental companies, cable and internet providers, cleaning services, appliance and furniture stores, hardware stores, landscapers and other services.

Local Purchasing

We have consistently promoted the growth of local businesses. It has been our policy to prioritise local purchasing as much as possible. In addition, we have incorporated sustainable procurement into our purchasing decisions to generate robust economic investments.

Our commitment to local businesses is evidenced by our consistent record where at least 90% of our materials are locally sourced, as shown in the adjacent illustration:

LOCAL PURCHASING TARGET: >90%

FY2020	FY2021	FY2022
98.4	99.4	99.7

Long-Term Impact

A household moving into a new housing situation generally spends about three-fifths of its total income on goods and services sold in the local economy. Such spending, multiplied by the number of households, results in an economic ripple that permanently increases the level of economic activity for local business owners.

Health, Security, Safety And Environment

"0"
Incidents of non-compliance

"0"
Fatality

"0"
Lost Time Injury Rate ("LTIR")

"0"
IFR Injury Frequency Rate ("IFR")

100%
Green Building Certification for new projects

At MCT, our goal is to create a truly meaningful community that is enveloped in robust building structures and where the health, security and safety of our stakeholders and the environment are protected. In this light, we have pushed forward various mitigation schemes to address any adverse impacts that may be caused by our activities.

"Incidents associated with building design, construction and operation can be avoided if Regulations, Codes, Standards and Industry Best Practices are strictly observed.

When safety is first, you will last."

Aznul Rizal Bin Abu Shahid
Head of Sustainability Council

HSSE POLICIES

In FY2022, we highlighted HSSE Policies that reinforce our Group's commitment to address our HSSE impacts. Copies of these policies are disseminated to our employees, supply chain and relevant stakeholders. *To access the above policies please go to: https://www.mct.com.my/corporate-governance*

ENVIRONMENTAL POLICY

Our Environmental Policy states our Group's environmental commitments on the following matters:
- Climate Change
- Energy
- Emissions
- Natural Resources
- Waste
- Water
- Biodiversity
- Supply Chain

HEALTH AND SAFETY ("H&S") POLICY

Our H&S Policy reiterates our intent to fulfil the following commitments:
- Safe and healthy environment
- Elimination of risks and hazards
- Training
- Statutory and regulatory compliance
- Collaborations with stakeholders
- Risk assessment
- Continuous improvement

Health, Security, Safety And Environment (cont'd)

HSSE RISK ASSESSMENT

All our new and existing projects undergo HSSE risk assessment during our annual health and safety management planning. HSSE risk assessment is also an integral part of our hazard prediction activities in our construction sites. For any risk identified, we analyse its possibility of occurrence and degree of impact and subsequently apply safety and environmental measures to prevent them.

We are proud to report that for FY2022, we incurred no incident of non-compliance related to HSSE and we satisfactorily complied with all regulatory requirements.

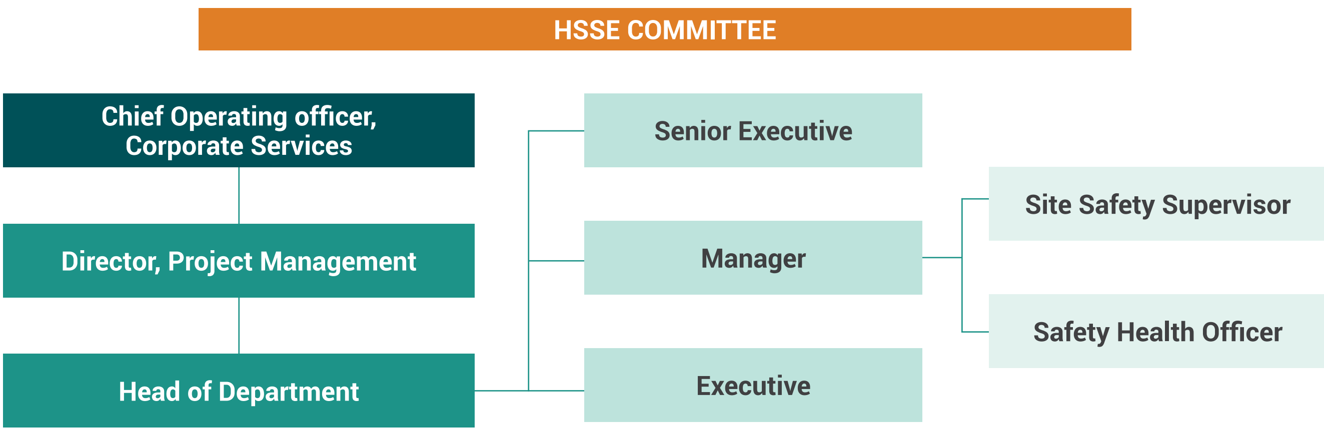
Our risk compliance is benchmarked against the requirements set by the Malaysian government for construction and manufacturing industries as stated in the gazetted Occupational Safety and Health Act ("OHSA") 1994. Everyone who is part of our projects – from our Management to the construction workers – are provided with the necessary tools to exercise proper HSSE behaviour and best practices at the workplace, which includes striving to prevent any accidents and instances of ill health. Listed below are the major regulations, laws and codes with which we have complied:

- Malaysian Construction Industry Development Board (Act 520) (Amendment 2011)
- Guidelines of Occupational Safety and Health in Construction Industry (Management)
- Occupational Safety and Health (Safety and Health Officer) Regulations 1997
- Ministry of Health Destruction of Disease-Bearing Insects Act 1975 (Act 154) (2)
- Factories and Machinery (Safety, Health and Welfare) Regulations 1970 (Revised 1983)
- Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986
- Guidelines for Public Safety and Health at Construction Sites
- Act 446 Workers' Minimum Standards of Housing and Amenities Act 1990

HSSE MANAGEMENT

Our HSSE Committee oversees the implementation of our HSSE initiatives throughout the organisation. Each project site has its own HSSE Team to facilitate the HSSE work procedures specific to their location.

The HSSE Committee is chaired by our Chief Operating Officer, who reports the progress of our HSSE initiatives to the Sustainability Management Team. Each construction site's HSSE Team consists of Site Safety Supervisors and Safety & Health Officers as its leader. The officers implement improvement strategies to prevent occupational accidents and minimise environmental impacts. The Senior Executive and the Executive report to the Head of Department, who in turn are accountable to the Director of Project Management.



Health, Security, Safety And Environment (cont'd)

HSSE TRAINING AND AWARENESS

Effective HSSE processes and activities are fundamental to our Group's smooth operations. Our personnel undergo regular HSSE training to sharpen their existing competencies and acquire new knowledge. This applies to both office-based employees and site-based employees, including contractors, sub-contractors and suppliers.

TOOLBOX MEETING TOPICS

- Electrical Safety
- Dengue Prevention
- Open Burning
- Chemical Handling
- Personal Protective Equipment
- Housekeeping
- COVID-19 SOP Compliance
- Emergency Response Procedures
- Gondola Standard Work Procedures
- Public Safety
- Working at Heights

Construction Site-Based Employees

All our stakeholders in our supply chain are also partly responsible for maintaining the Occupational Safety and Health ("OHS") of our employees. Our designers and contractors collaboratively create OHS hazard identification tools aimed at eliminating if possible or reducing as reasonably practicable all foreseeable risks to the safety or health of any employees and the surrounding communities.

All site workers are obligated to attend regular onsite HSSE training sessions, which include weekly toolbox and grand toolbox meetings, induction briefings and work-specific programmes. Ad-hoc and weekly HSSE meetings with contractors and consultants are also conducted on a per project basis. Additionally, a designated HSSE WhatsApp chat group was created for the quick transfer of information.

In FY2022, contractors and subcontractors clocked in a total of 925 hours of H&S training (excluding toolbox training) based on the guidelines stated in the Occupational Safety and Health in Construction Industry (Management) ("OSHCIM"). The training, which covered first aid, working at heights, electrical safety, emergency response, etc., was conducted by H&S certified internal employees and officers of the Department of Occupational Safety and Health ("DOSH").

Office-Based Employees

A total of 197 office-based employees logged in 830.5 training hours. The training was targeted at supervisors and managers who are tasked with imparting their HSSE knowledge to other employees, conducting internal HSSE audits, and investigating HSSE non-compliance. They were also trained in first aid response such as CPR, mental health awareness and COVID-19 prevention.

HSSE MONITORING AUDIT AND INSPECTION

Our HSSE personnel perform regular assessments of our project sites to ensure their compliance with regulatory requirements and our Group's policies. Any contractor that is found to be in breach of the said requirements and policies can be fined. After three warnings, contracts of non-complying contractors can be terminated. Project managers, the HSSE Committee and all personnel and teams at our project sites are expected to do their part in compliance monitoring. Project managers conduct formal and informal inspections under the supervision of a HSSE personnel.

In FY2022, one contractor was found to be in breach of internal safety procedures. We have instituted measures to help prevent the recurrence of this non-compliance incident and have enforced actions against the contractor accordingly.

Health, Security, Safety And Environment (cont'd)

ENVIRONMENT

During the 26th United Nations Climate Change Conference of the Parties ("COP26"), Malaysia updated its Nationally Determined Contribution ("NDC") by stating its intention to reduce economy-wide carbon intensity by 45% against the GDP by 2030. This pronouncement is consistent with the UNSDGs. In one with the international and national agenda of Malaysia and our industry, we reinforce our commitment to conserve natural resources and protect ecosystems in order to protect the health and well-being of the current and future generations.

UN CLIMATE CHANGE CONFERENCE UK 2021

At COP26, Malaysia updated its NDC to reduce economy-wide carbon intensity of 45% against GDP by 2030 and aspires to achieve net zero GHG earliest by 2050 with the following measures:

1. **Carbon Pricing Policies** to reduce greenhouse gases emissions
2. **Malaysian's Energy Transition Plan** 31% renewable energy power generation by 2025 & 40% by 2035
3. 100% **non-Internal Combustion Engine (ICE)** government fleets by 2030
4. **Maintaining at least** 50% forest cover
5. 100 Million **tree planting** campaign
6. Zero Waste landfill with
   - **Waste to Energy** Initiative
   - 40% **recycling rate** by 2025
7. **National Low Carbon City Masterplan** Transformation of cities towards low carbon pathways
8. **National Adaptation Plan** to increase resilience against long-term climate change impacts

Green Building

Green Planning, Design and Construction

Part 1	Part 2	Part 3	Part 4	Part 5	Part 6
Energy Efficiency	Water Efficiency	Environmental Protection	Indoor Environmental	Other Green Features	Carbon Emission

▲ *Green Building Component*

Health, Security, Safety And Environment (cont'd)

Our target is to achieve Green Real Estate ("GreenRE") certification for all of our 2020 to 2023 residential projects.

To obtain GreenRE, we have integrated green planning, design and construction into our development projects. We have also collaborated with suppliers, vendors, contractors and authorities to ensure that Green Buildings are in tandem with Malaysia's environmental agenda.

Eco-Material Planning

Our Design and Planning Team and Project Management Team meticulously calculate the amount of energy that must be allocated for a construction project. Both teams make sure that the technical specifications and quantities of the materials to be sourced are accurately specified before authorising the relevant departments to proceed with procurement.

Climate Change, Energy Efficiency and Emissions

Buildings are the world's largest consumers of energy and are therefore major emission contributors. We have responded to this situation by finding solutions to adapt to the challenges.

Projected Energy and Carbon Reduction at Residential Common Areas		
Projects	**Annual Energy Reduction (KwH)**	**Annual Carbon Reduction (tCO_2)**
Aetas Damansara	214,901	33=28.65%
Alora Residences	475,866	331=23.10%
Alira Subang Jaya	397,420	277=20.90%
TOTAL	**1,088.17**	**641**

Reduction of Toxic Chemical Emissions

We have ongoing efforts to find ways of reducing or even eliminating the use of toxic chemicals at our project sites. As a rule, we favour the use of water-based cleaning agents over solvent-based equivalents. Our potential suppliers are notified of our preference for eco-friendly products. In addition, we keep abreast and abide by chemical regulations and the Occupational Safety and Health Act ("OSHA") and require our suppliers to do the same. We use low-Volatile Organic Compounds ("VOC") interior paint, laminated flooring and floor adhesives.

Natural Light and Ventilation

By creating a building design that optimises natural sunlight and allows natural airflow, we avoid the use of electricity, resulting in reduced emissions.

▲ *Certificate for low-VOC adhesives*

Health, Security, Safety And Environment (cont'd)

Environmental Spotlight:

52% Dwelling Units with Cross Ventilation

90% Naturally Ventilated Common Areas

Optimal **Harvested Sunlight**

▲ *Alira Subang Jaya's function pavillion*

Alluding to its name, Alira, which means "flow", the building's perforated façade creates a continuous airflow into the building – a passive feature that reduces energy consumption. Moreover, air can freely circulate throughout the building because of the landscape continuity from the lower to the higher levels and the strategic placement of the facilities. The carpark and other common areas feature staircases to bring in natural light and breeze. Similarly, the fitness studio is designed to maximise light harvesting.

Monsoon Dry Yard

The Monsoon Dry Yard is an innovative natural clothes dryer that can be used to hang clothes during the rainy season. A platform with hangers is installed on top of the air compressors, and the clothes are dried by the heat emanating from the compressors, thereby eliminating the need for dryer machines.

Solar Blinds and Low Emissivity Glass

Serge Ferrari blinds have been installed at Aetas Damansara to block up to 97% of the heat, thereby reducing the dependence on air conditioning. Low-emissivity glass windows have been installed on the west-facing units, which have a higher exposure to the sun. This keeps the temperature consistent, permitting cool air back into the room and reducing heat transmission. Additionally, the Eco Identity of the blind satisfies five environmental requirements, which exceed the prescribed regulations.

▲ *We provide solar blinds and low-emissivity glass for west-facing units at Aetas Damansara*

Health, Security, Safety And Environment (cont'd)

Smart Homes

Our new developments are installed with smart meters in response to the endorsement by the Energy Commission. With the smart meters, the residents are in control of their energy usage and have the option to choose between daily and monthly home electricity usage through the energy provider app, making them more energy efficient.

We have further improved energy efficiency by incorporating the Internet of Things ("IoT"), such as smart home system infrastructures, energy-efficient lifts with sleep mode function and lighting occupancy sensors. We have also installed Heating Ventilation and Air Conditioning ("HVAC") systems for temperature regulation to maximise energy efficiency.

▲ *Smart Meter*

Electric Vehicles ("EV") Charging Stations

Urban development, in conjunction with increased population mobility and raised concerns regarding climate change, energy conservation and emissions, has resulted in a heightened interest in EVs. To ensure the sustainable deployment of electrification, EV chargers are installed at the parking lots for the benefit of residents with EVs.

Waste and Resource Management

Waste Segregation, Reuse, Recycling, Reduce and Refuse

Property development entails the use of significant quantities of building materials, such as wood, steel, glass and cement. As a sustainable organisation, we are mindful not only of the responsible procurement of these materials but also the responsible disposal of the materials we no longer need.

Our wastes are segregated by type and recycled by professional waste contractors in accordance with scheduled waste regulations. Apart from recycling, we also reduce waste and reuse materials where possible. For example, durable modular form systems and scaffoldings are reused provided that they pass stringent health and safety inspections. Unused construction materials are repurposed for other uses. We also utilise composting and used construction materials for our Urban Garden.

▲ *Used construction materials such as wire mesh, are reused for urban garden.*

Health, Security, Safety And Environment (cont'd)

Sustainable Materials and Systems

Green-certified materials and fittings are widely procured in most of the projects. We favour low-VOC construction materials to reduce emission and improve air quality. The deployment of system formwork during construction also further reduces wastage. In addition, we have started to explore potential substitution of the ordinary Portland cement used in our sites with green cement, which contains recycled content materials. We also buy materials in bulk to cut down on packaging waste.

▲ *System formwork*

E-Waste

We have partnered with Electronic Recycling Through Heroes ("ERTH") on our ongoing e-waste recycling campaign in our head office. ERTH has placed a collection box in the office wherein employees can dispose of broken, used and obsolete electronic devices.

▲ *Electronic Recycling Through Heroes ("ERTH") NGO*

Biodiversity

We believe that our role as property developer should not impede the biodiversity of our projects' locations. In this light, we have conducted comprehensive assessments of the current and desired future states of biodiversity at these locations. We will use the gathered data to formulate suitable preservation measures.

Complementary Plant Species

It is our intention to enrich the existing natural environment. As such, our landscape designers use only non-invasive plant species to preserve the ecological health of the community. We also use plants that require low maintenance and low quantities of fertilisers, pesticides and water. In this way, we reap their visual and ecological benefits to the landscape without adverse environmental impacts.

Avian Haven

In our Cybersouth township, 30% of the area is devoted to green landscape. It features a central park and a 25-acre lake, which was a carefully rehabilitated ex-mining pool. The lake and the surrounding park serve as a jogging and social activity site for the community. It also plays host to migratory birds, attracting birdwatchers and nature lovers all over.

Over time, some lakes may fill up with mud and silt. The silt build-up will increase the risk of flooding and reduce the lake's oxygen levels, which will significantly impact the lake's biodiversity. Thus, we have carried out lake desilting to maintain the healthy wildlife of the lake adjacent to our portfolio.

Water Management

Water withdrawal

None of our developments located in water-stressed locations. Nonetheless, we use alternative water sources where possible to reduce our consumption of municipal water. Such alternative sources include groundwater, pond water and rainwater.

Health, Security, Safety And Environment (cont'd)

Water Efficient Technologies

Our properties are fixed with eco-certified water-saving fittings for efficient water use on a daily basis. We have also installed rainwater harvesting systems to reduce water consumption. The provision of rainwater harvesting tanks has reduced potable water use for landscaping by up to 90%.

Storm Water & Effluent

Malaysia is a tropical country that experiences substantial rainfall for most of the year. Flooding can be minimised through efficient stormwater management. Specifically, waste should be prevented from entering into waterways to facilitate the smooth discharge of stormwater. To prevent the contamination of water bodies, our waste management strategy involves the following measures:

- Prevent construction wastewater and surface runoff from entering domestic sewerage lines;
- Treat wastewater at all project sites and closely monitor discharged effluents;
- Clean heavy vehicles at designated wash pits, and treat the resultant wastewater accordingly;
- Install and maintain silt traps, and remove solid wastes in sand traps, manholes and streambeds; and
- Regularly monitor and clear drainage systems and discharge blockage points.

GROUP HSSE PERFORMANCE

External HSSE Training		
Types of Training	**Total Training Hours**	**Total Number of Participants**
Environment	121	35
Health & Safety (Office-based)	709.5	162
Health & Safety (Site-based)	47	925
Security	1	16

HEALTH AND SAFETY STATISTICS (Coverage: All Contractors and Employees)									
Period	**Fatalities**	***LTIR**	****IFR**	**Severity Rate**	**Total Accumulated Manhours**	**Total Work Days Lost**	**No. of Occupational Disease**	******HSSE Compliance**	**Total No. of Workers On Site**
FY2022	0	0	0	0	1,051,119	0	0	0	4,260
FY2021	0	0	0	0	272,286	0	0	0	1,261
FY2020	0	0	0	0	314,498	0	0	0	363

*	*Lost Time Injury Rate (LTIR): The number of incidents that result in time away from work*
**	*Injury Frequency Rate (IFR): The number of injuries per 1,000,000 employee-hours worked*
***	*HSSE Compliance: Number of regulatory non-compliance or fine from the authorities*

	ENERGY CONSUMPTION	RECYCLED WASTE	RAW MATERIALS	
Period	**Electricity (kWh)**	**Metal (Tons)**	**Sand (Tons)**	**Aggregate (Tons)**
FY2022	701,634	161.66		
FY2021	293,494	3.15		
FY2020	1,899,304	1.25	2,2976	906

Energy data for FY2021 and 2020 does not include office usage.

Employees

Our employees are instrumental in our success in serving our customers, clients and the communities where we operate. Therefore, our labour management strategy involves applying the current best practices to attract, develop and retain the diverse talents that we need to realise our mutual growth.

Our Group's talent transformation programme is designed to attract and retain a pool of diverse early career and experienced talents in our organisation. Through this initiative, our people can acquire skills for their career development and personal growth. As our rebranding and talent transformation programme is completed, we will introduce more employee-centric programmes alongside our rebranding process.

LABOUR MANAGEMENT

Labour management is one of our priority sustainability matters. In FY2022, we created policies that protect the rights of our employees in accordance with the applicable national laws and regulations and international best practices and conventions. Our investments benefit not only our employees themselves but are extended to their families, as shown in the following:

- **Diversity & Inclusivity**
- **Working Hours**
- **Health & Safety**
- **Work–Life Balance**
- **Career Development**
- **Equal Opportunities**
- **Remuneration**
- **Human Rights**
- **International Best Practices**
- **Whistle-Blowing**

▲ *Our multicultural workforce*

Employees (cont'd)

Diversity, Equity and Inclusivity

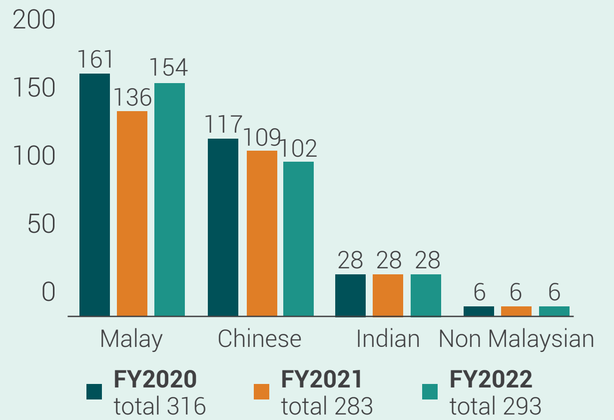
We are proud to foster a workplace where employees are valued and motivated to share the best versions of themselves and reach their full potential. As a microcosm of multicultural and multireligious Malaysia, our Group embraces and promotes diversity and inclusivity in our workforce. We view the wide range of perspectives offered by our diverse employees as a huge advantage in our solution-making process.

We treat our employees with equal opportunity; they are encouraged to contribute, regardless of their race, religion and gender. This policy is also enshrined in our equitable hiring, compensation, benefits and succession planning processes, where background is not a determining factor. Our Employee Handbook contains all the details about the equitable treatment of employees and their protection against sexual harassment through pre-established grievance procedures.

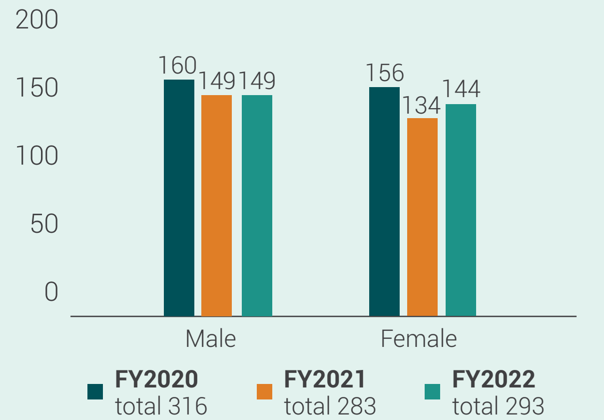
The gender representation of our Board is above the 30% female representation mandated by Practice Statement 5.9 of the Malaysian Code on Corporate Governance. Though there are fewer employees in FY2022 than in FY2021, there is an uptick in female representation at the Manager level, and there are still more females than males at the Executive level.

Our Workforce

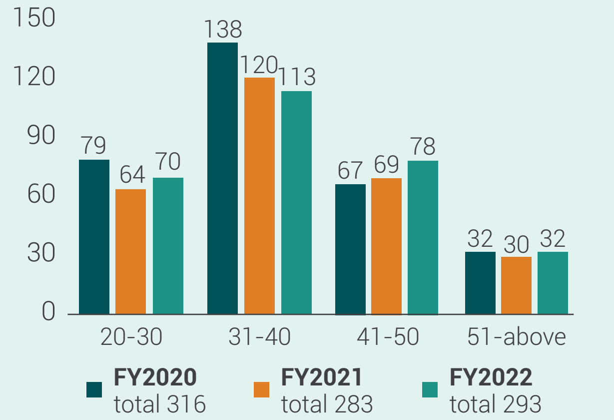
ETHNIC COMPOSITION



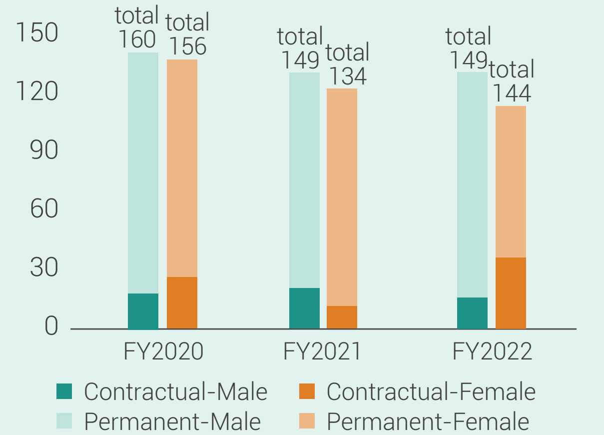
GENDER DISTRIBUTION



AGE CATEGORY FYE2022

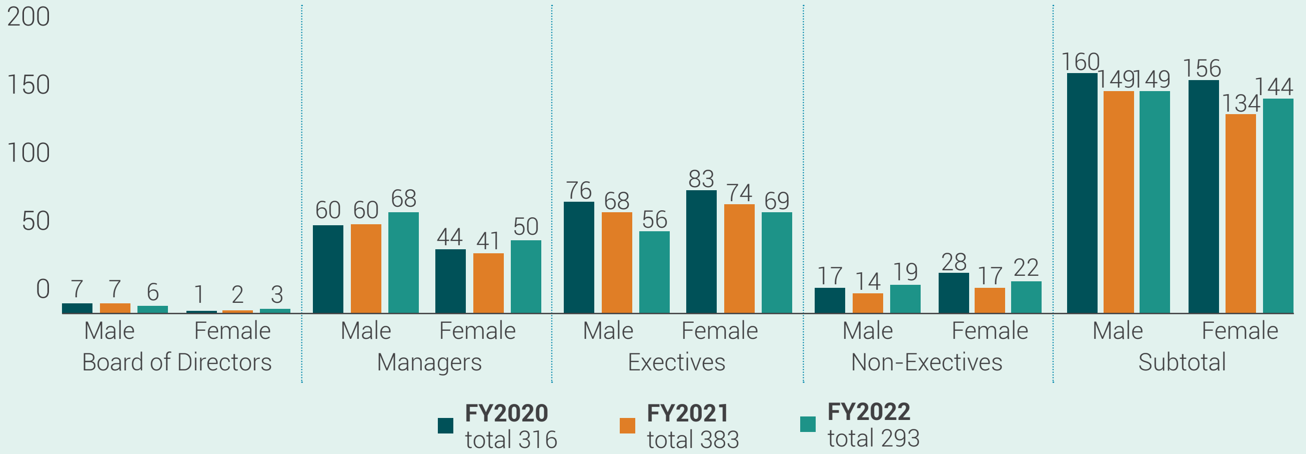


EMPLOYMENT TYPE

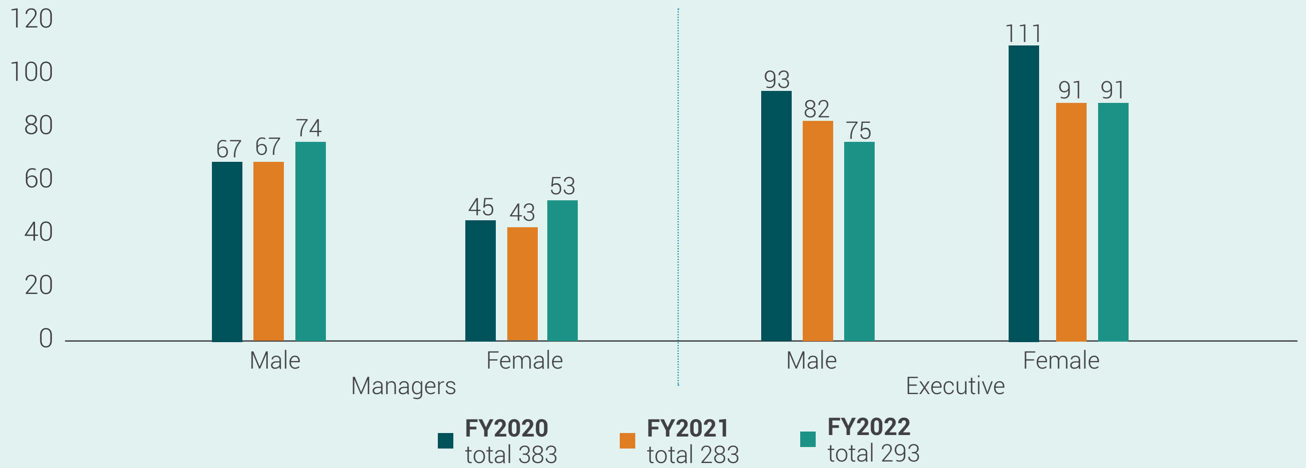


Employees (cont'd)

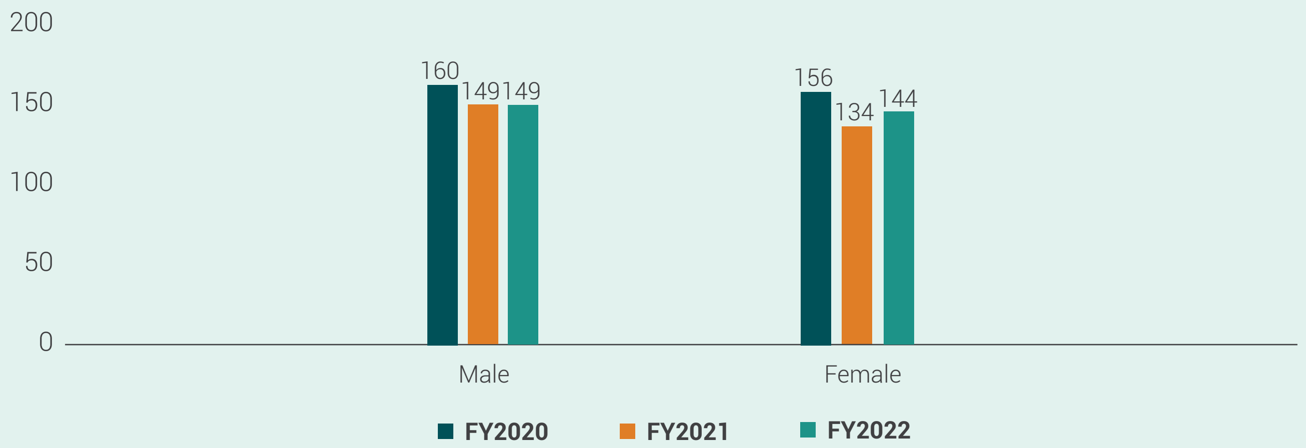
EMPLOYEE GENDER BREAKDOWN BY ROLE



MANAGEMENT FEMALE REPRESENTATION



EMPLOYEE RETENTION BY GENDER



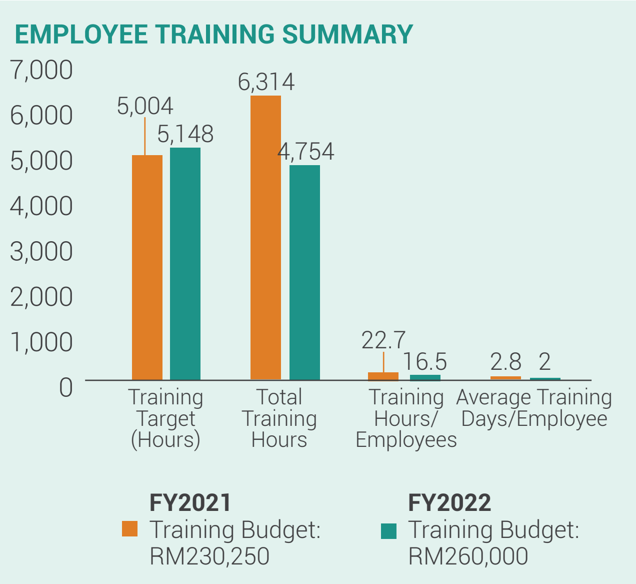
Employees (cont'd)

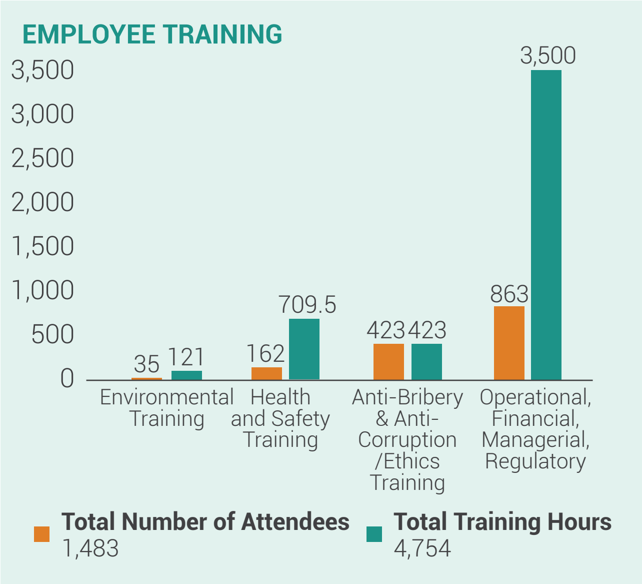
Equal Work and Opportunity

We embody equitable treatment of employees and implement the policy of equal work for equal pay. Promotions and all other work-related remuneration and benefits are based on merit and performance determined by fair performance reviews. We abide by applicable national laws and regulations regarding wages and benefits. Additionally, our benefits and remuneration are based on the market and industry standards in addition to the prescribed government standard.

Performance Management System ("PMS")

Our PMS embodies our vision, mission, strategic framework and core values. The objective of the PMS is to develop committed individuals by equipping them with the necessary competencies for reaching meaningful shared objectives. Our Management sets departmental Key Performance Indicators ("KPIs") and Key Result Areas ("KRAs") based on the PMS. These indicators were defined alongside corporate KPIs so that the employee's growth and development are aligned with our strategic objectives. Managers are trained to sharpen their evaluation skills, consistently measure performance and improve interactions. The table below enumerates the training sessions conducted during FY2022.





Work-Life Balance

Work-life balance refers to the quantity and quality of time spent between personal and professional activities in an individual's life. This state of equilibrium can vary from person to person depending on their marital status and the demands of their career and personal life. Conventional wisdom dictates that employers play a major role in nurturing the health of their employees. Not only is this their moral responsibility but data have demonstrated that stressed-out employees are less productive and more likely to make errors. For this reason, we have consistently carried out initiatives to improve the work-life balance of our employees.

Conducive Work Setting

The workplace is where employees spend the majority of their day. Therefore, its conduciveness is hugely important. Part of our transformation plan is to improve our employees' level of comfort at our physical work setting. We expect these changes to significantly contribute to the success of our transformation plan.

Employees (cont'd)

"The conducive work setting (Co-Working space) of our new office has improved my productivity with its natural lighting, ergonomic workstations, and calm ambiance."

Chan How Wan

Assistant Manager, Property Development

STAGGERED WORKING HOURS

8:00 am - 5:00 pm

9:00 am - 6:00 pm

10:00 am - 7:00 pm

Working Hours

We abide by the Malaysian Employment Act 1955, which states that "No employer shall require or permit an employee to work overtime exceeding the limit prescribed." We also follow the holiday entitlements prescribed by national laws and regulations.

We believe that an employee's personal life is just as important as their careers. Thus, we offer three different worktime brackets from which employees can choose depending on their lifestyle. This allows them to devote adequate time to leisure and recreation, and employees with children can better manage their role as a working parent.

Leave Benefits: Employees are entitled to government mandated paternity and maternity leave. They can also avail of the compassionate leave and marriage leave.

EMPLOYEE ENGAGEMENT

Sports and Gathering

Our sports-minded employees can engage in weekly badminton sessions where they can interact with other departments. We also organise periodic sports tournaments.

▲ *Left to right: Interdepartmental bowling tournament and weekly badminton sessions*

Employees (cont'd)

We respect the different major cultural and religious festivals observed by our diverse employees. We hold special gatherings during Chinese New Year for our Chinese employees, Ramadan for the Muslims, Deepavali for the Hindus, and Christmas for the Christians.

▲ *Left to right: Chinese New Year, Hari Raya, Deepavali and Christmas celebrations with our employees*

Sharing Platforms for Management & Employees

▲ *Left to right: Virtual townhall announcement and Brown Bag Sessions*

In FY2022, our Group held a Virtual Town Hall, during which the Key Management shared our achievements, project progress, targets for the upcoming year, and our plans and aspirations. A Brown Bag Session was also conducted where employees can voice their concerns individually or at a department level. These remote sessions are scheduled as monthly meetings with various departments. All issues and findings raised are reported to the Key Management Team. Our Human Resources Department also uses the platform to make quick interventions before issues escalate. We have found that we can produce a healthier work environment when there is open dialogue between the Management and the employees.

Coffee Chats with C-suites are direct communication tools with the Key Management. The Chats have substantially boosted employee morale, particularly during times of uncertainty when employees value clarity about our Group's plans. During these Chats, our CEO shares his insights, and employees are welcome to share their views on the current practices within our Group and their suggestions for improvement.

Customers

Our goal is to bolster inclusive growth by pushing forward home ownership, affordable housing and investments. Property ownership is one of the most significant purchases an individual can make, and when property ownership changes hands, a sustained economic and sentimental value is also passed along. Therefore, as a "Timeless Value Creator", we at MCT are committed to create and deliver value that stands the test of time.

Part of our transformation journey is pursuing excellence by seeking an in-depth understanding of our customers' needs. With this knowledge, we can improve our customer service processes and consequently create better communities together.

QUALITY

In property development, product quality must satisfy not only regulatory and statutory requirements but also the customers' expectations. Our key operational strategy is based on the internationally recognised Quality Management Systems ("QMS") ISO 9001:2015 Quality certification. With the QMS, we can implement standardised processes across projects from their inception to occupancy. It also ensures that every aspect of quality management adheres to statutory and regulatory requirements.

To further improve our projects, we now evaluate the workmanship quality of our building construction activities according to the Quality Assessment System in Construction ("QLASSIC") system. Assessments are conducted via first-time onsite inspections under the guiding principle of "Do Things Right the First Time and Every Time".

TARGET	PERFORMANCE FY2022
QLASSIC Score >75%	✓ Market Homes: 79% ✓ Park Place I: 76% ✓ Casa Bayu Apartment: 75%

INNOVATION AND AGILITY

Our core values embrace innovation and agility because we visualise our transformation as the use of innovation to adapt quickly to a new operating environment. In response to the national green agenda, market changes, and emerging opportunities, we have actively introduced green designs and concepts in both our upcoming and ongoing projects. Our design and planning teams are collaborating with experienced consultants who can help us push innovative designs in our affordable, mid-range and premium products.

CUSTOMER SATISFACTION

Aside from superior product quality, customer satisfaction is also heavily determined by exceptional service. Our specialist teams are trained to provide the best possible customer service experience at all times. For the first time, our Group involved the whole organisation in roleplay as the customers and conducted Pre-Delivery Inspections ("PDI") of the completed projects.

Customers (cont'd)

▲ *Left to right: PDI for Phase 2 of LakeFront Homes, satisfied owners at Phase 2 of LakeFront Homes and Park Place I handover events*

JOINT INSPECTION

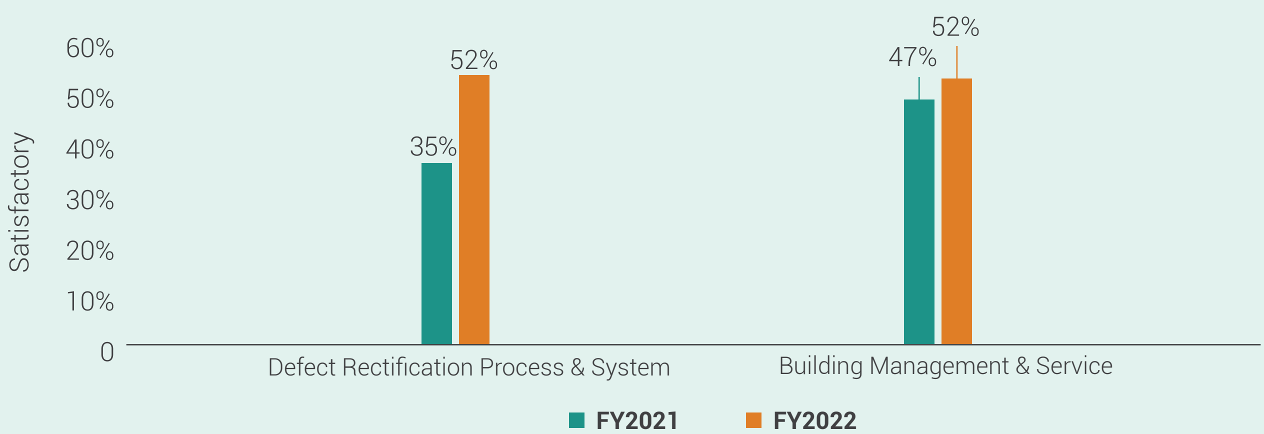
In our defect rectification process, our customers would typically inspect the completed works and indicate their level of satisfaction. If they are satisfied, their property defect report will be closed. Some customers prefer a joint inspection with one of our personnel for this procedure.

CUSTOMER SATISFACTION SURVEY

We use a customised survey to gauge how our customers perceive our products, services and aftersales support. In FY2022, we conducted a Customer Satisfaction Survey ("CSS") after the Handing Over of a Vacant Possession ("HOVP"). The survey included questions relating to their experience at the key collection office, their rating for the product or units, and whether they would be inclined to recommend our products to friends and/or family.

We were able to maintain high customer satisfaction levels because of our automated defect escalation system, My@Community. This system was meticulously designed for tracking organising, analysing and monitoring defects in our properties. Given My@Community's importance in facilitating the customers' submission of defect reports during the pandemic, we have also asked our customers to answer a poll about its user-friendliness.

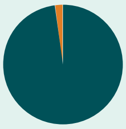
CUSTOMER SATISFACTORY FOR DEFECTS RECTIFICATION & BUILDING MANAGEMENT FY2021 VS FY2022



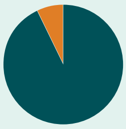
Customers (cont'd)

These pie charts show the results of the CSS after the HOVP. Between FY2021 and FY2022, the customer satisfaction for Building Management has remained largely the same, while the customer satisfaction for defects rectification has significantly increased from 35% to 47.25%.

PROJECT DELIVERY (HOVP) FY2022 CUSTOMER SATISFACTION SURVEYS ("CSS")
Park Place I at Cybersouth (53 units) – 98% responded

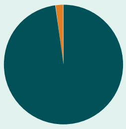


98% responded to the survey



93% rated excellent & good

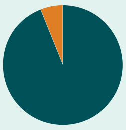
Product Satisfaction
93% overall satisfaction with the product
- Product Design
- Landscaping
- Cleanliness
- Common Facilities



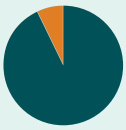
98% rated excellent & good

Services & Support
98% overall satisfaction with services & support
- Key Collection Offices
- Staff Interpersonal Skills

PROJECT DELIVERY (HOVP) FY2022 CUSTOMER SATISFACTION SURVEYS ("CSS")
Lakefront Homes (1,311 units) – 94% responded

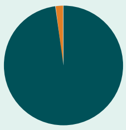


94% responded to the survey



93% rated excellent & good

Product Satisfaction
93% overall satisfaction with the product
- Product Design
- Landscaping
- Cleanliness
- Common Facilities
- Security



98% rated excellent & good

Services & Support
98% overall satisfaction with services & support
- Key Collection Offices
- Staff Interpersonal Skills

CUSTOMER PRIVACY AND COMPLIANCE

We value the confidentiality of our customers' information. In FY2022, we updated our existing security measures in accordance with the Personal Data Protection Act ("PDPA") to safeguard our customers' privacy. We also engaged a team of independent legal advisors to ensure that all our contractual documents complied with the regulations prescribed by the local council and the Ministry of Housing and Local Government. We are pleased to report that there was zero non-compliance as regards customer privacy in FY2022.

Supply Chain

Effective supply chain management entails creating, protecting and growing long-term ESG opportunities for all stakeholders involved in the supply chain. Implementing a more sustainable approach of supply chain management allows us to deliver positive and long-term value on a wider scale whilst contributing to sustainable development.

Environmental and Social Requirements

It is our policy to transact only with suppliers that also care for the environment and society. We also firmly believe that our workers deserve a workplace that protects their rights, such as occupational health and safety, fair wages and equality. We communicate with our suppliers through self-assessment questionnaires and audits.

In addition to cost and quality, we evaluate and select suppliers based on how well their offerings meet our environmental, health and safety as well as human rights requirements. We consider several factors in our assessments, such as statutory and regulatory requirements, energy efficiency, product durability and recyclability. During the supplier selection, all suppliers are briefed about our ESG requirements and assessed accordingly.

Our Group's policies, including the Code of Conduct, Anti-Bribery and Anti-Corruption, Sustainability, Environmental and Human Rights Policies, are disseminated to suppliers to ensure their awareness and adherence to our processes.

Tender Awards

We have established a strict tender awards process to maximise the created value for our customers. These policies and procedures minimise environmental and health risks, and they ensure that all procured goods and services are of the best possible quality. Supplier proposals are assessed by our Tender Awards Committee, who collectively awards tenders to the most deserving suppliers for transactions exceeding pre-defined limits. The Committee consists of our C-Suites and other relevant departmental representatives.

Monitoring

All onsite contractors and subcontractors are assessed through HSSE audits based on Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), DOSH and Department of Environment ("DOE") requirements. A supplier's compliance with our policies and procedures are strictly monitored and recorded, and non-complying suppliers are subjected to warnings or punitive actions, such as fines or blacklisting, depending on the severity of the offence. Further training is conducted in cases of minor violations, and manuals are updated to prevent a recurrence.

Supply Chain (cont'd)

▲ *Top to bottom: Our team's visits to Guocera's tile factory and Nippon Paint's expo*

Community

It is our belief that business growth is only meaningful and sustainable when our surrounding communities experience concomitant growth alongside us. As part of our journey towards delivering excellence in our product and service offerings, we have made significant investments into developing and maintaining strong relationships with our surrounding communities.

Smart Government Partnerships

Many of our past and ongoing development projects are located in Cyberjaya, Malaysia's premier technological hub. We are proud to be part of the transformation of this township into a Smart City. Over time, we have maintained a close relationship with the governing authorities, such as the Urban Planning Centre and the local council, thereby ensuring that our offerings, infrastructure and facilities meet the government's requirements for efficient traffic management and safe pedestrian movement. This is our way of addressing traffic and pedestrian mobility, which has become an increasingly significant material issue as our business ventures are typically concentrated in areas with greater traffic and denser populations.

To support the government's PR1MA initiative of providing affordable and high-quality homes for middle-income groups, we have built Lakefront Homes which has 1,932 units. The project was successfully completed, and all units were sold.

PR1MA CORPORATION MALAYSIA

Community Health, Safety and Environment

As a property developer, our project sites are hubs for various activities that may unintentionally produce environmental, safety and health hazards. Our goal is to mitigate such risks for the benefit not only of our workers but also the surrounding communities.

Before any ground-breaking activity is commenced, our HSSE teams critically assess all potential issues that may arise for the entirety of the project. These include emissions into the air and waterways, traffic congestion, soil movement and waste disposition. Using the collected data, they formulate a comprehensive mitigation plan that will address each matter in detail. During the construction phase, the HSSE personnel conduct regular checks and spot inspections of project sites to ensure their compliance with the prescribed health and safety procedures.

Local Hiring

▲ *Left to right: Sales team recruitment drive and career opportunities for locals*

Community (cont'd)

We have joined career and training fairs in the surrounding communities to boost local hiring. We also post vacancies on our website.

Regeneration and Urbanisation

Tin mining was the initial driver of economic development in Malaysia, accounting for a significant proportion of export earnings. By the end of the 19th century, Malaysia had become the largest tin producer worldwide. Unfortunately, tin mining has created a number of environmental problems, such as wastelands and mining pools.

Our Group is one of the companies that has successfully carried out the development of old mining wastelands and mining pools into housing projects. We have reclaimed and transformed these areas into a residential, retail and commercial neighbourhood that features a beautifully landscaped lake surrounded by recreational areas. We also rectified and refurbished public spaces by repairing bus stops, aiding in road maintenance, and actively undertaking the lake beautification and landscaping of the areas adjacent to our property portfolio.

Urban Farming

Community enhancement programmes, such as an urban garden, are being introduced at one of our developments. This will be an opportunity for the residents to share the work and harvest, and will raise their awareness about health, nature and civic-mindedness.

Pedestrian Accessibility and Mobility

▲ *Left to right: Tactile pavement and wheelchair ramp found at our developments*

Modern cities must now go beyond their expected functions of providing shelter, security, social interaction and a place for selling goods and services. Modern cities must accommodate the freedom of movement of the physically challenged. Buildings must be easily navigable, and they must offer modes of travel that cater to individuals with impaired vision or those who use assistive devices such as canes, wheelchairs, or strollers for small children.

Mobility and accessibility are vital considerations in all our projects. Consistent with the Persons with Disabilities Act 2008, we have taken appropriate measures to ensure that public facilities, amenities, services and buildings, and equipment can be easily accessed and used by persons with disabilities.

Our developments are accessible to public transportation, schools, hospitals, public roads and major highways. There are covered pathways that run from buildings to bus stops to further improve accessibility.

Community (cont'd)

▲ *E-scooters for the Cybersouth community*

Our Group, in partnership with Beam Scooters, deployed 20 mobility e-scooters at our Cybersouth township. This shared system can mitigate environmental and social issues by reducing air pollution, traffic and parking problems. These e-scooters can help address the inequality in transport access and improve mobility resilience. The e-scooters replace the reliance on private cars for short-distance trips and connectivity to buses and trains.

Selected units at Aetas Damansara are dedicated multigenerational homes designed with a mobility friendly finishing concept. These units are furnished with mobility friendly features, such as mini ramps at the entrance. All units are designed with raised floor tiles for no-drop balcony areas and extra wide doors, which provide ease of navigation for wheelchairs and baby strollers.

Township Management Team

We have established a Township Management Team that will engage with the community and the residents. To facilitate quick information exchange, the Team has created a WhatsApp chat group for dealing with parking issues, traffic, noise, waste and other issues relating to construction. Advisories, such as those for unavoidable night construction work or disruption of traffic, are disseminated via the chat group. Members of the chat group include community groups, residents and local government representatives. Some of the matters that had been resolved by the Team were the installation of solar lights at dark corners and common road access.

Upholding Human Rights

We uphold and protect the human rights of all individuals in the communities where we operate. We believe that human rights are basic rights that inherently belong to every person in a society founded on freedom, justice and peace. We treat all stakeholders with the dignity and respect that all individuals deserve, and we expect our stakeholders to do the same. Our Sustainability Policies are applied to all our community partners. We also uphold the child labour regulations as prescribed by the Children and Young Persons (Employment) Act 1966.

Contractors that employ migrant workers must comply with all relevant immigration laws and industry best practices. Contractors must clearly brief the foreign workers under their employment, prior to their hiring, on the basic terms of employment. Migrant workers must also be provided with suitable accommodations and basic amenities. Inspections of the migrants lodging houses and amenities are included in our health and safety inspections.

Community (cont'd)

Community Charity and Festive Events

▲ *Top to bottom: Karnival Bandar Raya Subang Jaya community activity, visit at Yi Xing Old Folks Home, Hari Raya Celebrations with the Cybersouth community*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of MCT Berhad ("MCT" or "Company") ("Board"), management, and employees are committed to conducting and upholding good corporate governance practices in the daily business operations of the Company and its' subsidiary companies ("Group").

We believe that sound corporate governance fosters the Group's long-term success by achieving the Group's mission and vision, safeguarding the interests of the shareholders and other stakeholders ("Parties"), and delivering sustainable values to the Parties.

This statement provides the Parties with an overview of how the Company has applied the three (3) key principles as set out in the latest Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia, which came into force on 28 April 2021 ("MCCG 2021"), during the financial year ended 31 December 2022 ("FY2022") ("Statement").

The Company has also disclosed its application of each practice set out in the MCCG 2021 during FY2022 in a prescribed format of the Corporate Governance Report ("CG Report"). The said CG Report is available on the Company's website at *www.mct.com.my*.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the Group's governance and overall strategic direction. It has established precise functions reserved for the Board and those delegated to management. Both parties have clearly described and understood these functions to ensure accountability.

1.1 Clear Functions Reserved for Board and Delegation to Management

The roles of the chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO") are separated from each other with a clear scope of duties and responsibilities.

The Chairman is responsible for instilling good corporate governance practices, providing leadership for the Board in its collective oversight of management, and ensuring the conduct and effectiveness of the Board.

The day-to-day management of the Group and implementation of the Board's policies, strategies, and decisions are delegated to the CEO within the prescribed limits of authority as approved by the Board.

The CEO further cascades the formal structure of delegation to the management, who is responsible and accountable for the day-to-day management of financial and operational matters of the Group following the strategic and direction approved by the Board.

The Chairman should not be a member of any board committees of the Company.

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

I. Board Responsibilities (cont'd)

1.2 Clear Roles and Responsibilities

The roles and responsibilities of the Board are clearly described in the board charter of the Company ("Board Charter").

As the Board is entrusted with safeguarding the interests of shareholders and other stakeholders and ensuring sustainability in the Group's business, every director has a legal duty to act in the best interest of the Company. Thus, the Board assumes, amongst others, the following significant responsibilities:

- reviewing and adopting business plans, policies, and overall strategic direction for the Group;
- promoting good corporate governance culture together with senior management within the Company, which reinforces ethical, prudent, and professional behaviour;
- reviewing, challenging, and deciding on the management's proposals and monitoring the implementation by management;
- ensuring that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability;
- reviewing the adequacy and integrity of the internal control systems and risk management framework and policy;
- ensuring the integrity of the financial and non-financial reporting of the Company;
- supervising and accessing management's performance to determine whether the business is being properly managed;
- adopting succession planning policies;
- adopting an investors relations programme; and
- reviewing financial performance and annual budget.

1.3 Separation of the Position of the Chairman and CEO

Separate persons undertake the roles of the Chairman and CEO. The Chairman is an independent non-executive director.

1.4 Company Secretaries

The directors have full and unrestricted access to the advice and dedicated support services of the company secretaries as and when the need arises to discharge their duties effectively.

The suitably qualified and competent secretaries support the Board in its leadership role, discharge of fiduciary duties, and stewards of governance.

The company secretaries are responsible for advising and updating the Board on corporate governance matters required for its satisfactory operation and supporting the Board by ensuring adherence to the Board's policies and procedures and regulatory requirements.

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

I. Board Responsibilities (cont'd)

1.5 Supply of Information (cont'd)

The agenda and board papers are circulated to all directors within a reasonable period before the meeting to ensure that the directors are given sufficient time to request additional information or seek clarification, where necessary. For matters that require the Board's approval, appropriate and detailed information will be given to the directors on a timely basis to discharge their duties.

The directors have direct access to the management to seek further information, explanations, and updates on any aspect of the Group's operations and businesses and the advice and services of the company secretaries. In addition, the directors may also seek independent professional advice, at the Company's expense, if required.

1.6 Time Commitment

The Board meets at least four (4) times a year, with additional meetings convened when necessary.

A total of five (5) meetings were held during FY2022. The directors' attendance was as follows:

Name of Director	Designation	No. of Meetings Attended/ No. of Meetings Held
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	Chairman, Independent Non-Executive Director	5/5
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar(1)	Independent Non-Executive Director	3/3
Datin Chong Lee Hui(2)	Independent Non-Executive Director	2/2
Lao Chok Keang	Independent Non-Executive Director	5/5
Bernard Vincent Olmedo Dy	Non-Independent Non-Executive Director	4/5
Anna Maria Margarita Bautista Dy ("Ms. Dy")(3)	Non-Independent Non-Executive Director	5/5
Jaime Alfonso Antonio Eder Zobel de Ayala(3)	Non-Independent Non-Executive Director	5/5
Ma. Divina Yee Lopez ("Ms. Lopez")	Non-Independent Non-Executive Director	5/5
Teh Heng Chong	Executive Director and Chief Executive Officer	5/5
Apollo Bello Tanco(4)	Non-Independent Non-Executive Director	5/5

Notes:

(1) *Retired on 24 June 2022.*

(2) *Appointed as an Independent Non-Executive Director on 1 July 2022.*

(3) *Resigned on 22 February 2023.*

(4) *Redesignated to Non-Independent Non-Executive Director on 31 December 2022.*

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

I. Board Responsibilities (cont'd)

1.7 Directors' Continuous Training and Induction Programme

The directors of the Company undergo continuous training as an ongoing process to effectively discharge their duties as directors. They ensure that they attend such training programmes to develop and update themselves from time to time continually. The Company also provides an induction programme for new Board members to ensure that they have a comprehensive understanding of the operations of the Group and the Company.

The directors are also encouraged to attend courses and seminars relevant to the Group's operations and businesses conducted by professionals.

All directors have training sessions on various topics relevant to keeping abreast with the general economic, industry, and technical development.

In addition, the external auditors and company secretaries have briefed the Board on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings.

1.8 Board Charter

The Company has adopted a revised Board Charter to provide guidance and clarity on the Board's roles and responsibilities and the relationship between the Board and the shareholders. The Board will review the Board Charter, where necessary, to ensure it remains consistent and relevant with the Board's objectives and practice.

A copy of the revised Board Charter is available on the Company's website at *www.mct.com.my*.

1.9 Code of Ethics & Whistleblowing Policy

The Group is committed to upholding good corporate governance practices; thus, every director is required to observe the Code of Ethics ("Code") set out by the Companies Commission of Malaysia as a guideline. The Code is formulated to enhance the standard of corporate governance and ethical behaviour to achieve the following aims:

- To establish a standard of ethical behaviour for directors, including executive and non-executive directors, based on trustworthiness and values that can be accepted, are held, or upheld by any one (1) person; and
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations, and guidelines for administrating a company.

All directors should observe high ethical business standards in discharging their duties and responsibilities and acting in good faith and in the best interests of the Company and its shareholders.

The Company issued a separate business code of ethics that applies to all employees of the Group and ensures all employees perform and exercise their roles and responsibilities to sustain the confidence and trust of its customers and suppliers.

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

I. Board Responsibilities (cont'd)

1.9 Code of Ethics & Whistleblowing Policy (cont'd)

The business code of ethics sets out the standards of business conduct and ethical behaviour, including integrity, dealing with conflict of interest, proper use of Group's assets, compliance with all applicable laws, rules and regulations of the relevant regulators or governmental authorities, confidentiality and fairness.

The Board has implemented a set of whistleblowing policies and procedures ("Whistleblowing Policy") to provide an avenue for all employees to raise genuine concerns related to possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity and in an appropriate way. The management had engaged a third-party service provider to administer its whistleblowing programme with a dedicated hotline and procedures to allow review and investigation of incidents reported to be carried out with the approval from the Board. The Whistleblowing Policy is available for reference on the Company's website at *www.mct.com.my*.

1.10 Integrity and Governance Committee

Following the requirements under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has implemented a set of Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") as the Group observes and upholds zero tolerance on bribery and corruption and is committed to ensure that all business conducted by the Group is done in an honest and ethical manner. The ABAC policy was further extended to third parties to ensure that the Group is undertaking business with third parties that share the same standard of integrity and ethical business practice as the Group.

The Group also implemented the sponsorship and donation policy to guide the Group and its employees in making decisions pertaining to sponsorship and donation from the Group to an external party.

The Board has also established the Integrity and Governance Committee, which is led by key management with the objective to strengthen the Group's goal of keeping it free of corruption and unhealthy practices and to synchronise various committees within the organisation to further strengthen the corporate framework geared towards a corruption-free working environment.

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

II. Board Composition

2.1 Board Composition

Following the retirement of Tan Sri Dato' Haji Karim on 24 June 2022, Datin Chong has been appointed as an Independent Non-Executive Director on 1 July 2022.

The Board now comprises nine (9) directors, where 1/3 of the Board are independent directors and 30% of the Board are women directors.

The board composition fulfils the requirements as stipulated in Paragraph 15.02(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

If any vacancy in the Board results in non-compliance with Paragraph 15.02(1) of the MMLR, the Company must fill the vacancy within three (3) months from the position becoming vacant.

The Board also takes cognisance that the current board composition is not aligned with the best practices of MCCG 2021, which stipulates that at least half of the Board comprises independent directors. The Board endeavours to seek suitable and calibre candidates as additional independent directors of the Company to apply the best practices of the MCCG 2021.

The Board comprises a mixture of directors from diverse professional backgrounds, skills, and experiences in business, marketing, commercial management, economics, construction, management, and finance, required for effective and independent decision-making at the Board level. The Board considers its current size adequate given the present scope and nature of the Group's business operations. The directors of the Company have exercised independent and objective judgement, discharged their duties with reasonable care, skill and diligence, and have the integrity and ethics that are essential indicators of independence.

2.2 Tenure of Independent Directors

The purpose of appointing independent directors is to ensure that the Board includes directors who can effectively exercise their independence and objective judgement during the Board's deliberations, particularly during decision-making by the Board and its board committees ("Board Committees").

As of the date of this Statement, none of the independent directors was serving the Board beyond nine (9) years.

However, the Board acknowledges that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completing the nine (9) years, the independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process as prescribed under Practice 5.3 of the MCCG 2021.

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

II. Board Composition (cont'd)

2.2 Tenure of Independent Directors (cont'd)

As for the retention of an independent director above twelve (12) years:

- such an independent director must have served a cooling-off period of at least three (3) years;
- the Company must justify the appointment of such person as an independent director and explain why there is no other eligible candidate in the statement accompanying the notice of general meeting; and
- to make an immediate announcement on such an appointment in accordance with the MMLR.

2.3 Annual Assessment of Independence

The Board has set out policies and procedures to ensure the effectiveness of the independent non-executive director ("INED"). Assessment of the independence of the INED is carried out annually.

The Board and the Nomination and Remuneration Committee ("NRC") have, upon their annual assessment, concluded that each INED fulfils the criteria of independence as prescribed under the MMLR. They have exercised independent and objective judgement, discharged their duties with reasonable care, skill and diligence and have the integrity and ethics essential indicators of independence.

2.4 Board Committees

The Board has established and assigned specific responsibilities to two (2) board committees, namely the Audit and Risk Management Committee ("ARMC") and the NRC, which the Board entrusts with specific responsibilities to oversee the Group's affairs, in accordance with their respective clearly defined written terms of reference ("TOR").

The Board Committees are responsible for examining particular issues within clearly defined TOR and reporting to the Board with their recommendations. The Board reviews the Board Committees' authority and TOR from time to time for ensuring relevance. The activities of each Board Committee are further explained in this Statement.

The minutes of Board Committees' meetings and circular resolutions passed are presented to the Board for notation. The chairman of the relevant Board Committees also reports to the Board on the key issues deliberated by the Board Committees at their respective meetings.

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

II. Board Composition (cont'd)

2.4 Board Committees (cont'd)

2.4.1 Nomination and Remuneration Committee

The NRC comprises three (3) members, all of whom are non-executive directors ("NED"), with a majority being independent directors during FY2022. Their meeting attendances are set out below

Name	Designation	No. of Meetings Attended/ No. of Meetings Held
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar[(1)]	Chairman, Independent Non-Executive Director	1/1
Datin Chong Lee Hui[(2)]	Chairman, Independent Non-Executive Director	-
Lao Chok Keang	Member, Independent Non-Executive Director	1/1
Bernard Vincent Olmedo Dy	Member, Non-Independent Non-Executive Director	1/1

Notes:
(1) *Retired on 24 June 2022.*
(2) *Appointed as an Independent Non-Executive Director on 1 July 2022.*

During FY2022, the NRC met once (1) and carried out the following activities.

(a) Board Effectiveness Assessment

The NRC had conducted the following annual assessments, and the results were reported to the Board:

- the effectiveness of the Board, Board Committees, and contribution of each director;
- the ARMC's and its members' term of office and performance; and
- the independence of each independent director in carrying out their respective functions.

(b) Appointment to the Board

The NRC had assessed and recommended the appointment of Datin Chong Lee Hui as a INED of the Company vide passing a written resolution on 1 July 2022.

The criteria used in the performance assessment of the Board, Board Committees, and directors include:

- appropriate size, composition, degree of independence, the right mix of expertise, experience, and skills within the Board and the Board Committees;
- open communication of information and active participation within the Board and Board Committees;
- a clear understanding of the Board and Board Committees' roles and responsibilities and the Group's direction and strategy; and
- the characteristic, integrity, competency, and time commitment of the members of the Board and Board Committees in discharging their duties.

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

II. Board Composition (cont'd)

2.4 Board Committees (cont'd)

2.4.1 Nomination and Remuneration Committee (cont'd)

(c) Board Diversity

The Board diversity of the Company is as follows:

- Gender Diversity

  The current gender diversity of the Board is that there must be a woman director on Board. Currently, there are three (3) female directors on the Board, namely Datin Chong, Ms. Meaan Dy and Ms. Lopez.

  For adherence to at least 30% of women directors on the Board under Practice 5.9 of the MCCG 2021, the Board acknowledges the importance of women representation and advocates gender diversity aspired to have a higher female representation on the Board.

- Ethnicity Diversity

  At present, the Board comprises one (1) Malay director, three (3) Chinese directors, and five (5) Filipino directors.

- Age Diversity

  The general age profile of the directors is between thirty to seventy five years of age.

So far as board diversity is concerned, the Board does not discriminate based on gender, ethnicity, age, or religion. The evaluation of the suitability of the candidate for filing of casual vacancy, re-election or re-appointment is solely based on the competency, character, time commitment, integrity, and experience of the candidate in meeting the Company's needs, including, where appropriate, the ability of the candidate to act as an independent director, as the case may be. The NRC has also considered this when assessing the directors' performance.

(d) Re-election of Directors

Based on the chronology of directors' appointment to the Board, the NRC had conducted an assessment of the below-named retiring directors who were seeking re-election at the Thirteenth Annual General Meeting ("AGM") held on 24 June 2022 ("13th AGM"):

- Mr. Teh Heng Chong; and
- Mr. Apollo Bello Tanco.

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

II. Board Composition (cont'd)

2.4 Board Committees (cont'd)

2.4.1 Nomination and Remuneration Committee (cont'd)

(d) Re-election of Directors (cont'd)

The NRC is satisfied with the performance and contribution of retiring directors and recommended their re-election according to Clauses 97.1 and 104 of the Company's constitution for the shareholders' approval at the 13th AGM.

2.4.3 Audit and Risk Management Committee

The ARMC is responsible for assisting the Board in discharging its duties and responsibilities relating to the accounting and reporting practices of the Group. The ARMC reviews the Group's accounting and risk management processes, internal controls, and the independence of the Group's internal and external auditors. The activities during FY2022 have been laid out in the ARMC Report in this Annual Report.

The TOR of the ARMC is available on the Company's website at *www.mct.com.my.*

The ARMC should possess a wide range of necessary skills to discharge its duties. All ARMC members shall be financially literate, competent, and can understand matters under the purview of the ARMC, including the financial reporting process.

During FY2022, the ARMC comprises three (3) members, all of whom are NED, with a majority being independent directors. Their meeting attendances are set out below:

Name of Audit and Risk Management Committee Member	Designation	No. of Meetings Attended/ No. of Meetings Held
Lao Chok Keang	Chairman, Independent Non-Executive Director	5/5
Anna Maria Margarita Bautista Dy[1]	Member, Non-Independent Non-Executive Director	5/5
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar[2]	Member, Independent Non-Executive Director	3/3
Datin Chong Lee Hui[3]	Member, Independent Non-Executive Director	2/2

Notes:
(1) *Resigned on 22 February 2023.*
(2) *Retired on 24 June 2022.*
(3) *Appointed as an Independent Non-Executive Director on 1 July 2022.*

REMUNERATION

1.1 Directors' Remuneration

The details of the directors' remuneration for FY2022 are as follows:

	Directors' Fees (RM)	Allowances (RM)	Salaries/ Bonuses (RM)	Benefits-in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	103,693.15	40,000.00	-	-	-	143,693.15
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar[(1)]	45,225.21	6,000.00	-	-	-	51,225.21
Datin Chong Lee Hui[(2)]	41,135.34	6,000.00	-	-	-	47,135.34
Lao Chok Keang	84,026.30	12,000.00	-	-	-	96,026.30
Bernard Vincent Olmedo Dy	74,360.55	8,000.00	-	-	-	82,360.55
Anna Maria Margarita Bautista Dy[(3)]	69,600.00	8,000.00	-	-	-	77,600.00
Jaime Alfonso Antonio Eder Zobel de Ayala[(3)]	60,000.00	8,000.00	-	-	-	68,000.00
Ma. Divina Yee Lopez	60,000.00	10,000.00	-	-	-	70,000.00
Teh Heng Chong	-	-	1,033,780.00	6,600.00	135,394.60	1,175,774.60
Apollo Bello Tanco[(4)]	-	-	491,598.86	6,600.00	642.80	498,841.66

Notes:

[(1)] *Retired on 24 June 2022.*

[(2)] *Appointed as an Independent Non-Executive Director on 1 July 2022.*

[(3)] *Resigned on 22 February 2023.*

[(4)] *Redesignated to Non-Independent Non-Executive Director on 31 December 2022.*

The Board is of the opinion that the disclosure of the key senior management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competitiveness of the Company in engaging its employees.

The Board will ensure that the remuneration of the key senior management commensurates with their duties and responsibilities, the performance of the Company, and without excessive remuneration payouts. The aggregate remuneration paid to the key senior management was RM2,561,043.15, which comprises their annual salary, allowances, bonus, and benefits-in-kind.

In addition, the Company also provides Directors' and Officers' Liability Insurance Policy for directors and officers of the Group. However, the said insurance policy will not indemnify the directors or officers against any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty, or breach of trust.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The composition and details of activities carried out by the ARMC during FY2022 are set out in the ARMC Report of this Annual Report.

1.1 Compliance with Applicable Financial Reporting Standards

The Board, assisted by the ARMC, aims to present a balanced and understandable assessment of the Group's position and prospects through the annual financial statements and quarterly announcements of results to Bursa Malaysia.

The directors are responsible for ensuring that the annual financial statements are prepared following the Companies Act 2016 and applicable approved accounting standards in Malaysia, which gives a true and fair view of the Group and the Company's state of affairs, results and cash flows.

A statement by the directors of their responsibilities in preparing the financial statements is set out in this Annual Report.

1.2 Assessment of Suitability and Independence of External Auditors

The ARMC had reviewed the suitability and independence of the external auditors on an annual basis. The ARMC was satisfied with their performance, competency, and independence and recommended their re-appointment for FY2022 for the Board's approval.

1.3 Related Party Transactions

The Board approved the revised policies and procedures on Related Party Transactions ("RPT") of the Group and, through its ARMC, to review all RPT and conflicts of interest situations quarterly.

A director, who has an interest in such transaction, must abstain from deliberating and voting on the relevant resolution at the Board meeting and at any AGM or extraordinary general meeting convened to consider the said matter.

II. Risk Management and Internal Control Framework

2.1 Sound risk management framework

In recognising the importance of risk management and internal controls, the Board had engaged an independent consulting firm, KPMG Management & Risk Consulting Sdn. Bhd. to carry out its risk management function.

The role of the external risk management consultant is to enhance the Enterprise Risk Management ("ERM") Framework of the Group to facilitate the systematic application of risk management practices and reporting on risk management results effectively. The Board noted the update on the ERM Framework, which was assessed, reviewed, and recommended by the ARMC.

Full details of the risk management framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

II. Risk Management and Internal Control Framework (cont'd)

2.2 Internal Audit Function

The Group's Internal Audit Department continues to undertake regular and systematic reviews of the Group's internal controls to provide reasonable assurance to the ARMC, the Board, and the management that the system of internal controls effectively addresses the risks identified and improves the Group's operational efficiency. The internal audit function is independent of the management and has full access to all of the Group's entities, records, and personnel. The scope and activities of the Company's internal audit function and the cost incurred in maintaining it are reported in the ARMC Report and the Statement on Risk Management and Internal Control in this Annual Report.

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

1.1 Corporate Disclosure Policy and Procedure

The Company values the importance of disseminating relevant and material information on the development of the Group to its shareholders and stakeholders in a timely and equitable manner. The Company's corporate website at www.mct.com.my serves as one (1) of the most convenient ways for the shareholders and members of the public to gain access to corporate information, announcements, quarterly results, annual reports, media releases, etc. A section also focuses on corporate governance comprising the Company's Board Charter, the Code, Whistleblowing Policy, ARMC TOR, NRC TOR, Sponsorship & Donation Policy and ABAC Policy for third parties.

1.2 Encourage Shareholders Participation at General Meetings

The AGM is the main forum and essential platform for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Company.

General meetings of the Company serve as a mode of shareholder communication and provide meaningful engagement between the Board, senior management and the shareholders. The Board ensures that the Company's general meetings, are effective and efficient by supplying comprehensive and timely information to shareholders and encouraging active participation at general meetings.

1.3 Poll voting

In line with Paragraph 8.29 of the MMLR, the Company had implemented poll voting for all the resolutions set out in the Notice of 13th AGM. An independent scrutineer was appointed to validate the votes cast at the 13th AGM.

This Statement is made in accordance with the resolution of the Board dated 12 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. Audit and Non-Audit Fees

The details of the fees paid or payable for audit and non-audit services rendered to the Company and the Group by the External Auditors during FY2022 are as follows:

Fees paid/payable	Group (RM)	Company (RM)
Audit	647,000	132,000
Non-Audit	10,000	10,000

2. Material contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or the Group, which involve the interest of directors and major shareholders of the Company during FY2022.

3. Recurrent Related Party Transactions ("RRPT") of revenue or Trading nature:

The Company did not enter into any RRPT which requires the shareholders' mandate during FY2022.

4. Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during FY2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS

The directors have the responsibility to prepare financial statements for the financial year which have been made out in accordance with applicable approved accounting standards and the requirements of the Companies Act 2016 ("CA 2016") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which provide a true and fair view of the state of affairs of the Group and the Company as at the end of 31 December 2022, and of the financial results and cash flows of the Group and the Company for the year then ended.

In preparing the statutory financial statements for the financial year ended 31 December 2022 ("FY2022"), the directors have:

a) adopted appropriate accounting policies and applied them consistently;

b) made judgements and estimates that are reasonable and prudent; and

c) prepared the financial statements on a going concern basis.

The directors are responsible for ensuring that the Group and the Company maintain accounting records with reasonable accuracy. These financial records are used to ensure that the financial statements comply with the provision of the CA 2016 and the applicable approved accounting standards in Malaysia.

The directors are responsible for taking such steps as are reasonably open to them to preserve the interests of stakeholders and to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

The statutory financial statements of the Company and the Group for FY2022 are set out in this annual report.

This statement is made in accordance with a resolution passed on 12 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of MCT Berhad ("MCT or Company") is committed to nurture and maintain sound risk management processes and systems of internal control throughout its group of companies ("Group"). The Board's Statement on Risk Management and Internal Control ("Statement") featuring the Group's risk management process and its state of internal control systems is outlined below.

The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers pursuant to Practice Note 9 of Main LR and Principle B (II) of the Malaysian Code on Corporate Governance 2021.

THE BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal control and risk management process in order to safeguard shareholders' investment and the Group's assets. The Board is responsible to determine the Group's level of risk tolerance as well as articulating, implementing and reviewing the Group's risk management and internal control framework.

Board Committees have been established to carry out duties and responsibilities delegated by the Board, governed by the respective written Terms of Reference. The Meetings of the Board and Board Committees are carried out to review the performance of the Group, from financial to operational perspectives. The Board's role is to discuss the business plans and strategies after taking into consideration the risk factors.

The Board must ensure the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management processes.

It should be noted that such systems are designed to manage rather than eliminate the risk of failure so as to achieve business objectives and therefore, can provide only reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Company has outsourced its risk management activities to a third-party consulting firm, namely KPMG Management & Risk Consulting Sdn. Bhd ("KPMG"). Key features of the activities undertaken for the financial year ended 31 December 2022 are as follows:

(a) Facilitating quarterly update reviews. The main activities under this phase of work include:
- review the adequacy and relevancy of the risk profile and registers, where appropriate, on the risk description, causes of risk, controls and risk rating of consequence/impact and likelihood of occurrence;
- review the risk indicators provided by the risk owners and update the risk registers once the Management has agreed to the risk indicators;
- review implementation status of action plans committed by risk owners;
- identify action plans for top 30 principal business risks, which include persons in charge and timelines; and
- conduct interview sessions with owners of the top 30 principal business risks to moderate risk ratings before the finalisation of the Company's risk profile.

RISK MANAGEMENT (cont'd)

(b) Review and ensure that the Company's risk management policies and procedures meet ISO 31000:2018 Risk Management Standard.

KPMG is responsible for carrying out the above-mentioned activities.

INTERNAL CONTROL

The key processes that the Group has established in reviewing the adequacy and integrity of the Group's systems of internal control include the following:

(a) Internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group are maintained and subject to review as considered necessary.

(b) Clearly defined and documented responsibility and accountability have been established through the relevant terms of reference and organisational structures, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group. Lines and limits of authority are put in place to monitor and control the Group's business activities.

(c) Appropriate business plans are established where the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis.

(d) The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address areas of concern.

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

(f) The Group takes continuous efforts in maintaining the quality of its products and services. Accordingly, the Group has a process to enable timely adherence to safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations.

(g) Sufficient insurance coverage and physical safeguards over major assets of the Group are in place to enable assets to be adequately covered against calamities and/or theft that may result in material losses to the Group.

(h) Regular internal audit visits to assess and provide independent reports and assurance on the state of internal control systems of the Group's various operations.

(i) A whistleblowing process has been established to provide an avenue for employees to communicate their concerns on matters of integrity in a confidential manner. The Whistleblowing Policy has been reviewed and updated, where the protection afforded to whistleblowers has been further enhanced.

INTERNAL CONTROL (cont'd)

(j) Continuous training and development programmes covering all levels of the Group's employees have been designed to ensure and maintain the competency and efficiency of the employees.

(k) Undertakes the compliance review functions to ensure adherence to rules and regulations laid down by the various regulators and authorities.

During the period under review, the internal auditors highlighted some areas for improvement in the internal control systems, and the Management has taken appropriate measures to address them accordingly. The internal control enhancements highlighted were mainly operational in nature and has an impact on the operational results of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed the Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Company for the financial year ended 31 December 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the annual report of the Company, in all material respects has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers or is factually inaccurate. The external auditors' report was made solely for, and directed solely to the Board in connection with their compliance with the Main LR of Bursa Malaysia and for no other purpose or parties. As stated in their report, the external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon.

THE BOARD'S CONCLUSION AND ASSURANCE PROVIDED BY THE MANAGEMENT

The Board has reviewed the risk management process and internal control systems and believes that the risk management process and internal control systems of the Group are in place for the period under review. The Board also believes that up to the date of issuance of the financial statements, they are effective and adequate to safeguard the shareholders' investment as well as the interests of regulators and employees.

The Board has also received reasonable assurance from Teh Heng Chong, the Chief Executive Officer, Aw Sei Cheh, the Chief Operating Officer, and Susan Jacob Secreto, the Chief Financial Officer, that the Group's risk management process and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management process and internal control systems of the Group.

Moving forward, the Group will continue to improve and enhance the existing risk management process and internal control systems, taking into consideration the changing business environment.

The Statement was approved by the Board on 12 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of MCT Berhad ("Company") is pleased to present the report of the Audit and Risk Management Committee ("ARMC") and its activities for the financial year ended 31 December 2022 ("FY2022").

COMPOSITION

The ARMC currently comprises three (3) members and all of whom are non-executive directors with majority being independent directors. All the members of the ARMC are financially literate and able to analyse and interpret financial statements in order to effectively carry out their duties and responsibilities as members of the ARMC.

Mr. Lao Chok Keang, Chairman of the ARMC, is a member of the Malaysian Institute of Accountants. As such, the composition of the ARMC is in compliance with Paragraph 15.09(1) of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Details of the ARMC members are set out in the Directors' Profile in this Annual Report.

The ARMC members who served during the FY2022 and their attendance are set out below:

Name of Audit and Risk Management Committee Member	Designation	No. of Meetings Attended/ No. of Meetings Held
Lao Chok Keang	Chairman, Independent Non-Executive Director	5/5
Anna Maria Margarita Bautista Dy[1]	Member, Non-Independent Non-Executive Director	5/5
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar[2]	Member, Independent Non-Executive Director	3/3
Datin Chong Lee Hui[3]	Member, Independent Non-Executive Director	2/2

Notes:
(1) *Resigned on 22 February 2023.*
(2) *Retired on 24 June 2022.*
(3) *Appointed as an Independent Non-Executive Director on 1 July 2022.*

MEETINGS

The ARMC convened a total of five (5) meetings during FY2022. The meetings were held on 23 February 2022, 13 April 2022, 25 May 2022, 24 August 2022 and 23 November 2022.

The Chief Financial Officer and Head of Internal Audit were invited to attend all the ARMC meetings. Other persons were invited to attend the ARMC meeting, upon invitation, as and when necessary.

The ARMC met with the External Auditors three (3) times during FY2022 to discuss their audit plan, professional service planning memorandum, audit findings and the Company's financial statements. In addition to that, the External Auditors had two (2) private sessions with the ARMC without the presence of the executive directors or senior management. The Chairman of the ARMC engaged directly with the Head of Internal Audit and External Auditors, and vice versa, including senior management, for discussion on issues of concern during the FY2022.

TERMS OF REFERENCE

The terms of reference ("TOR") of the ARMC which was reviewed, revised and adopted on 23 February 2022 in accordance with the amendments to the main LR of Bursa Malaysia is available on the Company's website at *www.mct.com.my.*

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the FY2022, the ARMC carried out the following activities:

(a) Reviewed the unaudited quarterly financial reports before they were presented to the Board for approval;

(b) Reviewed the annual audited financial statements of the Company and its group of subsidiaries ("Group") and obtained assurance that the financial reporting and disclosure requirements of the relevant authorities had been duly complied with;

(c) Reviewed with the External Auditors, focusing on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, unusual events, the going concern assumption, compliance with accounting standards, compliance with the Main LR and other legal requirements;

(d) Reviewed with the External Auditors, their audit planning memorandum covering the audit objectives and approach, key audit areas and the relevant accounting standards issued by the Malaysian Accounting Standard Board and other relevant technical pronouncements that are relevant to the Group, as well as, the impact of any changes to the accounting policies;

(e) Reviewed with the External Auditors, their audit report and findings on financial reporting matters, and reported such matters to the Board;

(f) Met with the External Auditors without the presence of the executive directors and senior management;

(g) Reviewed, assessed and monitored the performance, suitability and independence of the external auditors and made recommendations to the Board on their re-appointment and audit fee. The external auditors had provided an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements;

(h) Reviewed the Company's Internal Audit Function;

(i) Reviewed and approved the Internal Audit Planning Memorandum for the Group for FY2022 and coverage of the Group's activities based on identified and assessed key risk areas;

(j) Reviewed the adequacy of resources to complete the audit plan;

(k) Reviewed the internal auditors' observations, recommendations for improvements and management's response thereto;

(l) Reported major findings to the Board and made recommendations to the Board for consideration and approval based on the internal audit reports;

(m) Quarterly reviewed and verified the related party transactions and conflicts of interest for the Board;

(n) Reviewed the revised Terms of Reference of the ARMC and Internal Audit Charter and recommended the same for Board's approval; and

(o) Reviewed and recommended the Statement on Risk Management and Internal Control, ARMC Report, Sustainability Statement and Management Discussion and Analysis for Board's approval for inclusion in the Annual Report.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (cont'd)

The Board is satisfied that the ARMC and its members have carried out their responsibilities and duties in accordance with the ARMC's TOR.

INTERNAL AUDIT FUNCTION

The Company has an in-house Internal Audit Department ("IAD") led by a qualified and experienced Senior Manager with three (3) assistants to carry out its appraisal function independently from the Management with the Head of Internal Audit reporting directly to the ARMC. The function of the IAD is to assist the ARMC, Board and Management in discharging their governance responsibilities, to provide the assurance on the adequacy and effectiveness of the internal control systems, risk management framework and recommending improvements to add value to the Group's operational efficiency.

The Board has put in place an Internal Audit Charter recommended by the ARMC as a guide to the IAD in its objectives and scope of authority. The internal audit function fully abides by the provisions of its charter.

The activities undertaken by the IAD during the financial year under review included the following:

(a) Assisted the Management in coordinating risk management activities;

(b) Prepared a risk-based annual internal audit plan for the review and approval by the ARMC;

(c) Reviewed the management of land Taxes, assessment rates and permit fees, management of housing development accounts, management of defects reported by purchasers, management of medical expenses, migration of financial data to upgraded IFCA system, implementation status of agreed action plans in the gap analysis report on Section 17A(5) of MACC Act 2009, electricity consumptions, award of construction contracts, issuance of certificates of practical completion and certificates of completion and compliance and backup and recovery management of the IT Department; and

(d) Reported findings from the reviews and relevant follow-up reviews to the Management and ARMC for necessary action.

The total cost incurred for the internal audit function of the Group for the financial year under review was RM474,811.06.

This ARMC Report is made in accordance with the resolution of the Board dated 12 April 2023.

FINANCIAL STATEMENTS

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

Results

	Group RM	Company RM
Profit for the year	482,669	10,909,167
Profit/(Loss) for the year, attributable to:		
- Owners of the Company	489,230	10,909,167
- Non-controlling interest	(6,561)	-
	482,669	10,909,167

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

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

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

Holding companies

The ultimate holding company is Ayala Land, Inc., a company incorporated in Philippines. The immediate holding company is Regent Wise Investments Limited, a company incorporated in Hong Kong.

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor
Bernard Vincent Olmedo Dy
Lao Chok Keang
Apollo Bello Tanco *
Teh Heng Chong *

Directors (cont'd.)

Ma. Divina Yee Lopez
Datin Chong Lee Hui (appointed on 1 July 2022)
Dante Dominic Macaraeg Abando (appointed on 22 February 2023)
Robert Sy Lao (appointed on 22 February 2023)
Anna Maria Margarita Bautista Dy (resigned on 22 February 2023)
Jaime Alfonso Antonio Eder Zobel de Ayala (resigned on 22 February 2023)
Tan Sri Dato' Hj. Abd Karim Bin Shaikh Munisar (retired on 24 June 2022)

* These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (excluding those directors listed above) are:

Tuan Haji Ahmad Khalif Bin Mustapha Kamal
Kogelevanan A/L Thinakaram
Aw Chong Seng
Li Wai Chee (alternate director to Tuan Haji Ahmad Khalif Bin Mustapha Kamal)
Yaw Sheng Fung
Lim Tek Guan
Susan Jacob Secreto
Cheng Mey Ching
Chee Kok Keong
Aznul Rizal Bin Abu Shahid
Aw Sei Cheh

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 have received or become entitled to receive benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the directors is a member, or with a company in which the directors has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

	Group RM	Company RM
Salaries and other emoluments	1,772,616	98,000
Fees	538,041	538,041
	2,310,657	636,041

Directors' interests

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' and officers' indemnity

The Company maintains a Directors and Officers Liability Insurance for the directors of the Company and its subsidiaries in respect of liabilities arising from acts committed in their respective capacity as inter alia, directors and officers of the Company and its subsidiaries which is subject to the terms of the policy. The amount of insurance premium paid for the directors and officers of the Company and its subsidiaries during the financial year was RM24,000.

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

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

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

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

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

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

Other statutory information (cont'd.)

(f) In the opinion of the directors:

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

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

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT		
- statutory audit	632,000	132,000
- other service	10,000	10,000
Other auditor	15,000	-
	657,000	142,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 April 2023.

Teh Heng Chong

Lao Chok Keang

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Teh Heng Chong and Lao Chok Keang, being two of the directors of MCT Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 136 to 208 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 April 2023.

Teh Heng Chong

Lao Chok Keang

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Susan Jacob Secreto, being the officer primarily responsible for the financial management of MCT Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 136 to 208 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
Abovenamed Susan Jacob Secreto
on 12 April 2023.

Susan Jacob Secreto

Before me,

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MCT Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 136 to 208.

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 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

Revenue and cost of sales from property development activities

As disclosed in Note 4 and Note 5 to the financial statements, the Group's revenue of RM212,761,871 and cost of sales of RM123,024,509 are derived from property development activities, representing approximately 95% and 93% of the Group's total revenue and total cost of sales respectively, for the financial year ended 31 December 2022.

The Group recognises revenue and profit from its property development activities based on the progress towards complete satisfaction of a performance obligation that is achieved over time. The amount of revenue and profit recognised is dependent on, amongst others, the extent of actual costs incurred to-date to the total estimated property development costs to determine the progress towards the satisfaction of the Group's performance obligations, the actual number of units sold and the total estimated revenue for each of the respective development projects.

We identified revenue and cost of sales from property development activities as matters requiring audit focus as significant management's judgments and estimates are involved in determining the total estimated property development costs (which is used to determine the progress towards the satisfaction of the Group's performance obligations and the gross profit margin of the property development activities undertaken by the Group).

To address these areas of audit focus, we have performed, amongst others, the following procedures:

- Obtained an understanding of management's internal controls over the revenue recognition process, including controls over the timing of revenue recognition, the estimation of total property development costs and gross profit margin, and the progress towards the satisfaction of the Group's performance obligations of property development activities;

- Obtained an understanding of the terms and conditions of the contracts entered into with the customers for the significant projects/phases to establish the impact of those terms and conditions on revenue recognition;

- Evaluated the assumptions applied in estimating the total property development costs of each significant project/phase, including the allocation of common infrastructure costs to each property development phase, by examining documentary evidence such as letters of award issued to contractors to support the total estimated costs and reviewing the basis of the common costs allocation;

- Evaluated the progress towards complete satisfaction of a performance obligation by examining supporting evidence such as contractors' progress claims and suppliers' invoices; and

- Observed the progress of the on-going property development projects by performing site visits and discussed the status of on-going property development projects with management, finance personnel and project officials.

Impairment assessment of property, plant and equipment and investment properties

The Group is required to perform impairment test of cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. Certain subsidiaries of the Group reported losses for the financial year ended 31 December 2022, which indicated that the carrying amounts of the related property, plant and equipment and investment properties amounted to RM197,216,673 and RM248,601,483 respectively, may be impaired.

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and investment properties (cont'd.)

Accordingly, the Group performed an impairment assessment on those property, plant and equipment and investment properties by estimating the recoverable amounts based on the higher of the fair value less cost of disposal and value-in-use:

(a) Fair value less cost of disposal determined based on comparison method

When estimating the fair value less cost of disposal of a property based on comparison method, the objective is to estimate the price that would be received from the sale of the property in an orderly transaction between market participants at the reporting date under current market conditions. The Group appointed independent professional valuers to perform the valuation on these properties.

In determining the fair value of a property, the comparison approach is used to determine the market value of the property which involves comparing and analysing recent sales transactions of comparable properties in the localities and incorporating adjustments to reflect the differences in factors such as timing of the sale, size and location of the property that affect the market value.

For properties under construction, further adjustment is made to reflect the cost to complete to arrive at the market value of these properties. The Group engaged an independent quantity surveyor to estimate the cost to complete for these properties.

(b) Value-in-use

The value-in-use method in estimating the recoverable amount of a plant and machinery requires the estimation of the future cash flows that the Group expects to derive from the continuing use of the plant and machinery, discounted at an appropriate rate to reflect the current market assessments of the time value of money and the risks specific to the plant and machinery for which the future cash flow estimates have not been adjusted. Significant judgments and estimates are involved in forming the key assumptions to determine the future cash flows of the plant and machinery, which include the revenue growth rate, the timing of the economic recovery from the impact of Covid-19 which in turns influences the utilisation rate and the discount rate.

Due to the significance of the carrying amounts of the property, plant and equipment and investment properties as well as the complexity and significant judgments and estimates involved in determining their recoverable amounts, we consider the impairment assessment of these assets as an area of audit focus.

Our procedures to address these areas of audit focus include, amongst others, the following:

(a) Fair value less cost of disposal determined based on comparison method

- Assessed the competency, capability, independence and objectivity of the independent valuers and independent quantity surveyor;
- Reviewed the methodology adopted by the independent valuers in estimating the fair value of the properties and assessed whether such methodology is consistent with those used in the industry;
- Evaluated the key assumptions and critical judgmental areas applied by independent valuers in determining the valuation of each property;
- Discussed the key assumptions applied by independent quantity surveyor in determining the estimation of cost to complete for properties under construction;

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and investment properties (cont'd.)

Our procedures to address these areas of audit focus include, amongst others, the following: *(cont'd.)*

(a) Fair value less cost of disposal determined based on comparison method *(cont'd.)*

- Engaged our own internal valuation specialists to evaluate the methodology and key assumptions used in estimating the fair value of the properties; and

- Assessed the adequacy of the related disclosures in Note 3(b) to the financial statements, in particular the disclosures on the significant assumptions to which the outcome of the impairment assessment is most sensitive, being those that have the most significant effect on the determination of the recoverable amounts of the properties.

(b) Value-in-use

- Evaluated the key assumptions applied in the value-in-use calculation, including the revenue growth rate, utilisation rate of the plant and machinery and the key cost elements, by comparing to the current utilisation rate, historical performance of those plant and machinery and external data on the expected future market conditions;

- Engaged our own internal valuation specialists to review the methodology adopted by management as well as the determination of discount rates; and

- Assessed the adequacy of the related disclosures in Note 3(b) to the financial statements, in particular the disclosures on the significant assumptions to which the outcome of the impairment assessment is most sensitive, being those that have the most significant effect on the determination of the recoverable amount of the plant and machinery.

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 Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We also: (cont'd.)

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

We communicate with those charged with governance 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 those charged with governance 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 threat or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Wai San
No. 03514/08/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	4	**224,920,151**	326,941,466	**-**	-
Cost of sales	5	**(131,844,549)**	(231,853,402)	**-**	-
Gross profit		**93,075,602**	95,088,064	**-**	-
Other income		**25,237,337**	13,212,050	**34,177,050**	36,511,771
Other operating and general administrative expenses	6	**(84,361,755)**	(65,070,457)	**(6,615,787)**	(2,961,730)
Selling and marketing expenses		**(5,662,691)**	(2,899,471)	**-**	-
Finance costs	7	**(33,011,416)**	(35,229,497)	**(28,779,081)**	(33,285,911)
(Loss)/Profit before tax	8	**(4,722,923)**	5,100,689	**(1,217,818)**	264,130
Income tax credit/ (expense)	10	**5,205,592**	(21,342,955)	**12,126,985**	(6,224,529)
Profit/(Loss) fo the year		**482,669**	(16,242,266)	**10,909,167**	(5,960,399)
Other comprehensive income, net of tax					
Item that will be reclassified subsequently to profit or loss					
Change in fair value of cash flow hedge, net of tax		**6,602,942**	7,120,979	**5,107,605**	7,120,979
Total comprehensive income/(loss) for the year		**7,085,611**	(9,121,287)	**16,016,772**	1,160,580

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit/(Loss) for the year attributable to:					
Owners of the Company		**489,230**	(16,235,537)	**10,909,167**	(5,960,399)
Non-controlling interest		**(6,561)**	(6,729)	**-**	-
		482,669	(16,242,266)	**10,909,167**	(5,960,399)
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		**7,092,172**	(9,114,558)	**16,016,772**	1,160,580
Non-controlling interest		**(6,561)**	(6,729)	**-**	-
		7,085,611	(9,121,287)	**16,016,772**	1,160,580
Earnings/(Loss) per share attributable to owners of the Company					
Basic/Diluted (sen per share)	11	**0.03**	(1.11)		

The accompanying accounting policies and explanation information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RM	2021 RM
Assets			
Non-current assets			
Property, plant and equipment	12	**223,867,902**	239,774,391
Investment properties	13	**248,601,483**	249,673,946
Deferred tax assets	14	**6,389,152**	17,120,509
Land held for property development	15	**289,909,976**	296,031,713
		768,768,513	802,600,559
Current assets			
Inventories	17	**4,069,694**	4,451,817
Property development costs	18	**266,967,092**	245,351,721
Contract assets	19	**82,001,651**	26,780,575
Trade receivables	20	**56,771,054**	98,980,345
Other receivables	21	**45,502,790**	50,918,068
Tax recoverable		**49,137,814**	18,461,351
Cash and bank balances	23	**117,924,272**	459,481,754
		622,374,367	904,425,631
Total assets		**1,391,142,880**	1,707,026,190
Equity and liabilities			
Equity			
Share capital	24	**1,541,092,425**	1,541,092,425
Reserves	25	**(1,061,131,386)**	(1,067,734,328)
Retained earnings		**391,081,406**	390,592,176
Equity attributable to owners of the Company		**871,042,445**	863,950,273
Non-controlling interest		**223,885**	230,446
Total equity		**871,266,330**	864,180,719

	Note	2022 RM	2021 RM
Liabilities			
Non-current liabilities			
Borrowings	26	**47,905,147**	-
Amount owing to ultimate holding company	27	**197,550,000**	-
Deferred tax liabilities	14	**1,776,508**	-
Derivative financial liabilities	28	**14,187,450**	-
Lease liabilities	29	**218,136**	1,104,361
		261,637,241	1,104,361
Current liabilities			
Contract liabilities	19	**6,209,576**	80,820,865
Trade payables	30	**55,476,792**	86,614,335
Other payables	31	**115,163,471**	139,987,084
Borrowings	26	**31,050,000**	-
Tax payable		**2,356,409**	5,741,071
Amount owing to ultimate holding company	27	**43,899,385**	520,625,000
Derivative financial liabilities	28	**3,345,821**	6,837,747
Lease liabilities	29	**737,855**	1,115,008
		258,239,309	841,741,110
Total liabilities		**519,876,550**	842,845,471
Total equity and liabilities		**1,391,142,880**	1,707,026,190

The accompanying accounting policies and explanation information form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RM	2021 RM
Assets			
Non-current assets			
Investment in subsidiaries	16	**1,154,639,226**	1,154,639,226
Amounts owing by subsidiaries	22	**9,138,304**	9,921,088
Deferred tax asset	14	**-**	1,612,927
		1,163,777,530	1,166,173,241
Current assets			
Other receivables	21	**250,620**	255,714
Amounts owing by subsidiaries	22	**393,654,395**	886,187,787
Tax recoverable		**8,967,687**	-
Cash and bank balances	23	**964,139**	2,765,766
		403,836,841	889,209,267
Total assets		**1,567,614,371**	2,055,382,508
Equity and liabilities			
Equity			
Share capital	24	**1,541,092,425**	1,541,092,425
Reserve	25(b)	**-**	(5,107,605)
Accumulated losses		**(7,257,240)**	(18,166,407)
Total equity		**1,533,835,185**	1,517,818,413
Current liabilities			
Other payables	31	**2,729,186**	6,629,063
Borrowing	26	**31,050,000**	-
Tax payable		**-**	3,472,285
Amount owing to ultimate holding company	27	**-**	520,625,000
Derivative financial liabilities	28	**-**	6,837,747
Total liabilities		**33,779,186**	537,564,095
Total equity and liabilities		**1,567,614,371**	2,055,382,508

The accompanying accounting policies and explanation information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Attributable to owners of the Company						
		Non-distributable reserve		Distributable reserve			
Group	Share capital RM (Note 24)	Reverse acquisition reserve RM (Note 25(a))	Cashflow hedge reserve RM (Note 25(b))	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interest RM	Total equity RM
At 1 January 2021	1,541,092,425	(1,062,626,723)	(12,228,584)	406,827,713	873,064,831	237,175	873,302,006
Total comprehensive income/(loss) for the year	-	-	7,120,979	(16,235,537)	(9,114,558)	(6,729)	(9,121,287)
At 31 December 2021 / 1 January 2022	**1,541,092,425**	**(1,062,626,723)**	**(5,107,605)**	**390,592,176**	**863,950,273**	**230,446**	**864,180,719**
Total comprehensive income/(loss) for the year	**-**	**-**	**6,602,942**	**489,230**	**7,092,172**	**(6,561)**	**7,085,611**
At 31 December 2022	**1,541,092,425**	**(1,062,626,723)**	**1,495,337**	**391,081,406**	**871,042,445**	**223,885**	**871,266,330**

The accompanying accounting policies and explanation information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Company	Share capital RM (Note 24)	← Non-distributable reserve → Cashflow hedge reserve RM (Note 25(b))	Accumulated losses RM	Total equity RM
At 1 January 2021	1,541,092,425	(12,228,584)	(12,206,008)	1,516,657,833
Total comprehensive income/ (loss) for the year	-	7,120,979	(5,960,399)	1,160,580
At 31 December 2021 / 1 January 2022	**1,541,092,425**	**(5,107,605)**	**(18,166,407)**	**1,517,818,413**
Total comprehensive income for the year	**-**	**5,107,605**	**10,909,167**	**16,016,772**
At 31 December 2022	**1,541,092,425**	**-**	**(7,257,240)**	**1,533,835,185**

The accompanying accounting policies and explanation information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash flows from operating activities				
(Loss)/Profit before tax	**(4,722,923)**	5,100,689	**(1,217,818)**	264,130
Adjustments for:				
Depreciation of:				
- property, plant and equipment	**16,352,596**	15,858,084	**-**	-
- investment properties	**504,743**	1,360,730	**-**	-
Impairment on:				
- property, plant and equipment	**2,616,988**	431,139	**-**	-
- investment properties	**880,000**	-	**-**	-
Reversal of impairment on:				
- property, plant and equipment	**(89,751)**	(706,974)	**-**	-
- investment properties	**(218,868)**	-	**-**	-
Unwinding of discount on amounts owing by subsidiaries	**-**	-	**(782,734)**	(732,429)
Finance costs	**33,011,416**	35,229,497	**28,779,081**	33,285,911
Allowance for impairment on:				
- trade receivables	**2,770,289**	82,161	**-**	-
- other receivables	**5,336,520**	-	**5,094**	-
Bad debts written off	**-**	37,702	**-**	-
Net fair value loss on derivative	**3,345,821**	-	**-**	-
Gain on disposal of property, plant and equipment	**(2,288,592)**	(1,710,298)	**-**	-
Interest income	**(4,710,440)**	(4,552,557)	**(31,847,584)**	(35,779,342)
Recycle of ineffective cash flow hedge	**(1,171,716)**	-	**(1,171,716)**	-
Gain on modification of lease contract	**(48,843)**	-	**-**	-
Unrealised (gain)/loss on foreign exchange	**(3,507,110)**	19,287	**(51,113)**	2,230
Operating profit/(loss) before working capital changes	**48,060,130**	51,149,460	**(6,286,790)**	(2,959,500)

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash flows from operating activities (cont'd.)				
Operating profit/(loss) before working capital changes (cont'd.)	**48,060,130**	51,149,460	**(6,286,790)**	(2,959,500)
Changes in inventories	**643,466**	8,326,486	**-**	-
Changes in property development costs	**(12,153,225)**	58,958,523	**-**	-
Changes in contract assets	**(55,221,076)**	(20,477,207)	**-**	-
Changes in trade receivables	**39,439,002**	52,383,651	**-**	-
Changes in other receivables	**78,758**	(11,582,390)	**-**	176,761
Changes in contract liabilities	**(74,611,289)**	(161,135,230)	**-**	-
Changes in trade payables	**(31,288,182)**	(2,401,862)	**-**	-
Changes in other payables	**(22,838,363)**	(18,031,787)	**1,293,929**	57,075
Cash used in operations	**(107,890,779)**	(42,810,356)	**(4,992,861)**	(2,725,664)
Net income tax paid	**(18,432,805)**	(22,483,343)	**(312,987)**	(8,970,932)
Net cash used in operating activities	**(126,323,584)**	(65,293,699)	**(5,305,848)**	(11,696,596)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	**4,214,130**	2,746,762	**-**	-
Interest received	**4,710,440**	4,552,557	**32,146,421**	2,225
Additions to:				
- investment properties	**(93,412)**	(333,911)	**-**	-
- property, plant and equipment	**(4,919,619)**	(3,465,431)	**-**	-
- land held for property development	**(3,601,752)**	(11,343,777)	**-**	-
Repayments from subsidiaries	**-**	-	**233,019,910**	69,538,031
Net cash generated from/(used in) investing activities	**309,787**	(7,843,800)	**265,166,331**	69,540,256

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from financing activities				
Placement of fixed deposits placed with licensed banks	**(16,532,730)**	(3,076,952)	**-**	-
Drawndowns of borrowings	**102,859,128**	-	**31,050,000**	-
Repayments of borrowings	**(22,149,038)**	(25,000,000)	**-**	(25,000,000)
Repayment to ultimate holding company	**(258,491,500)**	-	**(258,491,500)**	-
Repayments of lease liabilities	**(1,285,967)**	(7,859,566)	**-**	-
Transaction costs paid	**(2,086,719)**	-	**-**	-
Finance costs paid	**(34,329,926)**	(33,821,566)	**(34,160,947)**	(33,137,646)
Changes in restricted cash held for borrowings	**(26,195,055)**	-	**-**	-
Net cash used in financing activities	**(258,211,807)**	(69,758,084)	**(261,602,447)**	(58,137,646)
Net decreases in cash and cash equivalents	**(384,225,604)**	(142,895,583)	**(1,741,964)**	(293,986)
Effect of exchange rate changes	**(59,663)**	-	**(59,663)**	-
Cash and cash equivalents at the beginning of the year	**456,404,802**	599,300,385	**2,765,766**	3,059,752
Cash and cash equivalents at end of the year (Note 23)	**72,119,535**	456,404,802	**964,139**	2,765,766

The accompanying accounting policies and explanation information form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot C-02, Level 2, SkyPark @ One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 16.

The ultimate holding company is Ayala Land, Inc., a company incorporated in Philippines.

The immediate holding company is Regent Wise Investments Limited, a company incorporated in Hong Kong.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 April 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows. On 1 January 2022, the Group and the Company adopted the following amended standards which are mandatory for annual periods beginning on or after 1 January 2022.

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Description		Effective for annual periods beginning on or after
Amendments to MFRSs	Annual Improvements to MFRSs 2018-2020 Cycle - Amendments to MFRS 1:Adoption of Malaysian Financial Reporting Standards - Amendments to MFRS 9:Financial Instruments	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022

The adoption of the amended standards did not have any material impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not effective

The standards that are issued but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description		Effective for annual periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution Of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standard and amended standards are not expected to have material impact to the financial statements of the Group and of the Company in the period of initial application.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group") at the reporting date. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting rights or similar rights of an investee, the Group considers all facts and circumstances in assessing whether the Group's voting rights in the investee are sufficient to give it power over the investee, including:

(i) The contractual arrangements with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements; and
(iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets and liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value during the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value during the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the carrying amount of asset when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

2. Summary of significant accounting policies (cont'd.)

2.6 Property, plant and equipment (cont'd.)

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Capital work-in-progress is not depreciated as the asset is not available for intended use.

Depreciation is computed on a straight-line method to write off the cost of property, plant and equipment over their estimated useful lives at the following annual rates:

Office equipment	12.5%
Furniture and fittings	10.0 - 12.5%
Computer equipment	20.0 - 33.3%
Plant and machinery	3.3 - 10.0%
Construction equipment	12.5 - 20.0%
Tools and equipment	12.5%
Motor vehicles	20.0%
Renovation	10.0%
Buildings	2.0%

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate, to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment. Investment properties are depreciated on the straight-line method based on annual rate of 2%.

Capital work-in-progress is not depreciated as the asset is not available for intended use.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipients obtained control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2. Summary of significant accounting policies (cont'd.)

2.8 Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment loss, if any. On disposal of such investment, the difference between the net disposal proceeds and its carrying amounts is included in profit or loss.

2.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

Group as a lessee

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

Rights-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentive received.

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

Buildings	3 to 4 years
Computer equipment	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The carrying amount of right-of-use is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

2. Summary of significant accounting policies (cont'd.)

2.9 Leases (cont'd.)

Group as a lessee (cont'd.)

Lease liabilities (cont'd.)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, or a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low value assets

The Group applies the short-term leases recognition exemption to its 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). It also applies the lease of low-value assets (i.e. US$5,000) recognition exemption to leases of office equipment that are considered to be low value. The Group recognises the lease payments associated with these short-term leases and leases of low-value assets as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease term of the relevant lease and is included in profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for leasing income is set out in Note 2.15(c).

2.10 Inventories

Inventories are stated at the lower of cost or net realisable value

(a) Land held for property development

Land held for property development comprises of land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Costs incurred in bringing each property to its present location and condition includes:

(i) Freehold and leasehold rights for land,
(ii) amounts paid to contractors for development, and
(iii) planning and design costs, costs of site preparation, professional fees for legal services, development overheads and other related costs.

2. Summary of significant accounting policies (cont'd.)

2.10 Inventories (cont'd.)

(a) Land held for property development (cont'd.)

Land held for property development is reclassified to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as development property.

Principally, this is the property that the Group develops and intends to sell before, or on completion of, development.

Costs incurred in bringing each property to its present location and condition includes:

(i) Freehold and leasehold rights for land,
(ii) amounts paid to contractors for development, and
(iii) planning and design costs, costs of site preparation, professional fees for legal services, development overheads and other related costs.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(c) Unsold completed property units

The cost of unsold completed property units is determined based on the specific identification method, comprising the costs of land acquisition including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(d) Raw material and finished goods

The cost of inventories include expenditure in bringing the inventory to its present location and condition. Costs of inventories are determined on a first-in-first-out basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.11 Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

2. Summary of significant accounting policies (cont'd.)

2.11 Contract assets and liabilities (cont'd.)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statements of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statements of financial position under "Contract liabilities".

2.12 Contract costs

The Group pays legal fee and sales commission for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract. These costs are amortised over the period that the property is transferred. Capitalised costs to obtain such contracts are presented as a current asset in the statements of financial position and its amortisation is included in cost of sales in profit or loss.

The Group assesses, at each reporting date, whether the carrying amount exceeds the remaining amount of consideration that the entity expects to receive in exchange for the development less the costs that relate directly to completing the development and that have not been recognised as expenses.

2.13 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise on specified date to cash flows that are 'solely payment of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in that market place (regular way trades) are recognised on the trade date, such as the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue or other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category comprises of the derivative instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred their rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that an asset is impaired.

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(a) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derivative financial instruments are classified as financial liabilities at fair value through profit or loss and are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(b) Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

(c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as cross currency interest rate swaps, to hedge its risks associated with foreign currency interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirement. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.

- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2. Summary of significant accounting policies (cont'd.)

2.13 Financial instruments (cont'd.)

(c) Derivative financial instruments and hedge accounting (cont'd.)

Initial recognition and subsequent measurement (cont'd.)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedge

For the purpose of cash flow hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI remains in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI is accounted for as described above (i.e. reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss).

2.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

2. Summary of significant accounting policies (cont'd.)

2.14 Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount of the asset or CGU is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.15 Revenue and other income recognition

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

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

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

2. Summary of significant accounting policies (cont'd.)

2.15 Revenue and other income recognition (cont'd.)

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

The specific recognition criteria described below must be met before revenue and other income is recognise:

(a) Property development revenue

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset in accordance with Note 2.15(b).

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

2. Summary of significant accounting policies (cont'd.)

2.15 Revenue and other income recognition (cont'd.)

(b) Sale of completed properties

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

(c) Leasing income

Leasing income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Car park income

Car park income is recognised as and when the services are performed.

(e) Utility services income

Utility services income is recognised upon rendering of services.

(f) Interest income

Interest income is recognised based on effective interest rate.

(g) Dividend income

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

2.16 Foreign currencies transaction

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of each group entity are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (their functional currency).

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

2. Summary of significant accounting policies (cont'd.)

2.17 Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.18 Borrowing costs

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

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

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

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. Summary of significant accounting policies (cont'd.)

2.20 Income tax

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Malaysian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2. Summary of significant accounting policies (cont'd.)

2.20 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

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

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

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

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with a maturity of three months or less and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.22 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer and recorded at nominal value.

The proceeds received net of any directly attributable transaction costs are credited to share capital. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. Summary of significant accounting policies (cont'd.)

2.24 Current versus non-current classification

Assets and liabilities in statements of financial position are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.25 Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each reporting date.

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.

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 asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of significant accounting policies (cont'd.)

2.25 Fair value measurement (cont'd.)

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used 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 the fair value measurement as a whole:

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

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

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

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

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

3. Significant accounting judgments, estimates and assumptions

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

Key sources of estimation uncertainty

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

(a) Property development revenue

The Group recognises property development revenue and expenses in the profit or loss over time. The Group recognises revenue and profit from its property development activities based on progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the proportion of cost of the property development costs incurred to date over the total estimated property development costs.

3. **Significant accounting judgments, estimates and assumptions**

Key sources of estimation uncertainty (cont'd.)

(a) Property development revenue (cont'd.)

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 18.

(b) Impairment of property, plant and equipment and investment properties

The Group recognises impairment loss in respect of property, plant and equipment and investment properties when the carrying amount of the individual assets exceeds its recoverable amount, which is the higher of the fair value less costs of disposal or value-in-use. For the financial year ended 31 December 2022, the carrying amounts of property, plant and equipment and investment properties of RM197,216,673 (which consists of buildings of RM142,548,189 and plant and machinery of RM54,686,484) and RM248,601,483 respectively were subject to impairment test.

(i) Value-in-use

The Group recognised an impairment loss of RM2,317,174 (2021: RM431,139) for the plant and machinery based on the estimation of value-in-use as disclosed in Note 12.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows, which include the revenue growth rate, from the continuing use of the asset, and discounted at an appropriate rate to reflect the current market assessments of the time value of money and the risks specific to the asset for which the cash flow estimates have not been adjusted. The pre-tax discount rates applied to the cash flow projections are 13% (2021: 11% to 13%).

The projected revenue growth rate is determined based on management's expectation drawing from past experience and current assessment of the market and industry growth.

At the reporting date, if the projected revenue used in the value-in-use of plant and machinery had been 100 basis points lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM686,000 lower/higher, as a result of lower/higher projected revenue.

At the reporting date, if the discount rate used in the value-in-use of plant and machinery had been 10 basis points lower/higher, with all variables held constant, the Group's recoverable amount would have been approximately RM495,000 higher/lower, as a result of lower/higher expected discount rate.

3. Significant accounting judgments, estimates and assumptions (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(b) Impairment of property, plant and equipment and investment properties (cont'd.)

(ii) Fair value less cost of disposal

During the year, the Group recognised an impairment loss of RM299,814 and RM880,000 for properties held under property, plant and equipment and investment properties, respectively, as disclosed in Note 12 and Note 13.

At the reporting date, the Group engaged the independent valuation specialists to assess the fair value of the properties based on the comparison approach, which is used to determine the market value of the property by comparing and analysing recent sales transactions of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property and other assumptions such as cost to complete and risk and profit factor that the market participant would use when pricing the properties under the current market conditions. The Group determined the cost of disposal based on the expected legal fees, sales commission and etc. for them to sell the properties.

4. Revenue

	Group	
	2022	2021
	RM	RM
Sales of development properties	**212,761,871**	301,518,364
Sales of completed properties	**-**	15,129,694
Car park	**143,606**	114,246
Management fees	**756,747**	1,049,561
Utility services	**10,415,270**	8,753,584
Leasing	**842,657**	376,017
	224,920,151	326,941,466
Timing of revenue recognition:		
Over time	**223,933,888**	311,321,509
At a point in time	**143,606**	15,243,940
	224,077,494	326,565,449

5. Cost of sales

	Group	
	2022	2021
	RM	RM
Cost of development properties	**123,024,509**	215,032,933
Cost of completed properties	**-**	9,732,507
Utility services	**8,820,040**	7,087,962
	131,844,549	231,853,402

6. Other operating and general administrative expenses

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other operating expenses	**21,641,444**	20,891,903	**-**	-
General administrative expenses	**62,720,311**	44,178,554	**6,615,787**	2,961,730
	84,361,755	65,070,457	**6,615,787**	2,961,730

7. Finance costs

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expenses on:				
- amount owing to ultimate holding company	**29,644,774**	32,524,650	**27,861,587**	32,524,650
- revolving credit	**917,494**	761,261	**917,494**	761,261
- term loan	**341,412**	-	**-**	-
- islamic loans	**1,114,110**	-	**-**	-
- other payable	**432,479**	618,535	**-**	-
- lease liabilities	**92,169**	1,259,666	**-**	-
- others	**137,202**	65,385	**-**	-
Amortisation of transaction costs	**331,776**	-	**-**	-
	33,011,416	35,229,497	**28,779,081**	33,285,911

8. (Loss)/Profit before tax

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Staff costs:				
- wages, salaries and others	**28,943,494**	25,169,395	**-**	-
- employees provident funds	**3,219,134**	2,782,077	**-**	-
Depreciation of:				
- property, plant and equipment	**16,352,596**	15,858,084	**-**	-
- investment properties	**504,743**	1,360,730	**-**	-
Impairment on:				
- property, plant and equipment	**2,616,988**	431,139	**-**	-
- investment properties	**880,000**	-	**-**	-
Directors' remunerations (Note 9)	**2,310,657**	2,230,013	**636,041**	656,778
Short term leases and leases of low value assets	**159,742**	972,112	**-**	-
Allowance for impairment:				
- trade receivables	**2,770,289**	82,161	**-**	-
- other receivables	**5,336,520**	-	**5,094**	-
Bad debts written off	**-**	37,702	**-**	-
Auditors' remuneration:				
- Ernst & Young PLT				
- statutory audit	**632,000**	620,000	**132,000**	122,000
- other services	**10,000**	10,000	**10,000**	10,000
- other auditor	**15,000**	-	**-**	-
Realised loss/(gain) on foreign exchange	**198,557**	98,100	**(323,853)**	97,951
Net fair value loss on derivative	**3,345,821**	-	**-**	-
Gain on disposal of property, plant and equipment	**(2,288,592)**	(1,710,298)	**-**	-
Reversal of impairment on:				
- property, plant and equipment	**(89,751)**	(706,974)	**-**	-
- investment properties	**(218,868)**	-	**-**	-

8. (Loss)/Profit before tax (cont'd.)

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unwinding of discount on amounts owing by subsidiaries	**-**	-	**(782,734)**	(732,429)
Recycle of ineffective cash flow hedge	**(1,171,716)**	-	**(1,171,716)**	-
Interest income from:				
- fixed deposits	**(4,710,440)**	(4,552,557)	**(190,595)**	(2,225)
- amounts owing by subsidiaries	**-**	-	**(31,656,989)**	(35,777,117)
Gain on modification of lease contract	**(48,843)**	-	**-**	-
Unrealised (gain)/loss on foreign exchange	**(3,507,110)**	19,287	**(51,113)**	2,230

9. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fees:				
Non-Executive Directors	**538,041**	536,778	**538,041**	536,778
Salaries and other emoluments:				
Executive Directors	**1,674,616**	1,573,235	**-**	-
Non-Executive Directors	**98,000**	120,000	**98,000**	120,000
	1,772,616	1,693,235	**98,000**	120,000
	2,310,657	2,230,013	**636,041**	656,778

The estimated monetary value of benefits-in-kind received by the directors of the Group are RM13,200 (2020: RM13,200).

The remuneration of foreign directors are payable as consultancy charges to the immediate holding company.

9. Directors' remuneration (cont'd.)

The number of directors of the Company by total remuneration during the year are catagorised within the following bands is analysed below:

	Number of Directors	
	2022	**2021**
Executive directors:		
RM500,001 - RM1,000,000	**1**	1
More than RM1,000,000	**1**	1
	2	2
Non-Executive directors:		
Below RM50,000	**1**	1
RM50,001 - RM100,000	**6**	4
RM100,001 - RM150,000	**1**	1
RM150,001 - RM200,000	**-**	1
	8	7
	10	9

10. Income tax (credit)/expense

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Malaysian income tax:				
- current income tax	**6,441,513**	26,743,497	**-**	6,217,365
- (over)/under provision in prior years *	**(22,069,831)**	6,229,981	**(12,126,985)**	7,164
	(15,628,318)	32,973,478	**(12,126,985)**	6,224,529
Deferred tax: (Note 14)				
- relating to reversal/ (origination) of temporary differences	**6,090,115**	(12,722,789)	**-**	-
- under provision in prior years	**4,332,611**	1,092,266	**-**	-
	10,422,726	(11,630,523)	**-**	-
	(5,205,592)	21,342,955	**(12,126,985)**	6,224,529

* During the financial year, the Group and the Company have successfully appealed and obtained exemption in respect of the earning stripping rules from Inland Revenue Board of Malaysia. Consequently, this resulted to a reversal of provision for income tax in respect of year of assessment 2021 and 2020 which amounted to RM12,126,985.

10. Income tax (credit)/expense (cont'd.)

Reconciliations of income tax (credit)/expense applicable to (loss)/profit before tax at the applicable statutory income tax rate to the income tax (credit)/expense at the effective income tax rate are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
(Loss)/Profit before tax	**(4,722,923)**	5,100,689	**(1,217,818)**	264,130
Tax at applicable statutory tax rate of 24%	**(1,133,502)**	1,224,165	**(292,276)**	63,391
Non-deductible expenses	**4,105,372**	4,481,324	**292,276**	6,153,974
Deferred tax assets not recognised	**9,559,758**	8,437,726	**-**	-
Utilisation of previously unrecognised deferred tax assets	**-**	(122,507)	**-**	-
(Over)/Under provision in prior years:				
- income tax	**(22,069,831)**	6,229,981	**(12,126,985)**	7,164
- deferred tax	**4,332,611**	1,092,266	**-**	-
	(5,205,592)	21,342,955	**(12,126,985)**	6,224,529

The tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

At the reporting date, the deferred tax assets that have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:

	Group	
	2022	2021
	RM	RM
Unabsorbed capital allowances	**43,282,310**	36,238,512
Unutilised tax losses	**169,549,760**	136,761,233
	212,832,070	172,999,745

Pursuant to Finance Act 2021, unutilised tax losses is allowed to be carried forward for a maximum period of 10 consecutive years, which is deemed to have effect from the year of assessment 2019.

10. Income tax (credit)/expense (cont'd.)

The utilisation period of deferred tax assets not recognised of the Group that are available for offsetting against future taxable profit for the Group are as follows:

	Group 2022 RM	Group 2021 RM
Utilisation period:		
Indefinite	**43,282,310**	36,238,512
Within 1 year from recognition	**-**	-
Within 2 to 5 years from recognition	**-**	-
Within 6 to 10 years from recognition	**169,549,760**	136,761,233
	212,832,070	172,999,745

11. Earnings/(Loss) per share

(a) Basic

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares during the financial year.

	Group 2022 RM	Group 2021 RM
Profit/(Loss) for the year, net of tax, attributable to owners of the Company	**489,230**	(16,235,537)
Weighted average number of ordinary shares	**1,456,995,471**	1,456,995,471
Basic earnings/(loss) per share (sen)	**0.03**	(1.11)

(b) Diluted

The Company does not have any potential dilutive ordinary shares at the reporting date.

There have been no other transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. Property, plant and equipment

Group	Office equipment	Furniture and fittings	Computer equipment	Plant and machinery	Construction equipment	Tools and equipment	Motor vehicles	Renovation	Buildings	Right-of-use assets	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost												
At 1 January 2021	1,297,154	889,619	6,661,073	130,316,767	13,521,691	3,195,806	3,399,985	8,917,789	136,801,858	3,618,729	46,191,907	354,812,378
Additions	499,893	12,620	8,600	134,305	-	-	-	2,536,750	112,066	468,754	161,197	3,934,185
Disposals	(1,180)	(6,712)	(19,557)	(3,406,892)	(2,918,250)	(194,930)	(835,368)	-	-	-	-	(7,382,889)
Write-off	-	-	-	-	-	-	(303,080)	-	-	-	-	(303,080)
Reclassification (Note 18)	-	-	-	-	-	-	-	-	(7,544,584)	-	-	(7,544,584)
At 31 December 2021 / 1 January 2022	**1,795,867**	**895,527**	**6,650,116**	**127,044,180**	**10,603,441**	**3,000,876**	**2,261,537**	**11,454,539**	**129,369,340**	**4,087,483**	**46,353,104**	**343,516,010**
Additions	**267,642**	**69,185**	**63,279**	**9,289**	**-**	**145,000**	**358,048**	**3,565,977**	**441,199**	**324,920**	**-**	**5,244,539**
Disposals	**(265,531)**	**(221,055)**	**(1,185,083)**	**(10,407,662)**	**(3,908,714)**	**(561,359)**	**(348,030)**	**(9,426)**	**(586,269)**	**-**	**-**	**(17,493,129)**
Modification of lease contract	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(345,657)**	**-**	**(345,657)**
At 31 December 2022	**1,797,978**	**743,657**	**5,528,312**	**116,645,807**	**6,694,727**	**2,584,517**	**2,271,555**	**15,011,090**	**129,224,270**	**4,066,746**	**46,353,104**	**330,921,763**
Accumulated depreciation												
At 1 January 2021	968,170	485,487	5,933,645	35,477,470	10,737,727	2,532,636	3,178,293	2,114,877	13,101,357	1,114,182	-	75,643,844
Charge for the year	146,794	85,202	364,705	6,499,883	976,891	459,613	67,100	2,248,195	4,070,502	939,199	-	15,858,084
Disposals	-	(1,339)	(7,260)	(3,224,380)	(2,145,898)	(132,180)	(835,368)	-	-	-	-	(6,346,425)
Write-off	-	-	-	-	-	-	(303,080)	-	-	-	-	(303,080)
At 31 December 2021 / 1 January 2022	**1,114,964**	**569,350**	**6,291,090**	**38,752,973**	**9,568,720**	**2,860,069**	**2,106,945**	**4,363,072**	**17,171,859**	**2,053,381**	**-**	**84,852,423**
Charge for the year	**168,636**	**80,646**	**247,538**	**7,395,232**	**265,438**	**155,468**	**56,500**	**2,881,737**	**3,996,439**	**1,104,962**	**-**	**16,352,596**
Disposals	**(246,418)**	**(171,424)**	**(1,117,450)**	**(9,520,083)**	**(3,697,943)**	**(534,613)**	**(275,642)**	**(4,018)**	**-**	**-**	**-**	**(15,567,591)**
At 31 December 2022	**1,037,182**	**478,572**	**5,421,178**	**36,628,122**	**6,136,215**	**2,480,924**	**1,887,803**	**7,240,791**	**21,168,298**	**3,158,343**	**-**	**85,637,428**

12. Property, plant and equipment (cont'd.)

Group	Office equipment	Furniture and fittings	Computer equipment	Plant and machinery	Construction equipment	Tools and equipment	Motor vehicles	Renovation	Buildings	Right-of-use assets	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated impairment												
At 1 January 2021	-	-	-	18,089,328	796,724	-	-	-	278,979	-	-	19,165,031
Charge for the year	-	-	-	431,139	-	-	-	-	-	-	-	431,139
Reversal for the year	-	-	-	-	(706,974)	-	-	-	-	-	-	(706,974)
At 31 December 2021 / 1 January 2022	**-**	**-**	**-**	**18,520,467**	**89,750**	**-**	**-**	**-**	**278,979**	**-**	**-**	**18,889,196**
Charge for the year	**-**	**-**	**-**	**2,317,174**	**-**	**-**	**-**	**-**	**299,814**	**-**	**-**	**2,616,988**
Reversal for the year	**-**	**-**	**-**	**(89,751)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(89,751)**
At 31 December 2022	**-**	**-**	**-**	**20,747,890**	**89,750**	**-**	**-**	**-**	**578,793**	**-**	**-**	**21,416,433**
Net carrying amount												
At 31 December 2022	**760,796**	**265,085**	**107,134**	**59,269,795**	**468,762**	**103,593**	**383,752**	**7,770,299**	**107,477,179**	**908,403**	**46,353,104**	**223,867,902**
At 31 December 2021	680,903	326,177	359,026	69,770,740	944,971	140,807	154,592	7,091,467	111,918,502	2,034,102	46,353,104	239,774,391

At the reporting date, the carrying amount of property, plant and equipment of the Group acquired under lease liabilities amounted to RM976,451 (2021: RM2,139,151).

Certain subsidiaries of the Group reported losses for the financial year ended 31 December 2022, which indicated that the carrying amounts of the related property, plant and equipment amounted to RM197,216,673, may be impaired. Consequently, the Group performed an impairment assessment on those property, plant and equipment by estimating the recoverable amounts as disclosed in Note 3(b).

During the financial year, the Group recognised an impairment loss of RM2,317,173 for plant and machinery. This is recognised on the statements of comprehensive income as other operating and general administrative expenses.

During the financial year, the Group recognised an impairment loss of RM299,814 for buildings. This is recognised on the statements of comprehensive income as other operating and general administrative expenses.

13. Investment properties

	Group 2022 RM	2021 RM
Cost		
At beginning of the year	**270,160,353**	269,826,442
Additions	**93,412**	333,911
Write-off	**(7,626,928)**	-
At end of the year	**262,626,837**	270,160,353
Accumulated depreciation		
At beginning of the year	**5,925,774**	4,565,044
Charge for the year	**504,743**	1,360,730
Write-off	**(5,882,579)**	-
At end of the year	**547,938**	5,925,774
Accumulated impairment		
At beginning of the year	**14,560,633**	14,560,633
Charge for the year	**880,000**	-
Reversal during the year	**(218,868)**	-
Write-off	**(1,744,349)**	-
At end of the year	**13,477,416**	14,560,633
Net carrying amount	**248,601,483**	249,673,946
Represented by:		
Freehold land and buildings		
- completed properties	**32,178,013**	32,422,817
- under capital work in progress	**216,423,470**	217,251,129
	248,601,483	249,673,946

Rental income generated from investment properties of the Group during the financial year amounted to RM201,718 (2021: RM54,478).

Direct operating expenses from investment properties which generated rental income to the Group during the financial year amounted to RM399,684 (2021: RM802,566).

Certain subsidiaries of the Group reported losses for the financial year ended 31 December 2022, which indicated that the carrying amounts of the related investment properties amounted to RM248,601,384, may be impaired. Consequently, the Group performed an impairment assessment on those investment properties by estimating the recoverable amounts as disclosed in Note 3(b).

During the financial year, the Group recognised an impairment loss of RM880,000. This is recognised on the statements of comprehensive income as other operating and general administrative expenses.

13. Investment properties (cont'd.)

	Group	
	2022	**2021**
	RM	**RM**
Fair value less cost of disposal:		
Freehold land and buildings		
- completed properties	**49,940,000**	48,940,000
- under capital work in progress	**220,000,000**	218,800,000
	269,940,000	267,740,000
Less: Cost of disposal	**(2,063,800)**	(248,260)
	267,876,200	267,491,740

The fair value of completed properties is determined based on the valuation reports performed by registered independent valuers, using the "Comparison Approach" which is determined based on the historical transacted sales of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property.

The fair value of properties under capital work in progress is determined based on an "as is basis" from the valuation report performed by a registered independent valuer, using the "Comparison Approach" which is determined based on the historical transacted sales of comparable properties in the localities and key adjustments included, amongst other, to reflect the differences in factors such as time, size and location that affect the market value of the property and other assumptions such as cost to complete and risk and profit factor that the market participant would use when pricing the properties under the current market conditions.

During the year, key adjustments used in determination of fair values of investment properties are as follows:

Significant unobservable inputs

	Range	
	2022	**2021**
Key adjustments made on the comparables used:	**%**	%
Location and surrounding factor	**5-25**	5-30
Commitment occupancy	**10-35**	10-35
Level of exposure	**5-30**	5-30
Market condition	**5-10**	5-10

14. Deferred tax assets

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Deferred tax assets	**6,389,152**	17,120,509	**-**	1,612,927
Deferred tax liabilities	**(1,776,508)**	-	**-**	-
	4,612,644	17,120,509	**-**	1,612,927
At beginning of the year	**17,120,509**	7,878,960	**1,612,927**	4,001,901
Recognised in:				
- other comprehensive income (Note 25(b))	**(2,085,139)**	(2,388,974)	**(1,612,927)**	(2,388,974)
- profit or loss (Note 10)	**(10,422,726)**	11,630,523	**-**	-
At end of the year	**4,612,644**	17,120,509	**-**	1,612,927

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the following temporary differences:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Derivatives	**(472,212)**	1,612,927	**-**	1,612,927
Contract liabilities	**-**	3,036,087	**-**	-
Unutilised tax losses	**1,241,137**	4,210,743	**-**	-
Others	**3,843,719**	8,260,752	**-**	-
	4,612,644	17,120,509	**-**	1,612,927

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

15. Land held for property development

	Group 2022 RM	Group 2021 RM
Cost		
At beginning of year	**296,031,713**	229,462,497
Additions	**3,601,752**	11,343,777
Transfer (to)/from property development costs (Note 18)	**(9,723,489)**	55,225,439
At end of the year	**289,909,976**	296,031,713
Represented by:		
Land costs	**138,787,563**	138,775,834
Development costs	**151,122,413**	157,255,879
	289,909,976	296,031,713

16. Investment in subsidiaries

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost	**1,154,639,226**	1,154,639,226

Details of the subsidiaries are as follows:

Name	Principal place of business/ Country of incorporation	Principal activities	% of equity interest held by the Company 2022	% of equity interest held by the Company 2021
Subsidiary of the Company				
MCT Consortium Bhd.	Malaysia	Investment holding.	**100%**	100%
Subsidiaries of MCT Consortium Bhd.				
Modular Construction Technology Sdn. Bhd.	Malaysia	Construction, providing civil engineering and electrical works, trading of construction materials and rental of plant and machinery.	**100%**	100%
MCT Homes Sdn. Bhd.	Malaysia	Provision of management services.	**100%**	100%
MCT Construction Materials Sdn. Bhd.	Malaysia	Trading of construction materials.	**100%**	100%
The Place Properties Sdn. Bhd.	Malaysia	Property development and management.	**100%**	100%
USJ One Avenue Sdn. Bhd.	Malaysia	Property development, property investment and provision of maintenance services.	**100%**	100%
MCT Properties Sdn. Bhd.	Malaysia	Sales and marketing services for property development.	**100%**	100%
MCT Store Sdn. Bhd.	Malaysia	Property development.	**100%**	100%
MCT Property Management Sdn. Bhd.	Malaysia	Property management.	**100%**	100%
Eco Green City Sdn. Bhd.	Malaysia	Property development and construction.	**100%**	100%
MCT Green Technology Sdn. Bhd.	Malaysia	Utilities services provider.	**100%**	100%
Sky Park Properties Sdn. Bhd.	Malaysia	Property development and management.	**100%**	100%
Lakefront Residence Sdn. Bhd.	Malaysia	Property development and construction.	**100%**	100%

16. Investment in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Principal place of business/ Country of incorporation	Principal activities	% of equity interest held by the Company 2022	% of equity interest held by the Company 2021
USJ Citypoint Sdn. Bhd.	Malaysia	Property development and investment.	**100%**	100%
Next Delta Sdn. Bhd.	Malaysia	Trading, investment holding and property development.	**100%**	100%
One Residence Sdn. Bhd.	Malaysia	Property development.	**100%**	100%
Ecolake Residence Sdn. Bhd.	Malaysia	Property developer.	**100%**	100%
Leisure Event Sdn. Bhd.	Malaysia	Property investment.	**100%**	100%
Premium Cinema Sdn. Bhd.	Malaysia	Property development.	**100%**	100%
SPCJ Green Tech Sdn. Bhd.	Malaysia	Property development.	**100%**	100%
Skypark Fitness Sdn. Bhd.	Malaysia	Property development.	**100%**	100%
Solid Benefit Sdn. Bhd. *	Malaysia	Property investment and property development.	**100%**	100%
Ardent Residence Sdn. Bhd. *	Malaysia	Property development, property investment and provision of management services.	**100%**	100%
Solid Recommendation Sdn. Bhd. *	Malaysia	Property investment and property development.	**100%**	100%
Undersea City Sdn. Bhd. *	Malaysia	Property development.	**100%**	100%
Timeless Hectares Sdn. Bhd. *	Malaysia	Property investment and property development.	**100%**	100%
Cherish Properties Sdn. Bhd. *	Malaysia	Investment holding.	**100%**	100%
Solid Interest Sdn. Bhd. *	Malaysia	Property investment and property development.	**100%**	100%
Roaring Gain Sdn. Bhd. *	Malaysia	Property investment.	**100%**	100%
Nexus Advertising Sdn. Bhd. *	Malaysia	Property investment.	**100%**	100%
Subsidiary of Cherish Properties Sdn. Bhd.				
Vista Global Development Sdn. Bhd. *	Malaysia	Property development and investment.	**70%**	70%

* Audited by a firm other than Ernst & Young PLT

17. Inventories

	Group 2022 RM	Group 2021 RM
At cost:		
Raw materials	**11,259**	461,392
Finished goods	**497,479**	690,812
Completed properties	**3,560,956**	3,299,613
	4,069,694	4,451,817

The cost of inventories (excluding completed properties) are recognised as cost of sales during the year is RM643,467 (2021: RM498,152).

18. Property development costs

	Group 2022 RM	Group 2021 RM
At beginning of the year	**245,351,721**	351,991,099
Development costs incurred during the year	**126,488,390**	142,477,734
Costs recognised as expense in profit or loss during the year	**(114,335,165)**	(201,436,257)
Transfer from/(to) land held for property development (Note 15)	**9,723,489**	(55,225,439)
Reclassification (Note 12)	**-**	7,544,584
Transfer to completed inventories	**(261,343)**	-
At end of the year	**266,967,092**	245,351,721
Represented by:		
Land costs	**129,137,627**	149,402,361
Development costs	**137,829,465**	95,949,360
	266,967,092	245,351,721

At the reporting date, property development costs of RM170,615,549 are pledged as securities for the borrowings as disclosed in Note 26.

19. Contract assets/(liabilities)

	Group 2022 RM	Group 2021 RM
Contract assets:		
Property development	**52,525,156**	14,479,683
Contract costs:		
Costs to obtain contracts	**29,476,495**	12,300,892
Total	**82,001,651**	26,780,575
Contract liabilities:		
Property development	**(6,209,576)**	(80,820,865)

(a) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained and recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities from property development are as shown below:

	Group 2022 RM	Group 2021 RM
Contract assets	**52,525,156**	14,479,683
Contract liabilities	**(6,209,576)**	(80,820,865)
Net	**46,315,580**	(66,341,182)
At beginning of the year	**(66,341,182)**	(238,551,622)
Consideration paid/payable to customers	**219,860,313**	151,086,915
Revenue recognised during the year	**212,761,871**	301,518,364
Progress billing during the year	**(319,965,422)**	(280,394,839)
At end of the year	**46,315,580**	(66,341,182)

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2022 is RM628,175,103 (2021: RM335,341,352). The remaining performance obligations are expected to be recognised as follows:

	Group 2022 RM	Group 2021 RM
Within 1 year	**340,273,129**	86,772,682
Between 1 and 4 years	**287,901,973**	248,568,670
Total	**628,175,102**	335,341,352

19. Contract assets/(liabilities) (cont'd.)

(b) Contract costs:

The Group incurred legal fee and sales commission for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract. These costs are amortised over the period that the property is transferred. Capitalised costs to obtain such contracts are presented as a current asset in the statements of financial position and its amortisation is included in cost of sales in profit or loss.

	Group	
	2022	**2021**
	RM	**RM**
At beginning of the year	**12,300,892**	6,303,368
Additions	**25,864,947**	19,594,200
Amortisation	**(8,689,344)**	(13,596,676)
At end of the year	**29,476,495**	12,300,892

20. Trade receivables

	Group	
	2022	**2021**
	RM	**RM**
Trade receivables	**27,253,586**	64,801,445
Retention sum	**43,815,801**	45,706,944
	71,069,387	110,508,389
Less: Allowance for impairment loss		
- Trade receivables	**(5,477,924)**	(2,707,635)
- Retention sum	**(8,820,409)**	(8,820,409)
	(14,298,333)	(11,528,044)
	56,771,054	98,980,345

The credit period granted by the Group is ranging from 14 to 45 days (2021: 14 to 45 days). Interest is charged on past due billings at an interest rate of 8% (2021: 8%) per annum for commercial properties, 10% (2021: 10%) per annum for residential properties and 12% (2021: 12%) per annum for utility services.

Retention sum is due upon the expiry of the defect liability period stated in respective construction contracts or sale and purchase agreements. The credit period granted by the Group for retention sums is ranging from 8 to 24 months (2021: 8 to 24 months).

The directors are of the opinion that trade receivables for the property purchasers should be recovered in full without material losses in the ordinary course of business as the legal title to the properties sold remained with the Group until the purchase consideration is fully settled and mainly related to progress billings to be settled by the purchasers or the purchasers' end financiers. The Group does not hold any collateral over these balances.

20. Trade receivables (cont'd.)

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets.

The table below is an analysis of trade receivables at the end of the reporting year:

	Group	
	2022	2021
	RM	RM
Neither past due nor impaired	**43,852,429**	76,191,974
Past due but not impaired	**12,918,625**	22,788,371
Past due and impaired	**14,298,333**	11,528,044
	71,069,387	110,508,389
Ageing of past due but not impaired		
Past due 1 to 30 days	**6,675,616**	5,314,944
Past due 31 to 60 days	**2,567,096**	2,855,809
Past due 61 to 90 days	**764,095**	2,676,781
Past due more than 90 days	**2,911,818**	11,940,837
	12,918,625	22,788,371
Ageing of past due and impaired		
Past due more than 90 days	**14,298,333**	11,528,044

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,918,625 (2021: RM22,788,371) that are past due at the reporting date but not impaired. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the management are of the opinion that no allowance for impairment is necessary in respect of these balances as there have not been a significant change in the credit quality and the balances are still considered fully recoverable.

20. Trade receivables (cont'd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2022	2021
	RM	RM
Trade receivables - nominal amounts	**5,477,924**	2,707,635
Retention sum - nominal amounts	**8,820,409**	8,820,409
	14,298,333	11,528,044
Less: Allowance for impairment loss	**(14,298,333)**	(11,528,044)
	-	-

Movement in the allowance for impairment loss:

	Group	
	2022	2021
	RM	RM
At beginning of the year	**11,528,044**	11,445,883
Charge for the year	**2,770,289**	82,161
At end of the year	**14,298,333**	11,528,044

21. Other receivables

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables	**15,170,620**	22,627,528	**221,414**	221,414
Refundable deposits	**27,596,808**	20,872,800	**34,300**	34,300
Prepayments	**4,951,994**	3,808,069	**-**	-
Goods and service tax receivables	**3,444,935**	4,159,718	**-**	-
	51,164,357	51,468,115	**255,714**	255,714
Less: Allowance for impairment loss on other receivables	**(5,661,567)**	(550,047)	**(5,094)**	-
	45,502,790	50,918,068	**250,620**	255,714

Included in refundable deposits of the Group are deposit paid for the land acquisition in Klang Valley amounting RM6,300,000 (2021: RMnil).

21. Other receivables (cont'd.)

Movement in the allowance for impairment loss:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of the year	**550,047**	550,047	**-**	-
Charge for the year	**5,336,520**	-	**5,094**	-
Write-off	**(225,000)**	-	**-**	-
At end of the year	**5,661,567**	550,047	**5,094**	-

22. Amounts owing by subsidiaries

Amounts owing by subsidiaries, which arose mainly from expenses paid on behalf and advances, are unsecured, interest-free except for an amount of RM57,735,317 (2021: RM431,535,185) which bears interest rates ranging from 4.444% to 4.972% (2021: 6.875%).

The amounts owing by subsidiaries are repayable on demand except for an amount of RM9,138,304 (2021: RM9,921,088) which are not expected to be recalled within the next 12 months. During the financial year, an amount of RM782,734 (FY2021: RM732,429) has been recognised in profit or loss to reflect the unwinding of discount.

As at 31 December 2022 and 31 December 2021, no demand for repayment has been made by the Company for any of the balance due from a subsidiary. Considering the nature and terms of these balances, the Company has assessed that there are no amounts which are regarded as past due and no ageing analysis has been presented for these balances.

23. Cash and bank balances

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group	
	2022	2021
	RM	RM
Deposits with licensed banks	**44,711,754**	36,496,383
Deposits under Housing Development Accounts	**41,149,680**	359,545,911
Cash on hand and in bank	**32,062,838**	63,439,460
Cash and bank balances	**117,924,272**	459,481,754
Less: Restricted cash	**(26,195,055)**	-
Fixed deposits with maturity period more than 90 days	**(19,609,682)**	(3,076,952)
Cash and cash equivalents	**72,119,535**	456,404,802

23. Cash and bank balances (cont'd.)

	Company	
	2022	2021
	RM	RM
Deposits with licensed banks	**-**	60,000
Cash on hand and in bank	**964,139**	2,705,766
	964,139	2,765,766

Included in restricted cash are monies held in designated accounts which represent redemption collection that can only be used to repay current and future drawndown of islamic loans as disclosed in Note 26.

Fixed deposits amounting to RM28,448,557 (2021: RM26,442,375) are pledged with licensed banks for bank guarantees as disclosed in Note 34 and hence, are not available for general use.

Fixed deposits with licensed banks earn interest at rates ranging from 1% to 2.80% (2021: 0.85% to 1.80%) per annum and have maturity periods ranging from 4 days to 365 days (2021: 3 days to 365 days).

Deposits held under Housing Development Accounts are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Development (Housing Development Account) Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash could only be withdrawn from such accounts for the purpose of completing the particular projects concerned.

Included in deposits under the Housing Development Accounts is an amount of RM2,377,747 (2021: RM323,580,443) in which the amount is held under a jointly managed account pursuant to the agreement entered into with PR1MA Corporation Malaysia.

24. Share capital

	Number of ordinary shares		Amount	
	2022	2021	2022	2021
Issued and fully paid up:				
At beginning/end of the year	**1,456,995,471**	1,456,995,471	**1,541,092,425**	1,541,092,425

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

25. Reserves

(a) Reverse acquisition reserve

The reverse acquisition reserve arose from the reorganisation exercise undertake in 2015 that resulted in the reverse acquisition of the Company by MCT Consortium Bhd.

25. Reserves (cont'd.)

(b) Cash flow hedge reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships as at the reporting date relates to the cross currency interest rate swaps entered by the Group and the Company to limit its exposure to foreign currency risk on its foreign currency loan.

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of the year	**5,107,605**	12,228,584	**5,107,605**	12,228,584
Net change in fair value	**7,349,703**	(28,009,953)	**(6,837,748)**	(28,009,953)
Amounts recognised in profit or loss	**(17,209,500)**	18,500,000	**(1,054,500)**	18,500,000
Reversal of ineffective cash flow hedge	**1,171,716**	-	**1,171,716**	-
Deferred tax recognised in other comprehensive income	**2,085,139**	2,388,974	**1,612,927**	2,388,974
At end of the year	**(1,495,337)**	5,107,605	**-**	5,107,605

26. Borrowings

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-current				
Secured:				
Term loan	**7,407,056**	-	**-**	-
Islamic loans	**40,498,091**	-	**-**	-
	47,905,147	-	**-**	-
Current				
Unsecured:				
Revolving credit	**31,050,000**	-	**31,050,000**	-
Total borrowings	**78,955,147**	-	**31,050,000**	-

26. Borrowings (cont'd.)

At the reporting date, the remaining maturities of the borrowings are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Not later than one year	**31,050,000**	-	**31,050,000**	-
Later than one year but not later than five years	**47,905,147**	-	**-**	-
	78,955,147	-	**31,050,000**	-

At the reporting date, the average interest rates per annum for borrowings are as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Term loan	**4.50**	-	**-**	-
Islamic loans	**4.67**	-	**-**	-
Revolving credit	**4.04**	-	**4.04**	-

The secured term loan and Islamic loans are secured by:

- Legal charges over certain project land under property development costs (Note 18);
- Corporate guarantees issued by the Company;
- Proceeds deriving from the disposal of the project and/or sales of the project (Note 23); and
- Specific debentures by way of fixed and floating assets over all present and future assets in relation to the project.

<u>Reconciliation of liabilities arising from financing activities:</u>

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of the year	**-**	25,000,000	**-**	25,000,000
Drawdown of borrowings	**102,859,128**	-	**31,050,000**	-
Repayments of borrowings	**(22,149,038)**	(25,000,000)	**-**	(25,000,000)
Transaction costs paid	**(2,086,719)**	-	**-**	-
Amortisation of transaction costs	**331,776**	-	**-**	-
At end of the year	**78,955,147**	-	**31,050,000**	-

27. Amount owing to ultimate holding company

Amount owing to ultimate holding company represents unsecured advances, bearing an interest at the rate of 4.52% (2021: 6.25%) per annum and are repayable within the next 12 months (2021: repayable within the next 12 months) except for an amount of RM197,550,000, which is repayable within the next 24 months.

The amount owing to ultimate holding company is denominated in United States Dollar ("USD").

During the financial year, the Company made a repayment of RM258,491,500 to the ultimate holding company. The remaining balance of RM262,133,500 has been novated to MCT Consortium Berhad, a wholly-owned subsidiary of the Company.

28. Derivative financial liabilities

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At fair value				
Non-current				
Cross currency interest rate swaps (Note A)	**14,187,450**	-	**-**	-
Current				
Cross currency interest rate swaps (Note A)	**-**	6,837,747	**-**	6,837,747
Foreign exchange forward (Note B)	**3,345,821**	-	**-**	-
	3,345,821	6,837,747	**-**	6,837,747
	17,533,271	6,837,747	**-**	6,837,747

(A) Cross currency interest rate swaps

The Group has entered into and designated cross currency interest rate swaps as hedging instruments in the form of cash flow hedge from loan provided by the ultimate holding company as disclosed in Note 27 which is denominated in USD and bears interest at floating rate. These contracts are entered into for a period of 2 years with the foreign currency and floating interest rate exposures. As a result, the Group pays a fixed rate of interest on the loan. The terms of the cross currency interest rate swaps matches the terms of the loan and the cash flow hedge have been assessed as effective.

The fair value of cross currency interest rate swaps is estimated using valuation techniques with observable inputs, which uses present value calculations, incorporate various input including foreign exchange spot and interest rate curves.

28. Derivative financial liabilities (cont'd.)

(B) Foreign exchange forward

The Group uses foreign currency forward contract to manage the transaction exposure from loan provided by the ultimate holding company as disclosed in Note 27 which is denominated in USD and bears interest at floating rate. These contracts are entered into for a period of 3 months which is consistent with the currency transaction exposure but are not designated as cash flow hedge and do not qualify for hedge accounting.

The fair value of foreign currency forward contract is estimated using valuation techniques with observable inputs, which uses present value calculations, incorporate various input including foreign exchange spot and interest rate curves.

Subsequent to year end, the loan has rolled-over for additional 2 years and the foreign currency forward contract was discontinued. A new cross currency interest rate swap was obtained.

29. Lease liabilities

	Group	
	2022	2021
	RM	RM
At beginning of the year	2,219,369	8,350,515
Additions	324,920	468,754
Modification of lease contract	(394,500)	-
Interest expenses	92,169	1,259,666
Payments	(1,285,967)	(7,859,566)
At end of the year	955,991	2,219,369
Represented by:		
Current	737,855	1,115,008
Non-current	218,136	1,104,361
	955,991	2,219,369

Lease liabilities are calculated using discount rate of 6.875% (2021: 6.875%).

30. Trade payables

	Group	
	2022	2021
	RM	RM
Trade payables	19,191,533	35,639,458
Retention sum	36,285,259	50,974,877
	55,476,792	86,614,335

30. Trade payables (cont'd.)

(a) Trade payables

The average credit period granted to the Group ranges from 30 to 90 days (2021: 30 to 90 days).

(b) Retention sum

The normal trade credit terms granted to the Group ranges from 6 months to 30 months (2021: 6 months to 30 months).

31. Other payables

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other payables	**15,523,755**	24,859,284	**-**	-
Accrued expenses	**91,928,014**	108,866,452	**2,729,186**	6,629,063
Deposits received	**7,711,702**	6,261,348	**-**	-
	115,163,471	139,987,084	**2,729,186**	6,629,063

Included in accrued expenses of the Group is an amount of RM39,477,514 (2021: RM65,870,691) relating to accrued construction costs.

Included in accrued expenses of the Group and the Company is an amount of RM1,778,728 (2021: RM5,074,481) relating to accrued interest for amount owing to ultimate holding company.

In previous financial year, included in other payables of the Group was an amount of RM7,300,249 payable to a third party registered owner of a parcel of leasehold land ("Land owner"). The land cost payables consisted of a loan obtained by the Land owner paid by the Group. The land cost payables bore an interest rate of 8.75% per annum.

32. Financial instruments

Capital Risk

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balances. The Group's overall strategy remains unchanged since previous financial years.

The capital structure of the Group consists of debts and equity of the Group.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated.

32. Financial instruments (cont'd.)

Gearing Ratio

Debts are defined as borrowings and lease liabilities as disclosed in Notes 26 and 29, respectively.

Equity includes share capital, reserves, retained earnings and non-controlling interests.

The gearing ratio at end of the reporting period is as follows:

	Group	
	2022	2021
	RM	RM
Borrowings (Note 26)	**78,955,147**	-
Lease liabilities (Note 29)	**955,991**	2,219,369
	79,911,138	2,219,369
Less: Cash and bank balances (Note 23)	**(117,924,272)**	(459,481,754)
Net cash	**(38,013,134)**	(457,262,385)
Equity	**871,266,330**	864,180,719
Total capital and net cash	**833,253,196**	406,918,334
Net debt to equity ratio	**N/A ***	N/A *

* N/A = non applicable

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial assets at amortised cost:				
Trade receivables	**56,771,054**	98,980,345	**-**	-
Other receivables *	**37,105,861**	42,950,281	**250,620**	255,714
Amounts owing by subsidiaries	**-**	-	**402,792,699**	896,108,875
Cash and bank balances	**117,924,272**	459,481,754	**964,139**	2,765,766
	211,801,187	601,412,380	**404,007,458**	899,130,355

* Excluding prepayment and goods and service tax receivables.

32. Financial instruments (cont'd.)

Financial Assets and Financial Liabilities (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial liabilities at amortised cost:				
Lease liabilities	**955,991**	2,219,369	**-**	-
Borrowings	**78,955,147**	-	**31,050,000**	-
Trade payables	**55,476,792**	86,614,335		
Other payables	**115,163,471**	139,987,084	**2,729,186**	6,629,063
Amount owing to ultimate holding company	**241,449,385**	520,625,000	**-**	520,625,000
	492,000,786	749,445,788	**33,779,186**	527,254,063
Financial liabilities at fair value through profit or loss:				
Derivative financial liabilities	**17,533,271**	6,837,747	**-**	6,837,747

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's financial risk management principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities.

Interest Rate Risk Management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. The interest rates for borrowings and lease liabilities are disclosed in Note 26 and Note 29 respectively. Interest rate for lease liabilities, is fixed at the inception of the financing arrangement and amount owing to ultimate holding company is managed using cross currency interest rate swap.

<u>Sensitivity analysis for interest rate risk</u>

During the financial year, if interest rates had been 10% lower/higher, with all other variables held constant, the Group's profit for the year would have been RM264,404 (2021: RM nil) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

There is no material impact on the equity/other comprehensive income of the Group and the Company arising from any reasonable possible change in the interest rates as at 31 December 2022 and 31 December 2021.

32. Financial instruments (cont'd.)

Foreign Currency Risk

The Group exposure to foreign currency exchange risk is in respect of its USD denominated advances from its ultimate holding company are mitigated as the Group hedges the foreign currency by entering into a cross currency swap and foreign exchange forward as disclosed in Note 28 and Note 32 under hedging activities and derivative.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk in relation to its trade and other receivables and intercompany balances, should all its customers fail to perform their obligations as at 31 December 2022, is the carrying amount of these receivables as disclosed in statements of financial position.

In respect of trade receivables arising from sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers. Furthermore, for property development in Malaysia, the developer has the option to terminate the sale and purchase agreement in the event of default by the purchaser.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 20.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than as disclosed in Note 20. The Group defines counterparties having similar characteristics if they are related entities.

The management of the Group monitors the cash flows and funding requirements of the Company and its subsidiaries on a Group-wide basis. This includes determining the timing and quantum of the repayment of amounts due from and due to subsidiaries and related companies of the Company when required.

Liquidity Risk

The responsibility for liquidity risk management rests with management of the Group, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

32. Financial instruments (cont'd.)

Liquidity Risk (cont'd.)

The following tables detail the liquidity analysis for its financial liabilities based on the contractual maturity of these financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest contractual date on which the Group can be required to pay.

	Less than 1 year RM	1 to 5 years RM	Total RM
Group			
2022			
Financial liabilities			
Trade payables	**55,476,792**	**-**	**55,476,792**
Other payables	**113,384,743**	**-**	**113,384,743**
Borrowings	**32,303,489**	**55,396,723**	**87,700,212**
Lease liabilities	**791,932**	**255,422**	**1,047,354**
Amount owing to ultimate holding company	**44,426,165**	**206,479,260**	**250,905,425**
	246,383,121	**262,131,405**	**508,514,526**
Company			
2022			
Financial liabilities			
Other payables	**2,729,186**	**-**	**2,729,186**
Borrowings	**32,303,489**	**-**	**32,303,489**
	35,032,675	**-**	**35,032,675**
Group			
2021			
Financial liabilities			
Trade payables	86,614,335	-	86,614,335
Other payables	134,963,024	-	134,963,024
Lease liabilities	1,205,730	1,264,143	2,469,873
Amount owing to ultimate holding company	585,703,125	-	585,703,125
	808,486,214	1,264,143	809,750,357
Company			
2021			
Financial liabilities			
Other payables	6,629,063	-	6,629,063
Amount owing to ultimate holding company	585,703,125	-	585,703,125
	592,332,188	-	592,332,188

32. Financial instruments (cont'd.)

Cash Flow Risk Management

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Hedging Activities and Derivative

The Group and the Company is exposed to currency risk and interest risk. The primary risks are managed using cross currency interest rate swap by borrowing at a floating rate.

The Group and the Company determines the existence of an economic relationship between hedging instrument and hedged item based on the reference of interest rate, currency, amount and timing of their respective cash flows.

The derivative has the following maturity profile:

	Less than 1 year RM	1 to 5 years RM	Total RM
Group			
2022			
Cross currency interest rate swap	-	14,187,450	14,187,450
Average rate of interest	-	4.52%	4.52%
Average fixed foreign exchange rate (USD/MYR)	-	4.75	4.75
Group			
2021			
Cross currency interest rate swap	6,837,747	-	6,837,747
Average rate of interest	4.15%	-	4.15%
Average fixed foreign exchange rate (USD/MYR)	4.16	-	4.16
Company			
2021			
Cross currency interest rate swap	6,837,747	-	6,837,747
Average rate of interest	4.15%	-	4.15%
Average fixed foreign exchange rate (USD/MYR)	4.16	-	4.16

The amounts relating to items designated as hedging instruments and hedge effectiveness as at reporting date are as follows:

	Nominal value RM	Carrying amount RM	Changes in the value of hedging instruments recognised RM
Cross currency interest rate swap	213,705,000	14,187,450	(1,967,549)

32. Financial instruments (cont'd.)

Fair Values

The fair value of derivative instruments are calculated based on the present value of future principal and interest cash flows. The spot rates, forward rates and foreign exchange rates used to calculate present value are directly observable from the market.

Fair Value Hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table shows an analysis of the asset and liability carried at fair value by level of fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM
Group			
2022			
Assets disclosed at fair value			
Investment properties	-	-	269,940,000
Derivatives financial liabilities			
Cross currency interest rate swap	-	14,187,450	-
Foreign exchange forward	-	3,345,821	-
Group			
2021			
Assets disclosed at fair value			
Investment properties	-	-	267,740,000
Derivatives financial liabilities			
Cross currency interest rate swap	-	6,837,747	-
Company			
2021			
Derivatives financial liabilities			
Cross currency interest rate swap	-	6,837,747	-

There has been no transfer between Level 1, Level 2 and Level 3 for the financial year under review.

32. Financial instruments (cont'd.)

Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

Trade receivables (Note 20)
Other receivables (Note 21)
Trade payables (Note 30)
Other payables (Note 31)
Lease liabilities (Note 29)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short-term nature.

(a) Borrowing

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Long-term receivables/payables

Fair values of long-term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivables/payables.

33. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, set out below are the significant related party transactions entered into by the Group and Company, which were determined based on negotiations agreed between the parties, are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Interest expense charged by ultimate holding company	**29,644,774**	32,524,650	**27,861,587**	32,524,650
Interest income charged to subsidiaries	**-**	-	**(31,656,989)**	(35,777,115)

33. Significant related party transactions (cont'd.)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include directors of the Company, and certain members of senior management of the Group.

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries and other remunerations	**7,704,070**	6,808,783	**636,041**	656,778
Defined contribution plans	**821,992**	631,825	**-**	-
Benefit-in-kind	**29,100**	30,850	**-**	-
	8,555,162	7,471,458	**636,041**	656,778

34. Contingent liabilities

	Group	
	2022	2021
	RM	RM
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	**30,355,001**	14,191,387

35. Material litigation

USJ Citypoint Sdn.Bhd (formerly known as One City Development Sdn Bhd) ("USJC") is the owner of a piece of land held under Geran 284076, Lot 81278, Mukim Damansara, Daerah Petaling, Negeri Selangor ("Master Title") where part of the Master Title (measuring approximately 1 acre) ("Temple Land") is occupied by an Indian Temple, Kuil Sri Maha Mariamman ("Temple").

On 3 May 2019, the President of the Jawatankuasa Pengurusan Kuil of the Temple ("the Plaintiff") filed an Originating Summons ("OS") at the High Court against USJC and 17 others, seeking an Order for the vesting of the Temple Land to the Temple or the Court appointed trustees."

On 27 October 2021, USJC applied to Court for the following Orders to request for closure and to ensure that no further legal issues with the Temple will ensue:

(i) that the legal and beneficial ownership of the Temple Land be transferred to the Selangor State Government and declared a state land from the date of this Order with immediate effect;

(ii) all parties related to the Temple shall forever release and discharge any and all claims against USJC arising out of or in connection with the Temple Land and/ or the Temple; and

(iii) that all monies (together with interests) held by Messrs Low & Lee as stakeholders be refunded to USJC within 14 days from the date of this Order ('the Stakeholder Sum').

35. Material litigation (cont'd.)

The Court subsequently granted the above Orders on 19 May 2022 and the following activities were executed and/or obtained during the year:

(i) surrender of the Temple Land from USJC to the State;

(ii) approval of the Development Order for the Master title for the remaining parcels of land; and

(iii) release of the Stakeholder Sum of RM1mil with accrued interest.

In light of the above events, this matter is now deemed to be closed.

36. Significant and subsequent events

(i) On 18 August 2022, USJ One Avenue Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Contemporary Excellence Sdn Bhd, Baihinia Development Sdn Bhd and Sri Landas Sdn Bhd for the acquisition of three contiguous parcels of leasehold commercial lands in Bandar Baru Bangi measuring approximately 4.02 acres for a total cash consideration of RM31,500,000. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 12 January 2023.

(ii) On 20 February 2023, Ardent Residence Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with HPC Development Sdn Bhd for the acquisition of a parcel of freehold residential development land in Bandar Kuala Lumpur measuring approximately 1.57 acres for a total cash consideration of RM58,000,000. The condition precedent of the sale and purchase agreement has not been fulfilled as at the date of this report.

(iii) On 1 March 2023, The Place Properties Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Sisi Tasik Sdn Bhd for the acquisition of three contiguous parcels of freehold residential development land in Mukim Kuala Lumpur measuring approximately 3.91 acres for a total cash consideration of RM64,646,632. The condition precedent of the sale and purchase agreement was subsequently fulfilled on 30 March 2023.

37. Segmental reporting

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. For management purposes, the Group is organised into the following operating divisions:

(i)	Property development	- Property development of residential and commercial properties.
(ii)	Investment holding	- Investment holding.
(iii)	Complementary business	- Construction providing civil, mechanical engineering services, and operating in leasing of properties.
(iv)	Others	- Property management and utility services provider.

No information on geographical areas is presented as the Group operates mainly in Malaysia.

37. Segmental reporting (cont'd.)

2022	Property development RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Revenue							
External revenue	212,761,871	-	986,263	11,172,017	224,920,151	-	224,920,151
Inter-segment revenue	-	-	32,505,180	2,618,224	35,123,404	(35,123,404)	-
Total revenue	212,761,871	-	33,491,443	13,790,241	260,043,555	(35,123,404)	224,920,151
Results							
Operating profit/(loss)	26,467,812	(10,680,698)	(3,849,456)	(8,780,058)	3,157,600	(106,444)	3,051,156
Interest income	4,347,383	33,589,943	171,566	858	38,109,750	(33,399,310)	4,710,440
Other income	4,612,349	5,025,138	10,416,493	472,917	20,526,897	-	20,526,897
Finance costs	(24,171,436)	(30,562,267)	(10,882,550)	(900,917)	(66,517,170)	33,505,754	(33,011,416)
Profit/(loss) before tax	11,256,108	(2,627,884)	(4,143,947)	(9,207,200)	(4,722,923)	-	(4,722,923)
Income tax (expense)/ credit	(8,142,858)	12,085,888	1,333,036	(70,474)	5,205,592	-	5,205,592
Profit/(loss) after tax	3,113,250	9,458,004	(2,810,911)	(9,277,674)	482,669	-	482,669
Assets and liabilities							
Segment assets	1,869,227,618	1,858,685,670	484,562,108	67,573,640	4,280,049,036	(2,944,433,122)	1,335,615,914
Tax recoverable and deferred tax assets	24,252,939	8,990,292	10,944,373	301,424	44,489,028	11,037,938	55,526,966
Total assets	1,893,480,557	1,867,675,962	495,506,481	67,875,064	4,324,538,064	(2,933,395,184)	1,391,142,880
Segment liabilities	1,390,228,904	306,048,634	462,373,551	112,391,767	2,271,042,856	(1,755,299,223)	515,743,633
Tax payable and deferred tax liabilities	2,356,409	472,212	-	-	2,828,621	1,304,296	4,132,917
Total liabilities	1,392,585,313	306,520,846	462,373,551	112,391,767	2,273,871,477	(1,753,994,927)	519,876,550

37. **Segmental reporting (cont'd.)**

2022	Property development RM	Investment holding RM	Complementary business RM	Others RM	Total RM
Other segment information					
Capital expenditure:					
- investment properties	93,412	-	-	-	93,412
- property, plant and equipment	3,316,925	-	1,773,325	154,289	5,244,539
	3,410,337	-	1,773,325	154,289	5,337,951
Depreciation of:					
- property, plant and equipment and right-of-use assets	(7,952,744)	-	(5,777,639)	(2,622,213)	(16,352,596)
- investment properties	(504,743)	-	-	-	(504,743)
	(8,457,487)	-	(5,777,639)	(2,622,213)	(16,857,339)
Impairment loss on:					
- property, plant and equipment	(171,191)	-	-	(2,445,797)	(2,616,988)
- investment properties	(880,000)	-	-	-	(880,000)
Allowance for impairment :					
- trade receivables	-	-	(1,681)	(2,768,608)	(2,770,289)
- other receivables	(4,507,007)	(133,363)	(696,150)	-	(5,336,520)
Reversal of impairment on					
- property, plant and equipment	-	-	89,751	-	89,751
- investment properties	218,868	-	-	-	218,868

37. Segmental reporting (cont'd.)

2021	Property development RM	Investment holding RM	Complementary business RM	Others RM	Total RM	Elimination RM	Group RM
Revenue							
External revenue	316,648,058	-	489,916	9,803,492	326,941,466	-	326,941,466
Inter-segment revenue	-	-	27,659,093	2,524,295	30,183,388	(30,183,388)	-
Total revenue	316,648,058	-	28,149,009	12,327,787	357,124,854	(30,183,388)	326,941,466
Results							
Operating profit/(loss)	56,354,768	(3,168,441)	(20,899,817)	(5,134,872)	27,151,638	(33,502)	27,118,136
Interest income	4,430,245	36,002,594	117,266	1,776	40,551,881	(35,999,324)	4,552,557
Other income	832,439	75,306	7,588,288	163,460	8,659,493	-	8,659,493
Finance costs	(26,923,364)	(33,287,077)	(10,167,813)	(884,069)	(71,262,323)	36,032,826	(35,229,497)
Profit/(Loss) before tax	34,694,088	(377,618)	(23,362,076)	(5,853,705)	5,100,689	-	5,100,689
Income tax expense	(10,026,673)	(6,224,532)	(5,039,971)	(51,779)	(21,342,955)	-	(21,342,955)
Profit/(Loss) after tax	24,667,415	(6,602,150)	(28,402,047)	(5,905,484)	(16,242,266)	-	(16,242,266)
Assets and liabilities							
Segment assets	2,231,007,252	2,258,149,020	796,949,879	76,782,947	5,362,889,098	(3,691,444,768)	1,671,444,330
Tax recoverable and deferred tax assets	9,811,505	1,668,808	8,788,957	245,848	20,515,118	15,066,742	35,581,860
Total assets	2,240,818,757	2,259,817,828	805,738,836	77,028,795	5,383,404,216	(3,676,378,026)	1,707,026,190
Segment liabilities	1,730,472,418	711,781,129	737,211,686	110,305,370	3,289,770,603	(2,452,666,203)	837,104,400
Tax payable	2,268,786	3,472,285	-	-	5,741,071	-	5,741,071
Total liabilities	1,732,741,204	715,253,414	737,211,686	110,305,370	3,295,511,674	(2,452,666,203)	842,845,471

37. **Segmental reporting (cont'd.)**

2021	Property development RM	Investment holding RM	Complementary business RM	Others RM	Total RM
Other segment information					
Capital expenditure:					
- investment properties	333,911	-	-	-	333,911
- property, plant and equipment	466,549	-	3,333,331	134,305	3,934,185
	800,460	-	3,333,331	134,305	4,268,096
Depreciation of:					
- property, plant and equipment and right-of-use assets	(7,741,955)	-	(5,744,771)	(2,371,358)	(15,858,084)
- investment properties	(1,360,730)	-	-	-	(1,360,730)
	(9,102,685)	-	(5,744,771)	(2,371,358)	(17,218,814)
Impairment loss on property, plant and equipment	-	-	-	431,139	431,139
Allowance for impairment loss of receivables	-	-	-	82,161	82,161
Reversal of impairment on property, plant and equipment	-	-	(706,974)	-	(706,974)

LIST OF PROPERTIES

Company/Address	Land area (acres)	Existing use	Tenure	Remaining useful life (years)	Year of acquisition/ Year of completion*	Net book value as at 31 December 2022 (RM)
Next Delta Sdn. Bhd.						
Lot 72024, Pekan Country Height, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	5.6	Alira Subang Jaya (Land held for development)	Freehold	NA	9.11.2018	87,963,816
Lot 72025, Pekan Country Height, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	3.5	AMIKA Residences (Land held for development)	Freehold	NA	9.11.2018	55,036,184
USJ Citypoint Sdn. Bhd. (f.k.a One City Development Sdn. Bhd.)						
Pt 35474, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	1	2Fifth Avenue (Land held for development)	99 years	88	1998	
Pt 567, Pekan Subang Jaya, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	1	2Fifth Avenue (Land held for development)	99 years	88	1998	13,500,000
Lot 92353, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	17.2	2Fifth Avenue (Land held for development)	Freehold	NA	2012	
One Residence Sdn. Bhd.						
PN92831, Lot 89553, Bandar Damansara, Daerah Petaling, Selangor Darul Ehsan, Malaysia.	1.8	Aetas Damansara (Land held for development)	Leasehold expiring 4.4.2109	87	21.08.2018	42,870,000

Company/Address	Land area (acres)	Existing use	Tenure	Remaining useful life (years)	Year of acquisition/ Year of completion*	Net book value as at 31 December 2022 (RM)
The Place Properties Sdn. Bhd.						
The Place@Cyberjaya, Jalan Teknokrat 1/1, Cyberjaya, 63000 Selangor Darul Ehsan, Malaysia.	10.5	Basement carpark and retail lots	Freehold	NA	31.03.2015*	25,941,188
Sky Park@One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia.	2.2	Retail lots	Freehold	NA	16.12.2013*	37,000,000
Solid Benefit Sdn. Bhd.						
Lot 104161, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	73.8	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	82	2008	5,259,154
Lot 104162, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	124.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	82	2008	8,866,407
Lot 104163, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	54.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	82	2008	3,882,214
Lot 104164, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	48.7	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	82	2008	3,465,500
Lot 47955, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	115.5	Cybersouth (Land held for development)	Leasehold expiring 1.2.2104	82	2008	8,226,733

Company/Address	Land area (acres)	Existing use	Tenure	Remaining useful life (years)	Year of acquisition/ Year of completion*	Net book value as at 31 December 2022 (RM)
Solid Recommendation Sdn. Bhd.						
Lot 47336, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	11.1	Skypark Cyberjaya (Land held for development)	Freehold	NA	22.09.2010	43,160,000
Timeless Hectares Sdn. Bhd.						
Lot 108632, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	23.1	LakeFront Cyberjaya (Land held for development)	Freehold	NA	25.03.2011	34,506,960
Lot 108633, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	16	LakeFront Cyberjaya (Land held for development)	Freehold	NA	25.03.2011	
Lot 108634, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	18.8	LakeFront Cyberjaya (Land held for development)	Freehold	NA	25.03.2011	24,845,000
Lot 108636, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, Malaysia.	2.2	LakeFront Cyberjaya (Land held for development)	Freehold	NA	25.03.2011	

▲ *Aetas Damansara show unit bedroom*

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

SHARE CAPITAL

Issued Share Capital	:	1,456,995,471 ordinary shares
Types of Shares	:	Ordinary share
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Holders	% of Holders	No. of Holdings	% of Issued Share Capital
Less than 100	85	1.83	1,989	0.00
100 to 1,000	672	14.46	249,422	0.01
1,001 to 10,000	1,500	32.29	9,787,321	0.67
10,001 to 100,000	1,980	42.62	78,611,265	5.40
100,001 to less than 5% of issued shares	406	8.74	403,143,059	27.67
5% and above of issued shares	3	0.06	965,202,415	66.25
Total	**4,646**	**100.00**	**1,456,995,471**	**100.00**

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Share Capital
1	Regent Wise Investments Limited	439,809,059	30.19
2	Regent Wise Investments Limited	295,277,782	20.27
3	CGS-CIMB Nominees (Asing) Sdn. Bhd. - Pledged Securities Account for Regent Wise Investments Limited	230,115,574	15.79
4	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Tan Sri Dato' Sri Goh Ming Choon (PB)	66,700,000	4.58
5	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Dato' Sri Tong Seech Wi	36,277,225	2.49
6	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Ng Lee Ling (PB)	25,050,000	1.72
7	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Linbaq Holding Sdn. Bhd.	22,666,667	1.56
8	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Lai Ming Chun @ Lai Poh Lin (PB)	22,340,790	1.53
9	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Siva Kumar A/L M. Jeyapalan	7,153,100	0.49
10	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Rickoh Corporation Sdn. Bhd. (MY0507)	7,134,000	0.49
11	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koh Kin Lip (7003423)	7,125,000	0.49

No.	Name of Shareholder	No. of Shares Held	% of Issued Share Capital
12	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Susy Ding (CEB)	7,000,000	0.48
13	Tan Sri Dato' Sri Goh Ming Choon	6,417,000	0.44
14	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yap Chee Woon	6,202,000	0.43
15	Huang Phang Lye	6,049,300	0.42
16	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Foong Wai Hoong (7004243)	5,800,300	0.40
17	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Yee Hui	5,500,000	0.38
18	Susy Ding	5,300,000	0.36
19	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Toh Hooi Hak (PB)	4,000,000	0.27
20	Ng Yoke Hin	3,532,700	0.24
21	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Kian Aik	3,501,100	0.24
22	Toh Hooi Hak	3,459,100	0.24
23	Cartaban Nominees (Asing) Sdn. Bhd. - The Bank of New York Mellon for Ensign Peak Advisors Inc.	3,320,200	0.23
24	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goh Meng Keong	3,000,000	0.21
25	South East Asia Auto Parts Sdn. Bhd.	3,000,000	0.21
26	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Teh Kum Choy	2,805,700	0.19
27	Lim Chuan Heng	2,600,000	0.18
28	Cartaban Nominees (Asing) Sdn. Bhd. - The Bank of New York Mellon for Acadian ACWI EX US Small Capfund LLC	2,501,100	0.17
29	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Stocks N Options Sdn. Bhd.	2,500,000	0.17
30	Ang Hong Mai	2,350,000	0.16

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
No.	Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
1	Regent Wise Investments Limited	965,202,415	66.25	-	-
2	Ayala Land, Inc.(1)	-	-	965,202,415	66.25

Note:

(1) *Deemed interested in the shares held by Regent Wise Investments Limited pursuant to Section 8(4) of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Indirect Interest	
No.	Name of Directors	No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	-	-
2.	Datin Chong Lee Hui	-	-	-	-
3.	Lao Chok Keang	-	-	-	-
4.	Bernard Vincent Olmedo Dy	-	-	-	-
5.	Robert Sy Lao	-	-	-	-
6.	Dante Dominic Macaraeg Abando	-	-	-	-
7.	Ma. Divina Yee Lopez	-	-	-	-
8.	Teh Heng Chong	-	-	-	-
9.	Apollo Bello Tanco	-	-	-	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth ("**14th**") Annual General Meeting ("**AGM**") of the Company will be held at Sheraton 1-5, Level 3C, Sheraton Petaling Jaya Hotel, Jalan Utara C, 46200 Petaling Jaya, Selangor on Monday, 26 June 2023 at 2:30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Statutory Financial Statements of the Company for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon.
(Refer to Explanatory Note A.1.)

2. To re-elect the following Directors, each of whom retires by rotation in accordance with Clause 97.1 of the Constitution of the Company and whom, being eligible, have offered themselves for re-election:
(i) Mr. Bernard Vincent Olmedo Dy — *Ordinary Resolution 1*
(ii) Mr. Lao Chok Keang — *Ordinary Resolution 2*
(Refer to Explanatory Note A.2.)

3. To re-elect the following Directors, each of whom retires in accordance with Clause 104 of the Constitution of the Company and whom, being eligible, have offered themselves for re-election:
(i) Datin Chong Lee Hui — *Ordinary Resolution 3*
(ii) Mr. Robert Sy Lao — *Ordinary Resolution 4*
(iii) Mr. Dante Dominic Macaraeg Abando — *Ordinary Resolution 5*
(Refer to Explanatory Note A.2.)

4. To approve the payment of Non-Executive Directors' fees for the financial year ended 31 December 2022: — *Ordinary Resolution 6*
(Refer to Explanatory Note A.3.)

5. To approve the payment of benefits payable to the Non-Executive Directors from 27 June 2023 until the next AGM of the Company. — *Ordinary Resolution 7*
(Refer to Explanatory Note A.4.)

6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. — *Ordinary Resolution 8*
(Refer to Explanatory Note A.5.)

AS SPECIAL BUSINESS

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

7. **Ordinary Resolution**
Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016
(Refer to Explanatory Note B.6.) — *Ordinary Resolution 9*

"**THAT** subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), the Company's Constitution and the approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company for the time being.

THAT pursuant to Section 85 of the Companies Act, 2016 to be read with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.

THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

BY ORDER OF THE BOARD

WONG YOUN KIM (SSM PC No.: 201908000410) (MAICSA 7018778)
LIEW FUI LI (SSM PC No.: 202008001574) (MAICSA 7051052)
Company Secretaries

Kuala Lumpur
26 April 2023

NOTES:

1. For the purpose of determining a member who shall be entitled to participate, speak and vote at this 14th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 21 June 2023. Only a depositor whose name appears on the Company's Record of Depositors as at 21 June 2023 shall be regarded as a member and eligible to participate, speak and vote at the Meeting or appoint proxy(ies) to participate and vote on his/her behalf.

2. Subject to note 5 below, a member is entitled to participate and vote at a meeting of the Company and is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account.

3. A proxy may but need not be a member of the Company, and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he /she specifies the proportions of his/her shareholdings to be represented by each proxy.

4. The form of proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

5. A member who is an Authorised Nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia requires all resolutions set out in the Notice of General Meeting to be put to the vote by poll.

7. **Personal Data Privacy:**

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES:

A. FOR ORDINARY RESOLUTION

1. Statutory Financial Statements for the financial year ended 31 December 2022 and Reports of Directors and Auditors

This Statutory Financial Statements under Agenda 1 together with the Directors' and Auditors' Reports is meant for discussion only as it does not require shareholders' approval pursuant to Section 340(1) (a) of the Companies Act, 2016 ("the Act") and therefore, it will not be put for voting.

2. Ordinary Resolutions 1, 2, 3, 4 and 5 - Re-election of Directors

Article 97.1 of the Company's Constitution, provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Whereas Article 104 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person who is willing to act as Director, either to fill a casual vacancy or as an addition to the existing Directors, provided the appointment does not cause the total number of Directors to exceed the maximum number fixed by or in accordance with the Company's Constitution. Any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The proposed ordinary resolutions 1, 2, 3, 4 and 5 are to seek shareholders' approval on the re-election of the following Directors standing fo re-election in accordance with the Company's Constitution, who being eligible, have offered themselves for re-election.

Article 97.1:
- Mr. Bernard Vincent Olmedo Dy
- Mr. Lao Chok Keang

Article 104 :
- Datin Chong Lee Hui
- Mr. Robert Sy Lao
- Mr. Dante Dominic Macaraeg Abando

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at this 14th AGM and in line with Practice 5.1 of the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021, the Nomination and Remuneration Committee ("NRC") had recommended the re-election of Retiring Directors based on the following consideration:

(i) satisfactory performance and have met the Board's expectations in discharging their duties and responsibilities;
(ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
(iii) level of independence demonstrated by the independent director; and
(iv) their ability to act in the Company's best interest in decision-making.

The Board, taking heed of the NRC's recommendation, endorsed the re-election of the Retiring Directors.

The details of the Retiring Directors are set out in the Directors' Profile section, and their shareholdings in the Company, where applicable, are set out in the Analysis of Shareholdings section appearing on pages page 26 to 30 and page 214 of of the Company's Annual Report respectively.

3. **Ordinary Resolution 6 - Payment of Non-Executive Directors' ("NED") fees for the financial year ended 31 December 2022**

   Pursuant to Section 230(1) of the Act, fees and benefit payable to Directors of the Company will have to be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of the fees to NEDs for the year for other Directors.

4. **Ordinary Resolution 7 - Payment of benefits payable to NEDs**

   The NEDs' benefits payable of up to RM200,000.00 comprising meeting allowances are based on the number of scheduled and unscheduled Board and Board Committee Meetings as and when required to be held for the period from 27 June 2023 until the next AGM of the Company, including benefits-in-kind and assuming that all NEDs will hold office until the conclusion of the next AGM.

5. **Ordinary Resolution 8 – Re-Appointment of Auditors**

   The Board has at a meeting held on 12 April 2023 approved the recommendation of the Audit & Risk Management Committee on the re-appointment of Messrs Ernst & Young PLT ("EY") as Auditors of the Company. The Board is satisfied with the suitability of EY based on the quality, performance and competency that EY has provided to the Company and its subsidiaries in accordance with Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia.

B. FOR SPECIAL BUSINESS

6. **Ordinary Resolution 9 – Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   The proposed ordinary resolution 9, if approved, will empower the Directors of the Company, from the date of the 14th AGM, authority to issue and allot shares in the Company up to an aggregate amount not exceeding ten per cent (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

   This mandate is a renewal of the mandate granted by the members at the last AGM held on 24 June 2022.

   As at the date of the Notice of AGM, the mandate granted at the last AGM was not utilised by the Company, and thus, no proceeds were raised.

   This authority will provide flexibility and to avoid delay and cost in convening general meetings to approve such issuance of shares for fund raising activities, including but not limited to further placement of shares for purposes of funding future investment project(s), working capital and/or acquisition(s).

The approval of the issuance and allotment of the new shares under Section 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

FORM OF PROXY

No. of ordinary shares held	
CDS Account No.	
Contact No.	
E-mail address	

MCT
TIMELESS VALUE CREATOR

Company Registration No.: 200901038653 (881786-X)
(Incorporated in Malaysia)

I/We **(Full Name in Capital Letters)** ______________________________
NRIC No./Passport No./Company No. ______________________of______________________
____
(full address)

being a member/members of **MCT BERHAD**, hereby appoint (full name) ______________________
NRIC No./Passport No. ______________________of ______________________
(full address)

______________________________ of failing whom (full name), ______________________
NRIC No./Passport No. ______________________of ______________________
(full address)

or failing whom **THE CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the Fourteenth ("**14th**") Annual General Meeting of the Company ("**AGM**") to be held at **Sheraton 1-5, Level 3C, Sheraton Petaling Jaya Hotel, Jalan Utara C, 46200 Petaling Jaya, Selangor** on **Monday, 26 June 2023** at **2:30 p.m.** and at any adjournment thereof for/against *the resolution(s) to be proposed thereat.

ORDINARY BUSINESS		For	Against
Ordinary Resolution 1	To re-elect Mr. Bernard Vincent Olmedo Dy who is retiring in accordance with Clause 97.1 of the Constitution of the Company.		
Ordinary Resolution 2	To re-elect Mr. Lao Chok Keang who is retiring in accordance with Clause 97.1 of the Constitution of the Company.		
Ordinary Resolution 3	To re-elect Datin Chong Lee Hui who is retiring in accordance with Clause 104 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect Mr. Robert Sy Lao who is retiring in accordance with Clause 104 of the Constitution of the Company.		
Ordinary Resolution 5	To re-elect Mr. Dante Dominic Macaraeg Abando who is retiring in accordance with Clause 104 of the Constitution of the Company.		
Ordinary Resolution 6	To approve payment of the Non-Executive Directors'("NEDs") fees for the financial year ended 31 December 2022.		
Ordinary Resolution 7	To approve the payment of benefits payable to NEDs from 27 June 2023 until the next AGM of the Company.		
Ordinary Resolution 8	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	To approve the authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If no specific instruction as to voting is given, the proxy shall vote or abstain from voting at his/her discretion.)

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:		
	No. of Shares	**Percentage**
1st Proxy		%
2nd Proxy		%
Total:		100%

As witness my/our hand(s) this ________ day of ________ 2023.

____
Signature(s)/Common Seal of member(s)

NOTES:

1. *For the purpose of determining a member who shall be entitled to participate, speak and vote at this 14th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 21 June 2023. Only a depositor whose name appears on the Record of Depositors as at 21 June 2023 shall be eligible to attend, speak and vote at the Meeting or appoint proxies to attend, speak and vote on his/her behalf.*
2. *Subject to note 3 below, a member is entitled to participate and vote at a meeting of the Company and is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his/her shareholdings to be represented by each proxy.*
4. *The form of proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

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AFFIX
STAMP

MCT BERHAD
Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City,
59200 Kuala Lumpur, Wilayah Persekutuan.

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5. *A member who is an Authorised Nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991 which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof as Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of General Meeting to be put to vote by poll.*
7. ***Personal Data Privacy:***
   By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agree to the Personal Data Privacy terms set out in the Notice of 14th AGM dated 26 April 2023.

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