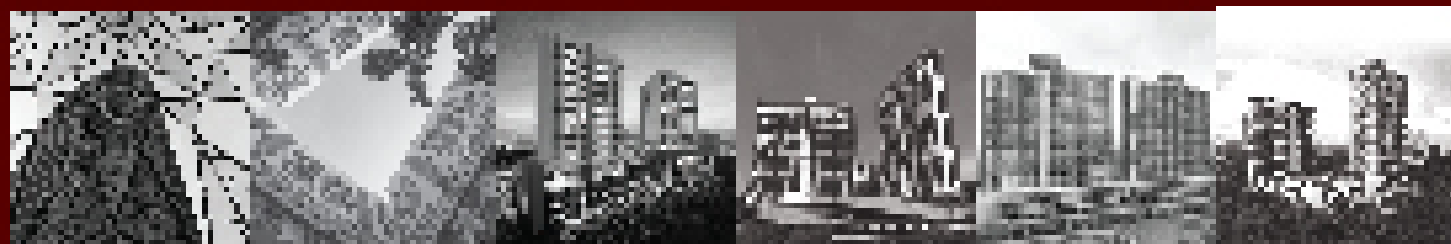
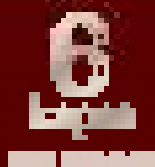


# 2023

## ANNUAL REPORT



*Scaling Better Communities*  
Since 1999



# CORE VALUES

Upholding a heritage of trust

- 

Building designs that promote standards

- 

Equipped to serve our stakeholders

# CORE PURPOSE

**Seeding Better Opportunities**

To develop properties that foster aspirational, healthy and well supported communities.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**YBhg. Datuk Roselan Johar bin Johar Mohamed**  
Independent  
Non-Executive Chairman

**YBhg. Datuk Sia Teong Heng**  
Managing Director  
cum Chief Executive Officer

**Sia Teong Leng**  
Executive Director

**Lee Kong Leong**  
Senior Independent  
Non-Executive Director

**YBhg. Dato' Lim Cheang Nyok**  
Independent  
Non-Executive Director

**Choo Suit Ling**  
Independent  
Non-Executive Director

## AUDIT COMMITTEE

**CHAIRMAN**  
**Lee Kong Leong**  
Senior Independent  
Non-Executive Director

**MEMBERS**  
**YBhg. Datuk Roselan Johar bin Johar Mohamed**  
Independent  
Non-Executive Chairman

**YBhg. Dato' Lim Cheang Nyok**  
Independent  
Non-Executive Director

**Choo Suit Ling**  
Independent  
Non-Executive Director

## REMUNERATION COMMITTEE

**CHAIRMAN**  
**YBhg. Dato' Lim Cheang Nyok**  
Independent  
Non-Executive Director

**MEMBERS**  
**Lee Kong Leong**  
Senior Independent  
Non-Executive Director

**YBhg. Datuk Roselan Johar bin Johar Mohamed**  
Independent  
Non-Executive Chairman

**Choo Suit Ling**  
Independent  
Non-Executive Director

## NOMINATING COMMITTEE

**CHAIRMAN**  
**Lee Kong Leong**  
Senior Independent  
Non-Executive Director

**MEMBERS**  
**YBhg. Datuk Roselan Johar bin Johar Mohamed**  
Independent  
Non-Executive Chairman

**YBhg. Dato' Lim Cheang Nyok**  
Independent  
Non-Executive Director

**Choo Suit Ling**  
Independent  
Non-Executive Director



Seeding better communities  
since 1954

## SOLICITORS

### **Cheu, Adnan & Razi**

Suite 1-6-E8 & E9,  
6th Floor, Zone E,  
(Palm Square), CPS Tower,  
No.1, Jalan Centre Point  
88000 Kota Kinabalu, Sabah

### **Foong & Partners**

13-1 Menara 1MK,  
Kompleks 1 Mont Kiara  
No.1, Jalan Kiara, Mont Kiara  
50480 Kuala Lumpur

### **Lim & Yeoh**

145-M, Jalan Maharajalela  
50150 Kuala Lumpur

## AUDITORS

### **Crowe Malaysia PLT**

Chartered Accountants  
Level 16 Tower C,  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur

## COMPANY SECRETARIES

### **Chong Fook Sin**

(CCM PC No.202008000484)  
(MACS 00681)  
ATII, MCCS, AFA

### **Kan Chee Jing**

(CCM PC No. 202008000596)  
(MAICSA 7019764)  
ACIS

## PRINCIPAL BANKERS

### **Alliance Bank Berhad**

### **Bangkok Bank Berhad**

### **CIMB Bank Berhad**

### **Malayan Banking Berhad**

### **OCBC Bank (Malaysia) Berhad**

### **Public Bank Berhad**

### **RHB Bank Berhad**

## REGISTRAR

### **Tacs Corporate Services Sdn. Bhd.**

Unit No. 203,  
2nd Floor, Block C  
Damansara Intan,  
No.1, Jalan SS20/27  
47400 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: +603-7118 2688  
Fax: +603-7118 2693  
Email: ypchong@tacsco.com.my

## REGISTERED OFFICE

### **The Gallery @ PJX**

Unit C-01, Concourse Level,  
PJX-HM Shah Tower,  
No. 16A, Persiaran Barat,  
46050 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: +603 7932 1628  
Fax: +603 7932 5652  
Email: enquiries@sbcgroup.com.my

## STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia  
Securities Berhad**

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## DIRECTORS' PROFILE

### YBHG. DATUK ROSELAN JOHAR BIN JOHAR MOHAMED

**Age 70**  
Malaysian  
**Independent Non-Executive  
Chairman**

**YBhg. Datuk Roselan Johar bin Johar Mohamed**, a Malaysian, male, aged 70, was appointed to the Board on 14 June 2013 as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC"). He is currently the Independent Non-Executive Chairman and a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of SBC.

He studied the Chartered Institute of Transport at Mara Institute of Technology, Shah Alam, and specialises on maritime transportation. In 1982, he started his own shipping company in Kota Kinabalu, concentrating on timber and log exports. He retired in 2019. He was also the Patron of the KK Bumiputra Petty Traders Association since 2001 until 2019.

Currently, he is the National Chairman of BIMP-EAGA Business Council, Malaysia. He is also a licensed Company Secretary and a member of the Institute of Approved Company Secretaries.

He does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

He attended all four Board Meetings held during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR BIN JOHAR MOHAMED		YBHG. DATUK SIA TEONG HENG		LEE KONG LEONG		SIA TEONG LENG		YBHG. DATO' LIM CHEANG NYOK		CHOO SUIT LING
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## DIRECTORS' PROFILE

### YBHG. DATUK SIA TEONG HENG

**Age 60**  
Malaysian  
**Managing Director  
cum Chief Executive Officer**

**YBhg. Datuk Sia Teong Heng**, a Malaysian, male, aged 60, is the Managing Director cum Chief Executive Officer of SBC Corporation Berhad ("SBC"). He was appointed as a Director of SBC on 5 February 1991. He graduated with a Masters degree in Management Science from Imperial College, University of London.

Between 1986 and 1991, prior to his return to Malaysia, he worked in investment banking based in London and Singapore. He joined SBC in 1991. Presently, he also sits on the Boards of several subsidiaries of SBC.

#### His holdings in the securities of SBC are as follows:-

	Direct Interest	Indirect Interest
Ordinary shares	35,803,782 <sup>(a)</sup>	48,580,533 <sup>(b)</sup>

<sup>(a)</sup> 26,732,608 shares are held in bare trust by RHB Nominees (Tempatan) Sdn. Bhd. - OSK Capital Sdn. Bhd.

<sup>(b)</sup> Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (40,808,999 shares) and Evergreen Legacy Sdn. Bhd. (7,771,534 shares).

By virtue of his interest in SBC, he is deemed to have interest in the securities of SBC's subsidiaries to the extent of SBC's interest, in accordance with Section 8 of the Companies Act, 2016.

He is a major shareholder of SBC. He is a brother of Mr. Sia Teong Leng, the Executive Director and a major shareholder of SBC. He is connected to the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased and LOM Holdings Sdn. Bhd., both are major shareholders of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

He attended all four Board Meetings held during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR  
BIN JOHAR MOHAMED

YBHG. DATUK  
SIA TEONG HENG

LEE  
KONG LEONG

SIA  
TEONG LENG

YBHG. DATO'  
LIM CHEANG NYOK

CHOO  
SUIT LING





## DIRECTORS' PROFILE

### LEE KONG LEONG

**Age 59**  
 Malaysian  
**Senior Independent  
 Non-Executive Director**

**Lee Kong Leong**, a Malaysian, male, aged 59, was appointed as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC") on 2 October 2012. He is currently the Senior Independent Non-Executive Director, the Chairman of both the Audit Committee and the Nominating Committee, and a member of the Remuneration Committee of SBC. He graduated with a Bachelor in Accountancy and Information System from the University of New South Wales, Sydney, Australia.

He is a member of the Australian Society of Certified Public Accountants, the Hong Kong Society of Certified Public Accountants, and the Hong Kong Securities Institute.

Over the years, he had held various senior management positions in various companies in Hong Kong. He was the adviser to the CEC Fund, Hong Kong (2005-2019), a Partner of China Enterprise Investment Management Limited, Hong Kong (1994-2004), Senior Finance Manager of CP Pokphand Group of Co (1991-1994), Manager of Corporate Insolvency Price Waterhouse, Hong Kong (1990-1991), and Manager of Ferrier Hodgson & Co, Hong Kong (1989-1990).

He does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

He attended all four Board Meetings held during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR  
BIN JOHAR MOHAMED

YBHG. DATUK  
SIA TEONG HENG

**LEE  
KONG LEONG**

SIA  
TEONG LENG

YBHG. DATO'  
LIM CHEANG NYOK

CHOO  
SUIT LING



## DIRECTORS' PROFILE

### SIA TEONG LENG

**Aged 52**  
Malaysian  
**Executive Director**

**Sia Teong Leng**, a Malaysian, male, aged 52, is the Executive Director of SBC Corporation Berhad ("SBC"). He was appointed as a Director of SBC on 27 May 2014. He graduated with a Bachelor of Arts Degree in Law and Economics from the University of Kent, United Kingdom in 1991. He also holds a Master in Business Administration from the Canterbury Business School, United Kingdom obtained in 1993.

He has more than 24 years of experience in construction and property management. He joined the SBC Group in 1997 where he was the Assistant General Manager of Paling Industries Sdn Bhd, a then manufacturing subsidiary of SBC before returning to the corporate headquarters in 2001. Prior to joining SBC, he worked as a Management Consultant attached with Coopers & Lybrand from 1993 to 1997.

#### His holdings in the securities of SBC are as follows:-

	Direct Interest	Indirect Interest
Ordinary shares	-	48,580,533 <sup>(a)</sup>

<sup>(a)</sup> Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (40,808,999 shares) and Evergreen Legacy Sdn. Bhd. (7,771,534 shares).

By virtue of his interest in SBC, he is deemed to have interest in the securities of SBC's subsidiaries to the extent of SBC's interest, in accordance with Section 8 of the Companies Act, 2016.

He is a major shareholder of SBC. He is a brother of Datuk Sia Teong Heng, the Managing Director cum Chief Executive Officer and a major shareholder of SBC. He is connected to the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased and LOM Holdings Sdn. Bhd., both are major shareholders of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

He attended three out of four Board Meetings held during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR  
BIN JOHAR MOHAMED

YBHG. DATUK  
SIA TEONG HENG

LEE  
KONG LEONG

**SIA  
TEONG LENG**

YBHG. DATO'  
LIM CHEANG NYOK

CHOO  
SUIT LING

## DIRECTORS' PROFILE

### YBHG. DATO' LIM CHEANG NYOK

**Age 54**  
Malaysian  
**Independent**  
**Non-Executive Director**

**YBhg. Dato' Lim Cheang Nyok**, a Malaysian, male, aged 54, was appointed as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC") on 20 May 2016. He is currently the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nominating Committee of SBC. He graduated with a Bachelor of Economics (Accounting) and a Bachelor of Law from the Monash University, Melbourne, Australia. He was called to the Malaysian Bar in 1992.

He practises as a lawyer in the areas of corporate conveyancing, banking as well as commercial litigation matters. Besides legal practice, he has been involved in various areas of business including information technology, mining and real property.

#### His holdings in the securities of SBC are as follows:-

	Direct Interest	Indirect Interest
Ordinary shares	1,767 <sup>(a)</sup>	-

<sup>(a)</sup> 1,767 shares are held in bare trust by Maybank Nominees (Tempatan) Sdn. Bhd

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

He attended three out of four Board Meetings held during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR  
BIN JOHAR MOHAMED

YBHG. DATUK  
SIA TEONG HENG

LEE  
KONG LEONG

SIA  
TEONG LENG

**YBHG. DATO'  
LIM CHEANG NYOK**

CHOO  
SUIT LING



## DIRECTORS' PROFILE

### CHOO SUIT LING

**Aged 61**  
Malaysian  
**Independent**  
**Non-Executive Director**

**Choo Suit Ling**, a Malaysian, female, aged 61, was appointed as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC") on 30 June 2023. She is currently a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of SBC. She graduated with a Bachelor of Arts Degree in Business Studies from the London Metropolitan University, United Kingdom.

She started with being Executive Director then CEO of Aerofoam Industry (1969) Sdn Bhd, a leading manufacturer of bedding products, for 33 years. During her tenure, she built the export division, focused on government procurement and local retail business, initiated ISO certification for the factory, built a partnership with Therapedic Inc USA for brand name, trademark and technical collaboration and built a sales and marketing team to supply hotels with bedding products.

She does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

She has no family relationship with any Director and/or major shareholder of SBC.

She does not have any conflict of interest with SBC or its subsidiaries.

She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

#### DIRECTORS' PROFILE

YBHG. DATUK ROSELAN JOHAR  
BIN JOHAR MOHAMED

YBHG. DATUK  
SIA TEONG HENG

LEE  
KONG LEONG

SIA  
TEONG LENG

YBHG. DATO'  
LIM CHEANG NYOK

**CHOO  
SUIT LING**

## KEY MANAGERMENTS' PROFILE

### ▼ **KOH MEI HONG,**

a Malaysian, female, aged 60 was appointed as Senior Manager in 2011.

MH Koh is a qualified Quantity Surveyor overseeing SBC's contract administration. She has nearly 35 years of experience practising as the internal QS for SBC's projects and is a highly involved member of SBC's design development team.

She does not hold any directorship in public companies.

She has no family relationship with any Director and/or major shareholder of SBC.

She does not have any conflict of interest with SBC or its subsidiaries.

She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

### ▼ **RONNY JOTIN,**

a Malaysian, male aged 42 was appointed as Senior Project Manager in 2022.

Ronny is qualified in Construction Management and possesses a Bachelor's Degree in Engineering (Civil) overseeing SBC's Group project design/planning and development. He has nearly 17 years of experience related to engineering and building construction management and is a highly involved member of SBC's design/planning development team.

He does not hold any directorship in public companies.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

### ▼ **WONG JERN KEONG,**

a Malaysian, male, aged 45 was appointed as Senior Finance Manager in 2015.

JK Wong is a qualified Accountant, he has more than 20 years of experience in Accounting/Finance. Mr JK Wong is a Senior Finance Manager overseeing and is responsible for SBC's Accounting/Finance and is a highly involved member of SBC's Finance & Operation. He is a registered member of MIA.

He does not hold any directorship in public companies.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC or its subsidiaries.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2023.

## CORPORATE STRUCTURE

100%	Syarikat Siah Brothers Trading Sdn. Bhd. ●
28.5%	Sri Rawang Properties Sdn. Bhd. ◆
100%	PJX Property Sdn. Bhd. ◆
100%	Sinaran Naga Sdn. Bhd. ★
100%	Kiara East Property Sdn. Bhd. ★
50%	Goldhill Achiever Sdn. Bhd. ★
100%	Mixwell (Malaysia) Sdn. Bhd. ★
50%	Ligamas Sdn. Bhd. ★
100%	South-East Best Sdn. Bhd. ★
100%	Gracemart Resources Sdn. Bhd. ★
100%	Syarikat Siah Brothers Construction Sdn. Bhd. ●
100%	Masahmura Sdn. Bhd. ★
100%	Masahmura Sales & Service Sdn. Bhd. ★
100%	Aureate Construction Sdn. Bhd. ★
100%	SBC Leisure Sdn. Bhd. ◆
100%	SBC Towers Sdn. Bhd. ◆
100%	Borneo Far East Sdn. Bhd. ◆
100%	Jesselton Quay Properties Sdn. Bhd. ★
100%	Dalit Development Sdn Bhd ★
100%	The Atkinson Hotel Sdn Bhd ◆
100%	JQC Property Sdn Bhd ◆
70%	PJX Car Parks Sdn. Bhd. ◆
70%	PJX Retail Sdn. Bhd. ◆
70%	PJX Commercial Sdn. Bhd. ◆
50%	Cabana International Hotels Pte. Ltd. ◆
100%	Cabana Investments Holdings Pty. Ltd. ◆
49%	Built SBC Co., Ltd ★
49%	Kanyara Co., Ltd ★

- ★ Property Development
- ◆ Investment Holding
- Build/Construction

## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
<b>INCOME STATEMENTS</b>					
Revenue	62,329	116,074	65,606	170,214	145,791
Profit before taxation	983	21,931	6,706	17,076	22,515
(Loss)/Profit after taxation	(1,515)	14,021	2,636	8,672	13,273
(Loss)/Profit attributable to equity holders	(348)	13,933	3,215	9,734	12,456
<b>STATEMENT OF FINANCIAL POSITION</b>					
Property, plant and equipment	4,673	4,844	6,211	4,039	4,456
Investments and other assets	322,549	321,448	320,390	319,423	286,396
Net current assets	122,696	121,711	125,400	185,654	208,215
Goodwill and deferred expenditure	11,219	12,054	11,890	12,972	14,666
	461,137	460,057	463,891	522,088	513,733
<b>SHAREHOLDERS EQUITY</b>					
Share capital	251,749	251,749	251,749	251,749	251,749
Reserves	168,280	168,628	154,695	151,480	156,422
Non-controlling interests	(6,303)	(5,072)	(5,160)	(4,581)	(906)
Deferred liabilities	47,411	44,752	62,607	123,440	106,468
	461,137	460,057	463,891	522,088	513,733
<b>SELECTED RATIOS</b>					
(Loss)/Earnings per share (sen)	(0.13)	5.40	1.25	3.77	5.13
Net assets per share (sen)	163	163	157	156	168
Gross dividend (%)	-	-	-	-	1.00

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2023.





# CHAIRMAN'S STATEMENT

## FINANCIAL REVIEW

Group revenue stood at RM62.33 million for the year compared to the preceding year of RM116.07 million. The profit before tax achieved for the year was RM0.98 million compared to the preceding year profit before tax of RM21.93 million. Our financial performance took a dip mainly due to the timing between the completion of earlier projects and the commencement of new projects. During this transitioning period, we focused our efforts to sell our completed stock from both current and old projects.

We are pleased to note that our Kota Kinabalu JQ Central Citypads are almost fully sold and more than three-quarters of the units serve as short-stay accommodation, while the Gallery Shoppes are gradually being filled up. Over in Kuala Lumpur, our 6 Kapas and Ligamas Residences continue to see modest sales and we anticipate the remaining sales will come through within the next couple of years' time.

The Group's financial position continues to be buttressed by its total net assets stood at RM413.73 million and the retained profits stood at RM168.28 million respectively. The Group will continue to maintain a high level of awareness as it navigates through this period of uncertainty by exercising prudent financial and operational management.

## OPERATIONS AND BUSINESS REVIEW

The Group's performance can be directly attributed to product innovations and continued availability of funding, both to our buyers and our projects. Continuous support from our stakeholders, bankers, business partners and shareholders are crucial for the Group to produce sustainable results.

Business activities of our flagship locations of Kuala Lumpur, Selangor and Sabah all remain relevant to the Group's bottom line. Future earnings and product innovation continue to be defined by improved transport convenience (LRT/MRT) and the power of regionalism (cross border travel and demand). Both these themes will continue to dominate our forward business plans.

With the lackluster market sentiment and targeted government measures do affect the degree of banking support that is accorded to our Group of buying base who are interested in our next phases at JQ, KE and LR, which the Group is expecting to launch next year once approvals from authorities are obtained.

# CHAIRMAN'S STATEMENT

## DIVIDEND

The Board has not recommended any final dividend for the financial year 2023. The Group continues with its effective cash flow management to ensure the Group remains resilient during this difficult period.

## APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, the Group continues to acknowledge all our delivery partners whom we have worked with during this year towards a successful collective concept of trusted delivery. The Group extends its utmost appreciation to our landowner Suria Capital Holdings Berhad and equity partner PKNS for your strong support in ensuring credible market delivery, and to our SBC team for their resilience to deliver good and innovative properties to the marketplace to seed better communities.

Lastly, the Board would like to extend a warm welcome to Ms. Choo Suit Ling who joins the Company as an Independent Non-Executive Director on 30 June 2023, and working together we can achieve greater heights for the Group. The Board wishes to record its appreciation to Mr. Lee Kong Leong who will be retiring after this Annual General Meeting, for his invaluable advice and contribution to the Group.

Thank you.

**YBhg. Datuk Roselan Johar  
bin Johar Mohamed**

Independent Non-Executive Chairman  
28 July 2023

# PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya mohon untuk membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit bagi Kumpulan dan Syarikat untuk tahun kewangan berakhir 31 Mac 2023.



# PENYATA PENGERUSI

## ULASAN KEWANGAN

Pendapatan kumpulan berjumlah RM62.33 juta bagi tahun tersebut berbanding tahun sebelumnya sebanyak RM116.07 juta. Keuntungan sebelum cukai yang dicapai bagi tahun tersebut ialah RM0.98 juta berbanding keuntungan sebelum cukai tahun sebelumnya sebanyak RM21.93 juta. Prestasi kewangan kami agak mengurang terutamanya disebabkan perolehan masa antara penyiapan projek terdahulu dan permulaan projek baru. Dalam tempoh perantaraan ini, kami menumpukan usaha kami untuk menjual stok yang sudah siap yang terdiri daripada kedua-dua projek semasa dan lama.

Ingin kami mengumumkan bahawa projek kami di Kota Kinabalu JQ Central Citypads telah hampir terjual sepenuhnya. Lebih daripada tiga perempat unit tersebut telah digunakan sebagai penginapan jangka pendek, manakala Gallery Shoppes sedang diisi secara beransur-ansur. Di Kuala Lumpur, Projek 6 Kapas dan Ligamas Residences telah mencatat jualan yang sederhana dan kami menjangkakan baki jualan akan dicapai dalam masa beberapa tahun akan datang.

Kedudukan kewangan Kumpulan terus dikukuhkan oleh jumlah aset bersihnya berjumlah RM413.73 juta dan keuntungan tertahan masing-masing berjumlah RM168.28 juta. Kumpulan akan terus mengekalkan tahap kesedaran yang tinggi semasa ia mengharungi tempoh ketidakpastian ini dengan melaksanakan pengurusan kewangan dan operasi yang berhemat.

## ULASAN OPERASI DAN PERNIAGAAN

Prestasi Kumpulan boleh dikaitkan secara langsung dengan inovasi produk dan ketersediaan pembiayaan kewangan yang berterusan, baik untuk pembeli dan untuk pembiayaan projek kami. Sokongan berterusan daripada pihak berkepentingan, jurubank, rakan kongsi perniagaan dan pemegang saham adalah penting bagi Kumpulan ini untuk menghasilkan keputusan yang mampan.

Aktiviti perniagaan kami di lokasi utama di Kuala Lumpur, Selangor dan Sabah; kesemuanya memang tersangat relevan dengan pendapatan Kumpulan. Pendapatan masa depan dan inovasi produk terus ditentukan oleh kemudahan pengangkutan yang lebih baik (LRT/MRT) dan kuasa kedaerahan (perjalanan dan permintaan merentas sempadan). Kedua-dua tema ini akan terus mendominasi hala-tuju perniagaan kami dimasa hadapan.

Dengan sentimen pasaran yang tidak memberangsangkan dan langkah-langkah kerajaan yang disasarkan, ianya boleh mempengaruhi tahap sokongan perbankan yang diberikan kepada pembeli asas yang berminat dengan fasa seterusnya di JQ, KE dan LR, yang dijangka akan dilancarkan oleh Kumpulan kami pada tahun depan sebaik sahaja kelulusan diterima daripada pihak berkuasa.

# PENYATA PENGERUSI

## DIVIDEN

Lembaga Pengarah tidak mengesyorkan sebarang dividen akhir untuk tahun kewangan 2023. Kumpulan kami akan meneruskan pengurusan aliran tunai yang berkesan untuk memastikan Kumpulan kekal berdaya tahan dalam tempoh sukar ini.

## PENGIKTIRAFAN DAN PENGHARGAAN

Bagi pihak Lembaga Pengarah, Kumpulan terus mengiktiraf semua rakan kongsi kami yang telah bekerjasama dengan kami sepanjang tahun untuk mencapai kejayaan yang berkonsep kolektif bersepadu yang dipercayai. Kumpulan merakamkan penghargaan yang setinggi-tingginya kepada pemilik tanah kami Suria Capital Holdings Berhad dan rakan kongsi ekuiti PKNS atas sokongan padu anda dalam memastikan penyampaian pesanan yang boleh dipercayai dan kepada pasukan SBC, kami menyanjung tinggi di atas ketabahan mereka untuk bersama menyampaikan hartanah yang baik dan inovatif kepada pasaran untuk melahirkan komuniti yang lebih baik.

Akhir sekali Lembaga Pengarah ingin mengalu-alukan penyertaan Cik Choo Suit Ling sebagai Pengarah Bebas Bukan Eksekutif Syarikat pada 30 Jun 2023, dan bersama-sama kami akan mencapai lebih kejayaan untuk Kumpulan. Lembaga Pengarah ingin mencatatkan penghargaan kepada Encik Lee Kong Leong yang akan bersara pada Mesyuarat Agung Tahunan, demi nasihat dan sumbangan beliau yang tidak ternilai untuk Kumpulan.

Terima kasih.

**YBhg. Datuk Roselan Johar  
bin Johar Mohamed**

Pengerusi Bebas Bukan Eksekutif  
28 Julai 2023





# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Jesselton Quay ("JQ") (Kota Kinabalu) and 6 Kapas (Bukit Bandaraya) (Kuala Lumpur), both continue to contribute to the Group's revenue for the current financial year, whilst the Group's Transport-Oriented-Development ("TOD") at Kiara East ("KE") (Kuala Lumpur) will contribute in the near future given the existence of a thriving community and the completed MRT Batu station nearby.

JQ : JQ Central completed in January 2022 is on track to become the new KK CBD, given that the Citypads are almost fully sold and more than three-quarters of the units serve as short-stay accommodation, while the Gallery Shoppes are gradually being filled up by end of 2023. The Group anticipates the remaining sales will come through within the next couple of years' time.

6 Kapas : 6 Kapas completed in April 2022, achieved modest sales and the Group anticipates the remaining sales will come through within the next couple of years' time.

Bandar Utama Batang Kali by Ligamas : Achieved modest sales and the Group anticipates the sales of the remaining phase of Ligamas Residences ("LR") will come through, riding on the ongoing expansion at North Klang Valley area.

Kiara East : At DEX Suites, place making efforts are ongoing to activate the community amenities, building the base of community amenities in preparation for next launch of TOD known as Dex Palm by end of 2023.

## FINANCIAL PERFORMANCE

The Group's revenue and loss after tax for the financial year under review stood at RM62.33 million and RM0.35 million respectively. Our financial performance took a dip mainly due to the timing between the completion of earlier projects and the commencement of new projects. During this transitioning period, the Group focused its efforts to sell completed stock from both current and old projects.

The Group is on track in achieving the planned sales of both JQ Central and 6 Kapas projects, and the remaining sales is anticipated to be achieved when the market sentiment returns within a couple of years' time.

The Group's total net assets stood at RM413.73 million and the retained profits stood at RM168.28 million. With the lackluster market sentiment and targeted government measures still affecting the degree of banking support that is accorded to our Group of buying base who are interested in our next phases at JQ, KE and LR, the Group is expecting to launch next year once approvals from authorities are obtained.

## RISK EXPOSURE AND MITIGATIONS

The Group's major business operations are within the property development and construction industry that is cyclical in nature and its susceptible to major risks such as market supply and demand, changes in government policies affecting the industry, credit policy, interest rates and skilled labour shortages. Nevertheless, the Group is taking proactive measures to maintain competitiveness in the industry.

## INDUSTRY OUTLOOK

The Group still maintains the view that its prospects still lie in the developments situated at prime strategic locations and the convenience that TOD offers.

JQ Central, sitting on prime strategic location still offers potential revenue investment opportunities in the mid-to-long term. Sabah is very much still a favourite holiday destination for many and the state government's imminent implementation of Sabah-Malaysia My Second Home programme will significantly increase foreign direct investments into Sabah, especially in the real estate and tourism sectors. In turn, this will make JQ harbourfront to be a success in the future. In KL the Group has Kiara East and Bandar Utama Batang Kali, which offer this TOD convenience that will seed better communities in the future.

These factors bode well for the Group as both KL and Sabah are key arrival points when cross border travel picks up. Tourism is one of the key contributors to the Malaysian economy and both the federal and state governments will continue their efforts to have Sabah remain as a favourite travel destination for many years to come.

The Group anticipates banking conditions will normalise and all project locations to feature fresh designs layouts that cater for new post pandemic realities that offer greater flexibility, multiplicity of usage and refocus into strong community facilities and amenities.

## DIVIDEND POLICY

No dividend has been declared for the financial year under review.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement is prepared in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and it is to be read together with the Corporate Governance Report 2023 of the Company ("CG Report") which is available on the Company's website at <https://www.sbcgroup.com.my>. The explanation for departure is further disclosed in the CG Report.

The Board of Directors of SBC Corporation Berhad acknowledges the importance of good corporate governance ("CG") in protecting and enhancing the interest of shareholders. As such the Board is committed towards adherence to the principles, intended outcome and best practices set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code") issued by the Securities Commission Malaysia.

The Board recognises the importance of CG and conscientiously strives to attain high business ethics and governance in conducting the day-to-day business affairs of the Company and its subsidiaries ("the Group"), so as to safeguard and enhance shareholder's value, which includes protecting the interests of all stakeholders.

The Board believes that good CG adds value to the business of the Group and will ensure that this practice continues. The Board of Directors believes in playing an active role in guiding the Management through its oversight review while at the same time steer the Group's business direction and strategy.

The Board is pleased to disclose the manner and the extent in which the principles and practices set out in the MCCG and governance standards in accordance with the MMLR of Bursa Securities that have been adopted by the Company and the Group for all its business dealings and affairs throughout the financial year ended 31 March 2023.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD RESPONSIBILITIES

The Group is led and controlled by an effective Board that currently consists of six (6) members comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director cum Chief Executive Officer, one (1) Executive Director, one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

The Board complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two Directors or one-third of the Board of the Company, whichever is the higher, are Independent Directors.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company and represents the needed mix of skills and experience required to discharge the Board's duties and responsibilities effectively. No individual Director or group of Directors can dominate the Board's decision-making process. The composition and size of the Board are to be reviewed from time to time.

There is a clear division of responsibility between the Independent Non-Executive Chairman and the Managing Director cum Chief Executive Officer to ensure that there is a balance of power and authority in decision making. The Board is led by the Independent Non-Executive Chairman and the Executive Management is led by the Managing Director cum Chief Executive Officer. Together, the Directors bring a broad range of competencies, capabilities, technical skills, experiences and knowledge relevant to the business to ensure that the Group continues to be competitive in the industry with a strong reputation for ethics as well as technical and professional competence.

All of the Board members serve as directors in not more than five boards of listed companies, to ensure they devote sufficient time to carry out their responsibilities.

The profiles of the members of the Board are set out in the annual report under the section named Directors' Profile.

### Clear functions reserved for the Board and those delegated to Management

The Board recognises its key role in charting the strategic direction, development and control of the Group and has adopted the specific responsibilities that are listed in the Code, which facilitates the discharge of the Board's stewardship responsibilities. In order to deliver both fiduciary and leadership functions, the Board, amongst others, assumes the following key responsibilities as per recommendations of the Code :-

- Setting the objectives, goals and strategic plan for the Company with a view to maximising shareholder value and promoting sustainability;
- Adopting and monitoring progress of the Company's strategy, budgets, plans and policies;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- To consider and approve reserved matters covering corporate policies, material investment and acquisition/disposal of assets;
- Identifying principal risks and ensure implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Executive Directors are responsible for making and implementing policies, operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies. The Non-Executive Directors play the key roles in contributing knowledge and experience towards the formulation of policies and in the decision-making process. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his interest and abstain from the decision-making process.

The Board is aware of the need to clearly demarcate the duties and responsibilities of the Board. Along with good governance practices and to enhance transparency, accountability and timely disclosure of material information, the Board has formalised and adopted the following policies and procedures which provide guidance to the Board in fulfillment of its roles, functions, duties and responsibilities and they are made available at the Company's website at <https://www.sbcgroup.com.my>.

- Board Charter;
- Code of Ethics and Conduct;
- Whistle Blowing Policy;
- Corporate Disclosure Policy;
- Criteria to assess independence of Independent Directors;
- Procedure of recruitment/selection for directorship;
- Remuneration Policy for Executive Directors; and
- Remuneration Policy for Non-Executive Directors.

## ACCESS TO AND SUPPLY OF INFORMATION

The Managing Director cum Chief Executive Officer and the Executive Director have the primary responsibility for organising information necessary for the Board to deal with the agenda and ensuring all Directors have full and timely access to the information relevant to matters that will be deliberated at the Board meeting.

In exercising their duties, all Directors have the same right to access to all information within the Group and authorised whenever necessary to obtain independent professional advice in the furtherance of their duties at the Group's expense. The Directors also have access to the advice and services of the Company Secretary appointed by the Board whether as a full Board or in individual capacity to assist them in discharging their duties and decision making.

All Directors are provided with papers which include the agenda and reports relevant to the issues of the meetings covering areas of strategic, financial, operational and regulatory compliance matters at least seven (7) days prior to each Board meeting. These are issued in sufficient time to enable the Directors to obtain any further information and/or explanations when necessary.

The Board papers prepared for the quarterly scheduled meetings include, among others, the following :-

- Minutes of previous Board meeting;
- Minutes of the Board Committee's meeting;
- Reports on matters arising;
- Quarterly financial results; and
- Report on operational matters.

The Senior Independent Non-Executive Director provides an additional communication channel between the directors and the shareholders. The Board has identified Mr. Lee Kong Leong to act as the Senior Independent Non-Executive Director to whom any concerns relating to the Group may be conveyed by shareholders.

## INDEPENDENT PROFESSIONAL ADVICE

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same.

## COMPANY SECRETARIES

The Company Secretaries are qualified officers and meet the provisions of the Companies Act. The Directors have unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries ensure that all Board meetings are properly convened and are entrusted to record the Board's deliberations, in terms of issues discussed and the conclusions.

The Board is regularly updated by the Company Secretaries on new changes to the legislations and the Listing Requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

## BOARD COMPOSITION

The Board composition is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities which stipulates that at least two Directors or one-third of the Board of the Company, whichever is the higher, must be Independent Directors and also recommendation by the MCCG to have at least half of the Board comprises Independent Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

There are clear roles of the Independent Non-Executive Chairman and the Managing Director cum Chief Executive Officer. The Independent Non-Executive Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director cum Chief Executive Officer is responsible for the day-to-day running of the business and implementation of Board policies and decisions adopted by the Board.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The presence of the Independent Non-Executive Directors provides a pivotal role in corporate accountabilities. The roles of the Independent Non-Executive Directors, among other compliances, are with the purpose to provide an independent and objective view, advice and fairness in judgement by ensuring the long-term interest of stakeholders are considered. The Independent Non-Executive Directors do not participate in the operations of the Group in order to uphold their objectivity and fulfill their responsibilities to provide check and balance to the Board.

### i. Annual Assessment of Independent Directors

The Board recognises the importance of independence and objectivity in its decision making process. The Independent Directors who are professionals of high calibre and integrity and possess in-depth knowledge of the Group's business, bring their independent and objective views and judgement to Board deliberations.

During the financial year, the Board through the Nominating Committee performed an evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

### ii. Tenure of Independent Director

The Board noted the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends of retaining an individual as independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The Nominating Committee and the Board have deliberated on the recommendation and hold the view that the ability of an Independent Director to exercise independent judgement is not affected by the length of his service as an Independent Director. The suitability and ability of Independent Director to carry out his roles and responsibilities effectively are very much a function of his calibre, experience and personal qualities. Restriction on tenure may cause loss of experience and expertise that are important contributors to the efficient working of the Board.

Both the Nominating Committee and the Board have assessed the independence of Datuk Roselan Johar bin Johar Mohamed who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to be retained as an Independent Non-Executive Director of the Company based on the following justifications:

- a) He has fulfilled the criteria under the definition of an Independent Director as stated in the MMLR, and thus he would be able to provide independent judgement, objectivity and check and balance to the Board;
- b) He performs his duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management;
- c) His in-depth knowledge of the Group's businesses and his extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board;
- d) He, having been with the Company for more than nine (9) years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations and attended the Board and Committee meetings for an informed and balanced decision making;
- e) He is independent as he has shown great integrity and he has not entered into any related party transaction with the Group; and
- f) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Group.

Both the Nominating Committee and the Board also recognise the benefits of the experience, valuable insights, expertise and stability brought by Datuk Roselan Johar bin Johar Mohamed and his continued service will serve the interest of the Company and its shareholders.

The Board is unanimous in its opinion that Datuk Roselan Johar bin Johar Mohamed, who has served on the Board as an Independent Director, exceeding a cumulative term of nine (9) years, continue to fulfill the criteria and definition of Independent Director as set out under Paragraph 1.01 of MMLR.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

In this respect, the Board has approved the continuation of Datuk Roselan Johar bin Johar Mohamed as an Independent Director of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether any Independent Director can continue acting in the best interests of the Company and bringing independent and professional judgement to board deliberations. Accordingly, the Board strongly recommends retaining Datuk Roselan Johar bin Johar Mohamed as an Independent Non-Executive Director and will be tabling Ordinary Resolution 8 to shareholders at the Thirty-third AGM for the said purpose. Shareholders' approval for the Ordinary Resolution will be sought on a single tier voting process.

### iii. Shareholders' approval for retention of Independent Director

The Board takes cognizance of the recommendation of the Code regarding the tenure of Independent Directors but will seek approval of the shareholders through a single tier voting process for the retention of Independent Directors who have served for a cumulative term of more than nine (9) years. This is in line with the general rule on voting as provided in the Companies Act, 2016 which states that every shareholder has one vote for every share he holds and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolutions through a single tier voting process.

### BOARD DIVERSITY

The Board acknowledges the importance of boardroom diversity policy and target by the Code. When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merit, experience, skill, competency, knowledge and potential contribution, while the Code will also be given due consideration for boardroom diversity.

The Company does not set any specific target for boardroom diversity and female representation will be considered when suitable candidates are identified.

On 30 June 2023, the Board appointed a female Independent Non-Executive Director, Ms. Choo Suit Ling to the Company, a small start towards achieving the spirit of the Code for boardroom diversity.

### DIVERSITY

The Board is committed to provide fair and equal opportunity within the Group and acknowledges the importance of boardroom and workplace diversity as well as the employment of employees who possess the necessary skills and right personal attributes. The Group is committed to workplace diversity and that the workplace is fair, accessible, flexible and free from all kinds of discrimination.

### BOARD MEETINGS

The underlying factors of Directors' commitment to the Group are devoting time to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meeting and continuously improving of knowledge and skills with the objective to efficiently govern and contribute to the Group.

The Board meets at least every quarter and on other occasion when necessary, to approve quarterly financial results, statutory financial statements and any business development plans.

During the financial year ended 31 March 2023 the Board met on four (4) occasions. Informal meetings and consultations were frequently and freely held to share expertise and experiences. Details of the attendance of the Directors at various meetings are set out below :-

Name of Director	Designation	Attendance of Board Meeting
YBhg. Datuk Roselan Johar bin Johar Mohamed	Independent Non-Executive Chairman	4/4
YBhg. Datuk Sia Teong Heng	Managing Director cum Chief Executive Officer	4/4
Sia Teong Leng	Executive Director	3/4
Lee Kong Leong	Senior Independent Non-Executive Director	4/4
YBhg. Dato' Lim Cheang Nyok	Independent Non-Executive Director	3/4

### DIRECTORS' TRAINING

All members of the Board had attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. The new Independent Non-Executive Director, Ms. Choo Suit Ling has been scheduled to attend the MAP in October 2023. Pursuant to Paragraph 15.08 of the MMLR of Bursa Securities, the Board is responsible to identify the training needs of its Directors which will aid them in the discharge of their duties on a continuous basis. During the financial year under review, the Board has discussed training programmes proposed for the Directors' attendance. The Board noted that the Nominating Committee is satisfied that the Board comprises qualified people with professional background, expertise and practical experience. Nevertheless, the Board encourages its Directors to go for training on their own initiative from time to time in order to keep them abreast of the latest developments in the market-place as well as the current changes in the laws, regulations and accounting standards.

For new Directors, a familiarisation programme will be conducted for them. This includes a presentation of the Group's operations by senior management and visits to the existing project sites.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year, the Directors attended training courses as follows :-

Name	Training	Date
YBhg. Datuk Roselan Johar bin Johar Mohamed	MAICSA Webinar Series - ESG and Sustainability Reporting	12 December 2022
YBhg. Datuk Sia Teong Heng	MAICSA Webinar Series - ESG and Sustainability Reporting	12 December 2022
Sia Teong Leng	MAICSA Webinar Series - ESG and Sustainability Reporting	12 December 2022
Lee Kong Leong	MAICSA Webinar Series - ESG and Sustainability Reporting	12 December 2022
YBhg. Dato' Lim Cheang Nyok	Climate Change and Sustainability Reporting and Disclosures for Main Market Listing	19 October 2022

## BOARD COMMITTEES

In order to assist in the execution of the Board's responsibilities, the Board had delegated certain of its responsibilities to the Board Committees. Clearly defined terms of reference have been given to these Committees to enable them to operate effectively. The Board periodically reviews the Committees' terms of reference.

### i. Audit Committee

The objective of the Audit Committee is to assist the Board in meeting the responsibilities relating to financial accounting, reporting and control. The Committee will serve as a communicating mechanism among the Directors, External Auditors, Internal Auditors and Senior Management. The Committee has full access to the External Auditors and Internal Auditors, who in turn, have full access at all times to the Chairman of the Audit Committee.

The Terms of Reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 36 to 38 of this Annual Report. The Audit Committee activities during the financial year are also set out in the Report of Audit Committee.

### ii. Nominating Committee

The Nominating Committee (NC) is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors.

Prior to appointment of a director, the NC is fully entrusted to evaluate, propose and then recommend suitable candidates to be approved and appointed by the Board. The NC takes into the account of the qualification, character, skills, expertise, background, experience, integrity, competence, time commitment and diversity in evaluating the potential candidates. The potential candidates must disclose their existing directorships as well as any other commitments so as to determine whether they have adequate time to perform their duties. The Company Secretary will ensure that all appointments are properly made and all information necessary are obtained as well as all legal and regulatory obligations are met.

In accordance with Clause 88 of the Company's Constitution, one third of the Directors shall retire by rotation from office and be eligible for re-election at the annual general meeting. The Clause also provides that all Directors shall retire from office at least once in every three years, but shall be eligible for re-election. In accordance with Clause 95, any new Director appointed by the Board is subject to re-election by shareholders at the first opportunity after his appointment.

The assessment of the effectiveness of the Board as a whole, the Board committees and the contribution of each director were conducted with the objective to improve the Board and its committees effectiveness and to enhance the director's awareness on the key areas that need to be addressed. The evaluation results were tabled for the consideration of the NC and its recommendation to the Board for improvement.

During the financial year ended 31 March 2023, the NC had held one (1) meeting. The attendance of the members of the NC at the meeting is as follows :-

Name of members	No. of meetings attended
Lee Kong Leong (Senior Independent Non-Executive Director) – Chairman	1/1
YBhg. Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Chairman)	1/1
YBhg. Dato' Lim Cheang Nyok (Independent Non-Executive Director)	1/1

The NC consists entirely of Independent Non-Executive Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Terms of Reference of the NC are as follows :-

## 1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of Non-Executive Directors, minimum three (3), a majority of whom are Independent Directors.

The members of the Committee shall elect the Chairman from among their number who shall be an independent director.

The quorum shall be two (2) members, a majority of whom shall be independent directors.

## 2. Frequency of Meetings

Meeting shall be held not less than once a year. The Company Secretary shall be the Secretary of the Committee.

## 3. Authority

The Committee is to recommend new nominees for the Board and the Board Committees and to assess Directors on an ongoing basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

## 4. Duty

The duties of the Committee shall be :-

- (i) to recommend to the Board, candidates for all directorships taking into consideration the candidates' qualification, character, skills, knowledge, expertise, experience, professionalism, integrity, competence and time commitment and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder may also be considered.
- (ii) to recommend to the Board, directors to fill the seats on board committees.
- (iii) to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board, independence and diversity (including gender diversity) required to meet the needs of the Company.
- (iv) to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each director.
- (v) to establish a formal and transparent procedures for appointment of new directors to the Board and make recommendations which include establishing selection criteria, short listing, assessing and evaluating suitable candidate against selection criteria and Board's requirements.
- (vi) to review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

## 5. Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

The main activities undertaken by the NC during the financial year under review were as follows :-

- (i) Reviewed the re-election of the Directors retiring at the forthcoming annual general meeting under Clause 88 of the Constitution of the Company;
- (ii) Assessment of independence of independent directors;
- (iii) Reviewed the required mix of skills, experience and other qualities of the Board and gender diversity; and
- (iv) Reviewed the effectiveness of the Board as a whole and the Board Committees and the performance of each of the Board members and the Audit Committee members.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Formalised Directors' Fit and Proper Policy

On 20 June 2022, the Company established the Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries as required by Paragraph 15.01A of Bursa Malaysia Main Market Listing Requirements. The Directors' Fit and Proper Policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates that are to be appointed to the Board of the Company and its subsidiaries as well as Directors who are seeking for re-election at the AGM. This is to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his / her role as a Director of the Company and its subsidiaries.

The Directors' Fit and Proper Policy is available on the Company's website at <https://www.sbcgroup.com.my>

## Annual Evaluation

The annual assessment on the Board, its Committees and each individual Director and Audit Committee member was carried out internally using self-evaluation forms extracted from the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

In conducting the evaluation, the following criteria were adopted by the Nominating Committee –

- Board mix and composition;
- Quality of information and decision making;
- Boardroom activities;
- Board's relationship with the management;
- Board committee's evaluation;
- Fit and proper;
- Contribution and performance;
- Caliber and personality;
- Financial literacy; and
- Controls, risk management and compliance.

The results of the duly completed self-evaluation forms received from the Directors and Audit Committee members were tabled to the Nominating Committee for consideration. The Nominating Committee is satisfied that the Board has a good mix of skills, experience and qualities and each of the Directors has the professionalism, competence, experience, time commitment, integrity and character to effectively discharge their role as a Director.

The Nominating Committee is also satisfied with the performance of the Audit Committee and each of the Audit Committee members who have carried out their duties in accordance with their Terms of Reference.

The results from the Nominating Committee were reported to the Board.

## iii Remuneration Committee

The Remuneration Committee (RC) is delegated with responsibilities to evaluate and recommend to the Board of all element of the remuneration package of the Executive Directors and Senior Management. The remuneration packages are based on the philosophy to enable the Company to attract and retain Directors and Senior Management of caliber, relevant experience and expertise to manage the Group effectively and successfully.

The Board as a whole would determine the remuneration packages of the Independent Non-Executive Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year ended 31 March 2023, the RC has held one (1) meeting. The attendance of the members of the RC at the meeting is as follows :-

Name of members	No. of meetings attended
YBhg. Dato' Lim Cheang Nyok (Independent Non-Executive Director) – Chairman	1/1
YBhg. Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Chairman)	1/1
Lee Kong Leong (Senior Independent Non-Executive Director)	1/1

The RC consists entirely of Independent Non-Executive Directors.

The Terms of Reference of the RC are as follows :-

## 1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of Non-Executive Directors, minimum three (3), a majority of whom are independent directors.

The members of the Committee shall elect the Chairman from among their number who shall be an independent director.

The quorum shall be two (2) members, a majority of whom shall be independent directors.

## 2. Frequency of Meetings

Meeting shall be held not less than once a year. The Company Secretary shall be the Secretary of the Committee.

## 3. Authority

The Committee is authorised to draw from outside advice as and when necessary in forming its recommendation to the Board on the remuneration of the executive directors and senior management in all its forms. Executive directors should play no part in decisions on their own remuneration and should abstain from discussion of their own remuneration.

The determination of the remuneration packages of the Non-Executive Directors, including non-executive chairman, should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

## 4. Duty

The duty of the Committee is to recommend to the Board the structure and level of remuneration of executive directors and senior management.

## 5. Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

During the financial year under review, the main activities undertaken by the RC were reviewing the remuneration of the Managing Director cum Chief Executive Officer, the Executive Director and the Senior Management for year 2023.

## Remuneration

The remunerations of the Executive Directors and Senior Management are to be structured so as to link rewards to Group and individual performance and for Non-Executive Directors, the level of fees shall reflect the experience, expertise and level of responsibilities undertaken.

All Non-Executive Directors are paid director's fees for serving as Directors on the Board and chairman of the Board or its Committees. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties. They are paid a meeting allowance of RM300 per meeting for attendance at each Board and its Committees' meetings. The Directors' fees and benefits are approved at the annual general meeting by shareholders.

Currently, the remuneration of Executive Directors and Senior Management comprising basic salary and bonus which are reflective of their experience, expertise, level of responsibilities and performance. Benefits in kind such as company car are made available as appropriate.

The details of the remuneration of the Directors and Senior Management of the Company and the Group for the financial year ended 31 March 2023 are as follows :-



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (a) Directors

Company	Basic Salary RM'000	Bonuses RM'000	Fees RM'000	Benefits-in-kind RM'000	Attendance fee RM'000	Total RM'000
<b>Executive</b>						
YBhg. Datuk Sia Teong Heng	1,093	-	-	-	-	1,093
Sia Teong Leng	332	-	-	-	-	332
<b>Non-Executive</b>						
YBhg. Datuk Roselan Johar bin Johar Mohamed	-	-	37	-	3	40
Lee Kong Leong	-	-	38	-	3	41
YBhg. Dato' Lim Cheang Nyok	-	-	37	-	3	40
<b>Total</b>	<b>1,425</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>9</b>	<b>1,546</b>
<b>Group</b>						
	Basic Salary RM'000	Bonuses RM'000	Fees RM'000	Benefits-in-kind RM'000	Attendance fee RM'000	Total RM'000
<b>Executive</b>						
YBhg. Datuk Sia Teong Heng	1,093	-	-	-	-	1,093
Sia Teong Leng	332	-	-	-	-	332
<b>Non-Executive</b>						
YBhg. Datuk Roselan Johar bin Johar Mohamed	-	-	37	-	3	40
Lee Kong Leong	-	-	38	-	3	41
YBhg. Dato' Lim Cheang Nyok	-	-	37	-	3	40
<b>Total</b>	<b>1,425</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>9</b>	<b>1,546</b>

## (b) Senior Management of the Company and Group by bands of RM50,000

Range of remuneration (inclusive of salary, bonus, benefits in kind and other emoluments) (RM)	Number of Senior Management (No. of staffs)	
	Company	Group
RM1 to RM50,000	-	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	3
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-

Due to confidentiality, sensitivity and security concerns, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate.

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The Audit Committee presently comprises four (4) members, one (1) Senior Independent Non-Executive Director, one (1) Independent Non-Executive Chairman and two (2) Independent Non-Executive Directors.

The Board is assisted by the Audit Committee to ensure the Group's financial statements comply with applicable financial reporting standards. The Audit Committee is also tasked in assisting the Board in maintaining sound risk management and internal control system across the Group.

The Board is responsible for ensuring that the Company and the Group maintain accounting records that disclose with reasonable accuracy the financial position of the Company and the Group and which enables them to ensure that the financial statements comply with the provision of the Companies Act, 2016.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## FINANCIAL REPORTING

The Board aims to convey a balanced and understandable assessment of the Group's financial position and prospects through the quarterly results and annual reports/financial statements to the Company's shareholders and regulators.

The Statement of the Directors' Responsibilities in respect of the preparation of the annual audited financial statements pursuant to Bursa Securities Listing Requirements is set out on page 39 of this Annual Report.

## RELATIONSHIP WITH EXTERNAL AUDITORS

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e. Crowe Malaysia PLT, Chartered Accountants. The Group also maintains a transparent relationship with the External Auditors in seeking their professional advice towards ensuring compliance with the accounting standards through the Audit Committee. In the course of audit of the Group's operations, the External Auditors have highlighted all important matters to the Audit Committee. The Audit Committee will then bring up the matters for the Board's attention if it is necessary.

The Audit Committee has assessed the suitability of the External Auditors and has obtained written assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The External Auditors are appointed every year during the annual general meeting.

Key features underlying the relationship of the Audit Committee and the External Auditors are included in the Terms of Reference of the Audit Committee which are stated on pages 37 to 38 under the Audit Committee Report.

The Group has paid RM5,000 of non-audit fees to the External Auditors for the financial year ended 31 March 2023.

## RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business operations and that risks are inherited in all business activities and is committed to manage the risks involved in the Group business activities. The Group has a Risk Management Working Group ("RMWG") that is chaired by the Managing Director cum Chief Executive Officer and its members comprise the Executive Director, Heads of Departments and staff from key operations. They have been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and the risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk registers. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMWG and the Audit Committee.

## INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining a sound internal controls system, which provides reasonable assurance in ensuring the effectiveness and efficiency of operations and the safeguard of assets and interest in compliance with laws and regulations as well as with internal financial administration procedures and guidelines.

The Group's Statement on Risk Management and Internal Control is shown on pages 34 to 35 of this Annual Report.

## INTERNAL AUDIT

In accordance with the provision in the Code and the Listing Requirements of Bursa Securities, the Board has outsourced the internal audit function to a professional internal audit service provider firm, namely Wensen Consulting Asia (M) Sdn Bhd, who reports directly to the Audit Committee. The Internal Auditors have carried out the internal audits of the Group and highlighted all important issues to the Audit Committee. The Audit Committee will then bring up the issues for the Board's attention if it is necessary.

The internal audit function carried out during the financial year is disclosed in the Audit Committee Report as set out in page 37 of this Annual Report.

The Group's Statement on Risk Management and Internal Control which provides an overview of the risk management framework and the state of internal control within the Group is set out on pages 34 to 35 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### COMMUNICATION WITH STAKEHOLDERS

The Board is aware that communication with shareholders and investors are important for enhancing their understanding of and confidence in the Group's business and activities. The Board recognises that timely and equitable dissemination of relevant information shall be provided to shareholders and investors through public announcements made to Bursa Securities and the importance of information technology for effective dissemination of information.

The Group's quarterly financial results, annual audited accounts, annual reports and other announcements are published via the website of Bursa Securities within the stipulated timeframe. The Company also maintains its website at <https://www.sbcgroup.com.my> containing corporate information for the general public. The Company's website has become a key communication channel for the Company to further enhance shareholder and investor communication.

#### i. Dialogue between Company and Investors

The Board places great importance of being transparent and accountable to its investors and as such, has maintained an active and constructive communication policy that enables the Board and the Management to communicate effectively and on a timely basis with its investors, stakeholders and the public generally. The information about the Group can be accessed through the Company's website at <https://www.sbcgroup.com.my>

#### ii Anti-Bribery and Corruption Policy

With the adoption of the Anti-Bribery and Corruption Policy (ABC) policy, the Group practises zero tolerance policy against all forms of bribery and corruption. The ABC policy elaborates upon those principles and provides guidance to employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of conducting business. The ABC policy is also applicable to all employees, directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group.

For more information on the ABC policy, please refer to the Company's website at <https://www.sbcgroup.com.my>

#### iii Annual Report

The Directors believe that an important channel to reach shareholders and investors is through annual reports which can be obtained from the Company's website at <https://www.sbcgroup.com.my>. Besides including comprehensive financial performance and information on business activities, the Group strives to improve the contents of the annual report in line with the developments in corporate governance practices.

### GENERAL MEETINGS

The Annual General Meeting is the principal forum for the Directors, the Management and shareholders to meet and discuss the Group's business developments, strategies, performance, corporate governance, matters affecting shareholders' interests and future prospects. Notice of Annual General Meeting is sent out to shareholders at least twenty-one (21) days before the date of the meeting. At each Annual General Meeting, shareholders are encouraged to participate in the question and answer session. Where appropriate, the Chairman of the Meeting will undertake to provide a written answer to any question that cannot be readily answered on the spot. However, any information, which may be regarded as undisclosed material information about the Group, will not be given to any single shareholder or shareholder group.

The Board always takes active steps to encourage shareholder participation at general meetings such as serving notices for meetings earlier than the minimum notice period. The Board takes note of putting all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution as required by the Listing Requirements. The Company conducted poll voting in respect of all resolutions put before the shareholders at the last AGM. Upon verified by independent scrutineer, the poll results of each resolution were announced to Bursa Securities after the AGM via Bursa Link on the same day. The Company will explore the suitability and feasibility of employing electronic means for poll voting.

The Company places utmost importance on effective dissemination of timely, comprehensive and accurate information to shareholders and investors by leveraging on information technology, as recommended under the Code. As an accountable and responsible public listed entity, the Group discloses all corporate developments comprehensively through annual reports, circulars to shareholders, announcements, quarterly financial announcements submitted to Bursa Securities and through regular updates with investors as well as press releases. The quarterly financial announcement is a channel to keep the shareholders informed of the quarterly progress made by the Company during the year.

### COMPLIANCE STATEMENT

The Company has committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors ("the Board") of SBC Corporation Berhad is committed to maintain a sound system of risk management and internal control of the Group and is pleased to provide The Board's Statement on Risk Management and Internal Control ("the Statement"), which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 March 2023. The Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Principles and Recommendations relating to risk management and internal control provided in the Malaysian Code on Corporate Governance ("MCCG") 2021.

## BOARD RESPONSIBILITY

The Board acknowledges that it is ultimately responsible for the Group's systems of risk management and internal control and for reviewing the adequacy and integrity of the Risk Management and Internal Control ("RMIC") systems to ensure that the shareholders' interests and the Group's assets are safeguarded. In this respect, the responsibility of reviewing the adequacy and integrity of the RMIC systems has been delegated to the Audit Committee, which is empowered by its terms of reference to seek the assurance on the adequacy and integrity of the RMIC systems through reports it receives from independent reviews conducted by the internal audit function and management.

However, as there are inherent limitations in any system of risk management and internal controls, such as RMIC systems put into effect by Management can only manage and/or mitigate rather than eliminate all the risk that may impede the achievement of the Group's business objective or goals. Therefore, the RMIC system can only provide reasonable assurance against material misstatement, loss or fraud.

## RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations and

1. Carrying out its responsibility of overseeing the Company and its subsidiaries ("Group") risk management framework.
2. Ensuring that a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets; and
3. Determining the nature and extent of significant risk which it is willing to take in achieving Group's business objective or goals.

The Group has an embedded process for the identification, evaluating, reporting, treatment, monitoring, and reviewing of the business and operation risk within the Group. Both the Audit Committee and the Board review the effectiveness of the risk management function and deliberate on the risk management and internal control framework, functions, processes and reports on a regular basis.

## RISK IDENTIFICATION AND EVALUATION PROCESS

The risks are identified through a series of interview and discussions with the key personnel and management of the Group. The risk identification process includes considerations of internal and external environment factors. External environmental factors include economic and political changes, new regulations or legislation and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Risks identified are evaluated by examining the potential impact on the Group if a risk crystallised as well as the likelihood of occurrence. The risk level is rated as low, medium or high accordingly.

## RISK ADOPTION AND MONITORING PROCESS

All the risk identified are documented into a "Group Key Risk Profile". The Group Risk Profile for the Group is updated on an ongoing basis and approved by the board.

Key management staff and Head of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards as per the developed risk register. Periodic management meetings were held in which key risks and the appropriate mitigating controls were discussed. Significant risks affecting the Group's strategic and business plans are brought to the attention of the Board at their scheduled meetings. The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks.

The Process has been in place for the year under review and up to the date of approval of the Statement for the inclusion in the annual report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL AUDIT FUNCTION

During the financial year, the Group's internal audit function was outsourced to a professional service firm. The internal audit function is an integral part of the assurance mechanism in ensuring that the Group systems of internal controls are adequate and effective. The outsourced internal auditors assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The internal auditors will conduct the internal audit two (2) times in a financial year and report directly to the Audit Committee.

The internal audit function did not perform any review and assessment of the Group's associate companies as the Group does not have the full management control over the associates.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2023 amounted to RM15,000.00.

### The other key elements of the Group's internal control systems are :-

- An organisational structure, which clearly defines the lines of responsibility, proper segregation of duties and delegation of authority;
- The results of audit conducted by internal auditor are reported to the Audit Committee. Follow-up action and the review of the status of action taken are properly carried through by Management. The Audit Committee holds regular meetings to deliberate on the findings and recommendations for improvement as well as to direct the focus of reviews undertaken;
- The Executive Directors are involved in the running of business and operation of the Group and they report to the Board on significant changes in the business and external environment, which affect the operation of the Group at large;
- Regular management meetings are held to discuss the Group's performance, business operation and management issues as well as formulate appropriate measures to address them; and
- The Group has established policies and procedures to support the Group's various business activities.

## REVIEW BY THE BOARD

The Board also received assurances from the Managing Director cum Chief Executive Officer, Executive Director and Senior Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

## REVIEW ON THE STATEMENT BY THE EXTERNAL AUDITORS

As required by the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company and of the Group for the financial year ended 31 March 2023. The review by external auditors was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor factually inaccurate.

## CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls is adequate to safeguard shareholder's investments and the Group's assets. The Board is conscious of the fact that the system of internal control and risk management practices must continuously evolve to support the Group's operations and changing business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.

# AUDIT COMMITTEE REPORT

## AUDIT COMMITTEE REPORT

The Board of SBC Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2023.

## COMPOSITION AND MEETINGS

The Audit Committee presently comprises four members, one Independent Non-Executive Chairman, one Senior Independent Non-Executive Director and two Independent Non-Executive Directors. During the financial year ended 31 March 2023, the Committee met four times. The name of the members and their attendance at meetings are as follows :-

Name of members	No. of meetings attended
Lee Kong Leong (Senior Independent Non-Executive Director) - Chairman	4/4
YBhg. Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Chairman)	4/4
YBhg. Dato' Lim Cheang Nyok (Independent Non-Executive Director)	3/4

Ms. Choo Suit Ling was appointed as a member of the Audit Committee on 30 June 2023.

The Audit Committee normally meets four times a year with additional meetings convened between scheduled meetings, if necessary, to deliberate on urgent and significant matters.

The Management, the Internal Auditors and representatives of the External Auditors attend the meetings at the invitation of the Audit Committee, where considered necessary. The Company Secretary is responsible for distributing the notice of the meetings and relevant papers to the Audit Committee members prior to their meetings and for recording the proceedings of the meetings thereat.

## INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional internal audit service provider firm, namely Wensen Consulting Asia (M) Sdn Bhd. The main role of the internal audit is to review the effectiveness of the Group's system of internal controls and this is performed with impartiality, proficiency and due professional care.

The internal auditor reports directly to the Audit Committee the effectiveness of risk management, internal control system and governance processes within the Group.

The internal audit adopts a risk based auditing approach by focusing on identifying high risk areas and to recommend corrective measurements for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and integrity of control.

## SUMMARY OF WORKS OF THE AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following works were carried out by the Audit Committee during the financial year ended 31 March 2023:-

- a) Discussed and reviewed the Audit Planning Memorandum which covers the external auditor's plan, scope and nature of work.
- b) Reviewed the Audit Review Memorandum in relation to their findings and accounting issues arising from the audit of the Group's annual financial results.
- c) Reviewed the unaudited quarterly report on the consolidated results of the Group for the quarters ended 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022 and the audited financial statements.
- d) Assessed the Group's financial performance.
- e) Reviewed related party transactions and conflicts of interest situation that may arise within the Group.
- f) Reviewed and approved the internal audit plan and the internal audit reports and followed up on the remedial actions implemented by the Management in respect of the internal control weaknesses identified.
- g) Reviewed the Group's compliance with the applicable approved accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

# AUDIT COMMITTEE REPORT

## SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The summary of main works undertaken by the internal audit function during the financial year is as below :-

- a) Prepared the Group's Internal Audit Plan for the Audit Committee's review;
- b) Carried out internal audits of the Company and its subsidiary companies to review the adequacy of internal controls in the various auditable areas, such as :-
  - Property and Building Management;
  - Accounting and Finance Management; and
  - Follow-up review on the previous auditable areas.
- c) Reported the outcomes of audit conducted which highlight the significant risks and the effectiveness of the internal control system;
- d) Monitored remedial actions taken by the management in response to the recommendations addressing the internal control deficiencies; and
- e) Presented the internal audit reports at the Audit Committee meetings for the deliberation by its members, and to follow up on the suggestions given by its members.

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

### MEMBERSHIP

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three members. All the members must be non-executive directors, with a majority of them are independent directors. At least one member of the Committee:

- (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- (ii) if he is not a member of the MIA, he must have at least three years working experience and
  - he must have passed the examinations specified in Part I of the 1st Schedule to the Accountant Act, 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967; or
- (iii) fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director. The quorum shall be two (2) members, a majority of whom shall be independent directors.

Any former audit partner needs to observe a cooling-off period of at least three (3) years before he can be considered for appointment as a member of the Committee. The cooling off period safeguards the independence of the audit by avoiding the potential threat, which may arise when a former audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements.

### ATTENDANCE AT MEETINGS

The Management and the internal auditors and representatives of the external auditors shall normally attend meetings. Other directors and employees of the Company may attend meetings at the Committee's invitation. The Committee shall be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The Company Secretary shall be the secretary of the Committee.

### FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year. The external auditors may request a meeting if they consider that one is necessary.

### AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all the employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of an outsider with relevant experience and expertise, if it considers this necessary.

# AUDIT COMMITTEE REPORT

## DUTIES

The duties of the Committee shall be :-

- (1) to consider the appointment or re-appointment of the external auditors, the audit fees and any questions of nomination, resignation or dismissal.
- (2) to discuss with the external auditors before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
- (3) to discuss with the external auditors the evaluation of the system of internal controls, audit report and ensure assistance given by the employees to the external auditors.
- (4) to review the quarterly and year-end financial statements before submission to the Board, focusing particularly on:
  - any changes or implementation of changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
  - the going concern assumption;
  - compliance with accounting standards; and
  - compliance with Bursa Malaysia Securities Berhad and legal requirements.
- (5) to discuss problems and reservations arising from the interim and final audit and any matters the external auditor may wish to discuss (in the absence of management, where necessary).
- (6) to review the external auditors' management letter and management's response.
- (7) to do the following in respect of the internal audit function:
  - review the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
  - review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not the appropriate action is taken on the recommendations.
  - review any appraisal or assessment of the performance of the members of the internal audit function.
  - approve the appointment or termination of senior staff members of the internal audit function.
  - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (8) to consider any related party transaction and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (9) to consider the major findings of internal investigations and management's response and ensure co-ordination between internal and external auditors.
- (10) to consider the appointment of the internal auditors, the fee and any questions of nomination, resignation or dismissal.
- (11) to assess the adequacy and integrity of the risk management and internal audit system through independent reviews conducted and reports it received from the internal auditors, the external auditors and the management.
- (12) to verify the allocation of options pursuant to an employee share option scheme to ensure compliance with the allocation criteria.
- (13) to consider other topics, as defined by the Board.

## REPORTING

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

This Report is made in accordance with a resolution of the Board dated 28 July 2023.



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Board is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs of the Group and the Company as of 31 March 2023 and of the results and cash flows of the Group and Company for the financial year ended on that date.

In preparing the financial statements, the Directors have :-

- (a) adopted suitable accounting policies and applied them consistently;
- (b) made judgements and estimates that are prudent and reasonable;
- (c) ensured the adoption of applicable approved accounting standards; and
- (d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and are kept in accordance with the Companies Act, 2016. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.

## ADDITIONAL COMPLIANCE INFORMATION

In conformance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the following compliance information is provided :-

### 1. Utilisation of Proceeds from Corporate Proposal

During the financial year under review, there were no proceeds raised by the Company from any corporate proposal.

### 2. Audit and Non-audit Fees

The audit fees and non-audit fees paid or payable to Crowe Malaysia PLT by the Company and the Group during the financial year under review were as follows :-

	Company (RM)	Group (RM)
Audit Fees	63,000	253,100
Non Audit Fees	5,000	5,000

The fees paid or payable to a firm or a corporation affiliated to Crowe Malaysia PLT by the Company and the Group during the financial year under review were as follows :-

	Company (RM)	Group (RM)
Tax Agent Fees	-	37,800

### 3. Materials Contracts Involving Directors' and Major Shareholders' Interest

There were no material contracts being entered into by the Company and/or its subsidiaries involving the directors and major shareholders' interest of the Company or its subsidiaries subsisting at the end of the financial year ended 31 March 2023 or entered into since the end of previous financial year.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.

# SUSTAINABILITY STATEMENT

The Group recognises the significance of sustainability and how it will influence the way of doing business in the years to come. The Group shares its commitment to sustainability and reports its various endeavours to drive the Economic, Environment and Social objectives, while taking into consideration the salient concerns of the Group's key stakeholders.

This Sustainability Statement, which is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and after undertaking a materiality assessment process with internal stakeholders, sets out what the Board considers as material sustainability risks and opportunities. These risks and opportunities, collectively known as Material Sustainability Matters have an impact on the operations in achieving the Group's objectives, hence a governance structure is in place to oversee the sustainability matters, drawing guidance from the Sustainability Reporting Guide issued by Bursa Malaysia.

## Sustainability Governance Structure

The Board provides oversight of the Group's corporate sustainability performance. The Group's Managing Director cum CEO, Executive Director and Senior Management oversee the implementation of the Group's sustainability approach and ensure selected targets are being met. The Group's sustainability reporting covers Malaysia only, given its majority of its business derived in Malaysia.

## Stakeholder Engagement

The table below lists the Group's key stakeholders, key concerns and responses to them:

Stakeholder Group	Key Concerns	Type of Engagement	Frequency	Response
Employees	<ul style="list-style-type: none"> <li>Financial and Non-Financial Performance</li> </ul>	Annual Staff Appraisal	Annually	<ul style="list-style-type: none"> <li>Fair remuneration package</li> <li>Develop talent programme</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Value and Fresh Design</li> </ul>	Customers / Agents feedback / Online feedback	Throughout the year	<ul style="list-style-type: none"> <li>Launch properties that commensurate the market demands</li> </ul>
Suppliers and Contractors	<ul style="list-style-type: none"> <li>Quality and Workmanship</li> <li>Prompt Delivery</li> </ul>	Regular feedbacks and site visits	Throughout the year	<ul style="list-style-type: none"> <li>Building of fair and sound business relations</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Safety &amp; Cleanliness of Public Spaces</li> <li>Design Access</li> </ul>	Engagement Services	Ongoing	<ul style="list-style-type: none"> <li>Seeding better communities</li> </ul>

## Material Sustainability Matters

Living accommodations are reserved sanctuaries where families and individuals feel secured, at ease and socially connected, and will remain true with the growing population of urbanites. Understanding and adapting to the changing demographics, the Group seeks to develop suitable living solutions that cater to the lifestyle of the young executives and first-time home buyers. The Group continues to leverage on its design heritage to create well thought-out spaces while providing practical and affordable luxury for this growing market segment, enabling them to enjoy wellness and sustainable lifestyle.

The Group has been focusing on city-based products with integrated retail, entertainment and commercial elements within a given development for a 24/7 vibrant community along with access to transport orientation nodes for ultimate accessibility. Jesselton Quay ("JQ") Central and Kiara East embody this present development philosophy to sustainably cater to new urbanites by providing exciting yet affordable options, thereby helping the cities to achieve critical infrastructure towards realising city aspirations.

# SUSTAINABILITY STATEMENT

The Group's material sustainability matters are :-

## **Project Sustainability**

The Group has in place a project sustainability guidance that highlights its aspirations to:

- Design criteria and process that promotes energy efficiency management, a step towards reducing carbon footprint
- Preference to develop Transit Oriented Development ("TOD") type projects, being a must for all multi-phase projects
- Post-delivery/occupancy management through asset oversight role

This is underlined by our core value: Adherence to Industry's Highest Ethics culminating use of Processes that Promote Standards

Our successful TOD-inspired development of Kiara East Dex Suites showed us there continues to be a growing demand for TOD at North Kuala Lumpur. With that invaluable insight, detailed planning followed by submissions is underway to construct another TOD-inspired development within the Kiara East community within the next few years.

## **Business Sustainability**

The Group is committed to ensure business sustainability by adhering to delivering market competitive returns to staffers and shareholders in the form of remuneration/dividends built upon a sustainable business model of delivering property solutions that meet the needs of our target market/customer base; all of whom are our stakeholders.

This is underlined by our core value: Service to Our Stakeholders

The Group has successfully sold almost all the JQ Central Citypads in Kota Kinabalu, a testament to the Group's commitment in its business model of delivering property solutions to our customer base. In turn, our customers, the majority of them are successfully running their units as short-stay accommodation. The Gallery Shoppes are gradually being filled up to complement the Citypads, making JQ Central on track to become the new KK CBD. The completion has made JQ Central a new landmark in Kota Kinabalu and this promises positive impact to the local stakeholders, and reinforcing the Group's commitment towards long-term business relationship with the city.

## **Work Sustainability**

The Group continues to achieve a balanced workforce, consists of 100% Malaysians with 50% female and continues to value its employees. Emphasis is given to crafting staff programs that foster positive work cultures, closing the staff needs/skill-gaps by deferring decisions to respective team leaders/department heads and promoting continuing education amongst staffers.

This is underlined by our core value: Equipping Our People to Serve

The Group prioritises the hiring of locals supporting its efforts of upskilling local communities, through intentional availing of opportunities to its employees to steepen their knowledge trajectory and be adequately equipped to perform their duties in multifaceted roles and responsibilities. Regular virtual communication with staff has fostered better working relations and further sharing of knowledge and experience among each other.

## **Electronic Publication**

To reduce the consumption of paper, the Annual Report of the Company is published on the Company's website <https://www.sbcgroup.com.my> for access by shareholders and investors.

This Statement is made in accordance with a resolution of the Board dated 28 July 2023.

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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management and administrative services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	<b>THE GROUP RM'000</b>	<b>THE COMPANY RM'000</b>
(Loss)/Profit after taxation for the financial year	(1,515)	30
Attributable to:-		
Owners of the Company	(348)	30
Non-controlling interests	(1,167)	-
	<u>(1,515)</u>	<u>30</u>

## DIVIDEND

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

## TREASURY SHARES

As at 31 March 2023, the Company held as treasury shares a total of 58,900 of its 258,129,053 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM50,502. The details of the treasury shares are disclosed in Note 22 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

# **DIRECTORS' REPORT**

## **CURRENT ASSETS**

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

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

## **VALUATION METHODS**

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

## **CONTINGENT AND OTHER LIABILITIES**

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

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

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

## **CHANGE OF CIRCUMSTANCES**

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

## **ITEMS OF AN UNUSUAL NATURE**

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

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

# DIRECTORS' REPORT

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

DATUK SIA TEONG HENG  
SIA TEONG LENG  
LEE KONG LEONG  
DATUK ROSELAN JOHAR BIN JOHAR MOHAMED  
DATO' LIM CHEANG NYOK  
CHOO SUIT LING (APPOINTED ON 30.6.2023)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

CHIN YOKE CHUNG, PATRICK  
ENG BAK CHIM  
HENG GEK HWAH  
OW PENG SEANG  
SHAHRUM ALI BIN H.M. SHAH

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES			
	AT 1.4.2022	BOUGHT	SOLD	AT 31.3.2023
<b>THE COMPANY</b>				
<b>DIRECT INTERESTS</b>				
DATUK SIA TEONG HENG	31,053,782	4,750,000	-	35,803,782
DATO' LIM CHEANG NYOK	1,767	-	-	1,767
<b>INDIRECT INTERESTS</b>				
DATUK SIA TEONG HENG	48,580,533	-	-	48,580,533
SIA TEONG LENG	48,580,533	-	-	48,580,533

By virtue of their shareholdings in the Company, Datuk Sia Teong Heng and Sia Teong Leng are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests.

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



**DIRECTORS'  
REPORT****DIRECTORS' REMUNERATION**

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	<b>THE GROUP RM'000</b>	<b>THE COMPANY RM'000</b>
<b>DIRECTORS</b>		
Short-term employee benefits:		
- fee	112	112
- salaries, bonuses and other benefits	1,281	1,281
Defined contribution plan	153	153
	<u>1,546</u>	<u>1,546</u>

**INDEMNITY AND INSURANCE COST**

The Company maintains directors' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors of the Company.

**SUBSIDIARIES**

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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

**AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>THE GROUP RM'000</b>	<b>THE COMPANY RM'000</b>
Audit fees	270	63
Non-audit fees	5	5
	<u>275</u>	<u>68</u>

Signed in accordance with a resolution of the directors dated 28 July 2023

**DATUK SIA TEONG HENG**

**SIA TEONG LENG**

## **STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Datuk Sia Teong Heng and Sia Teong Leng, being two of the directors of SBC Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 53 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 28 July 2023

**Datuk Sia Teong Heng**

**Sia Teong Leng**

## **STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Sia Teong Leng, being the director primarily responsible for the financial management of SBC Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 53 to 113 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Sia Teong Leng, NRIC Number: 700817-10-6211  
at Kuala Lumpur  
in the Federal Territory  
on this 28 July 2023

**Sia Teong Leng**

Before me  
Shaiful Hilmi Bin Halim (W804)  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBC CORPORATION BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of SBC Corporation Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 113.

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 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### BASIS FOR OPINION

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

### INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

### KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

REVENUE RECOGNITION FOR PROPERTY DEVELOPMENT ACTIVITIES	
KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>As disclosed in Note 29 to the financial statements, revenue of the Group was derived mainly from property development activities.</p> <p>The Group recognises property development revenue based on development progress using the input method. This is determined by the proportion of property development costs incurred for work performed to date over the estimated total property development costs.</p> <p>Accounting for property development activities is inherently complex and there is judgement involved in the following areas:-</p> <p>(a) determination of stage of completion; and</p> <p>(b) estimated total property development costs and costs to be incurred to complete a project.</p> <p>We determined this to be a key audit matter given the complexity and judgemental nature of these areas.</p>	<p>Our procedures included, amongst others:-</p> <p>(a) tested costs incurred to date to supporting documentation such as contractors' claim certificates.</p> <p>(b) assessed the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors.</p> <p>(c) checked for any variation orders and checked that changes to contracts and quotations with the contractors, if any, are properly supported, for ongoing projects.</p> <p>(d) tested sales of properties to signed sales and purchase agreements and billings raised to property buyers.</p> <p>(e) re-computed the stage of completion and checked the journal entries impacting revenue are recognised appropriately with reference to the computation of the stage of completion of the projects.</p>

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBC CORPORATION BERHAD (CONT'D)

## KEY AUDIT MATTERS (CONT'D)

IMPAIRMENT ASSESSMENT ON GOODWILL	
KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>As disclosed in Note 12 to the financial statements, goodwill as at 31 March 2023 amounted to RM9,495,000. It arose from the acquisition of subsidiaries in prior years.</p> <p>Goodwill requires annual impairment assessment. This has been performed by comparing the carrying amounts to their corresponding recoverable amounts.</p> <p>The recoverable amount was determined using the fair value less costs to sell method, after taking into account the market value of the land held for development based on valuations carried out by an independent firm of professional valuers.</p> <p>We determined this to be a key audit matter given the significant management judgement and estimates applied in determining the recoverable amounts.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>(a) obtained management's impairment analysis and gained an understanding of their impairment assessment process.</li> <li>(b) evaluated the objectivity, independence and capabilities of the professional valuers and obtained an understanding of the work of the professional valuers.</li> <li>(c) assessed the appropriateness of the valuation model, property related data, including estimates used by the professional valuers.</li> <li>(d) assessed the reasonableness of the assumptions used and judgements made in determining the recoverable amount.</li> </ul>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBC CORPORATION BERHAD (CONT'D)

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

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

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

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

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBC CORPORATION BERHAD (CONT'D)**

## **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 5 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.

### **Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

28 July 2023

**Chua Wai Hong**

02974/09/2023 J

Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	218,818	218,918
Investments in associates	6	112,767	111,513	3,234	3,234
Investments in joint ventures	7	*	*	*	*
Property, plant and equipment	8	4,673	4,844	1,790	1,608
Investment properties	9	85,053	87,166	565	565
Right-of-use asset	10	855	-	855	-
Inventories	11	122,794	121,617	-	-
Goodwill	12	9,495	9,495	-	-
Deferred tax assets	13	1,724	2,559	-	-
Other assets		1,080	1,152	-	-
		338,441	338,346	225,262	224,325
<b>CURRENT ASSETS</b>					
Inventories	11	223,607	216,393	-	-
Receivables	14	11,647	14,165	184	3
Contract assets	15	105	11,561	-	-
Amount owing by subsidiaries	16	-	-	106,796	111,170
Amount owing by an associate	17	3,366	3,366	-	-
Amount owing by a joint venture	18	4,103	4,099	4,357	4,353
Current tax assets		4,026	3,875	2,009	2,009
Fixed deposits with licensed banks	19	2,307	2,077	-	-
Cash and bank balances	20	4,513	3,121	1,726	1,623
		253,674	258,657	115,072	119,158
<b>TOTAL ASSETS</b>		592,115	597,003	340,334	343,483

\* Less than RM1,000

## STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2023 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	21	251,800	251,800	251,800	251,800
Treasury shares	22	(51)	(51)	(51)	(51)
Retained profits		168,280	168,628	12,359	12,329
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		420,029	420,377	264,108	264,078
NON-CONTROLLING INTERESTS		(6,303)	(5,072)	-	-
<b>TOTAL EQUITY</b>		413,726	415,305	264,108	264,078
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	13	1,500	1,500	-	-
Long-term borrowings	23	45,387	43,241	-	-
Lease liabilities	26	524	11	524	11
		47,411	44,752	524	11
<b>CURRENT LIABILITIES</b>					
Payables	27	50,183	56,479	3,979	5,983
Contract liabilities	15	27,829	19,085	-	-
Amount owing to subsidiaries	16	-	-	71,142	73,297
Short-term borrowings	28	46,975	53,345	-	-
Lease liabilities	26	352	20	352	20
Current tax liabilities		5,639	8,017	229	94
		130,978	136,946	75,702	79,394
<b>TOTAL LIABILITIES</b>		178,389	181,698	76,226	79,405
<b>TOTAL EQUITY AND LIABILITIES</b>		592,115	597,003	340,334	343,483



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	29	62,329	116,074	5,401	5,400
COST OF SALES	30	(42,811)	(74,206)	-	-
GROSS PROFIT		19,518	41,868	5,401	5,400
OTHER INCOME		4,929	2,550	1	6
ADMINISTRATIVE EXPENSES		(16,404)	(17,235)	(4,591)	(4,677)
OTHER EXPENSES		(851)	(237)	(355)	(37)
FINANCE COSTS		(8,181)	(6,567)	(199)	(205)
SHARE OF RESULTS IN ASSOCIATES		2,132	1,660	-	-
SHARE OF RESULTS IN JOINT VENTURES		(160)	(108)	-	-
PROFIT BEFORE TAXATION	31	983	21,931	257	487
INCOME TAX EXPENSE	32	(2,498)	(7,910)	(227)	(125)
(LOSS)/PROFIT AFTER TAXATION		(1,515)	14,021	30	362
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME		(1,515)	14,021	30	362
[LOSS]/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(348)	13,933	30	362
Non-controlling interests		(1,167)	88	-	-
		(1,515)	14,021	30	362
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(348)	13,933	30	362
Non-controlling interests		(1,167)	88	-	-
		(1,515)	14,021	30	362
[LOSS]/EARNINGS PER SHARE (SEN)					
- basic	33	(0.13)	5.40		
- diluted		(0.13)	5.40		

The annexed notes form an integral part of these financial statements

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

<b>THE GROUP</b>	<b>SHARE CAPITAL RM'000</b>	<b>TREASURY SHARES RM'000</b>	<b>RETAINED PROFITS RM'000</b>	<b>ATTRIBUTABLE TO OWNERS OF THE GROUP RM'000</b>	<b>NON- CONTROLLING INTERESTS RM'000</b>	<b>TOTAL EQUITY RM'000</b>
Balance at 1.4.2021	251,800	(51)	154,695	406,444	(5,160)	401,284
Profit after taxation/Total comprehensive income for the financial year	-	-	13,933	13,933	88	14,021
Balance at 31.3.2022/1.4.2022	251,800	(51)	168,628	420,377	(5,072)	415,305
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(348)	(348)	(1,167)	(1,515)
Winding-up of a subsidiary	-	-	-	-	(64)	(64)
Balance at 31.3.2023	251,800	(51)	168,280	420,029	(6,303)	413,726

<b>THE COMPANY</b>	<b>SHARE CAPITAL RM'000</b>	<b>TREASURY SHARES RM'000</b>	<b>RETAINED PROFITS RM'000</b>	<b>TOTAL EQUITY RM'000</b>
Balance at 1.4.2021	251,800	(51)	11,967	263,716
Profit after taxation/Total comprehensive income for the financial year	-	-	362	362
Balance at 31.3.2022/1.4.2022	251,800	(51)	12,329	264,078
Profit after taxation/Total comprehensive income for the financial year	-	-	30	30
Balance at 31.3.2023	251,800	(51)	12,359	264,108

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	983	21,931	257	487
Adjustments for:-				
Amortisation of other assets	72	72	-	-
Depreciation of:				
- property, plant and equipment	573	165	148	37
- right-of-use asset	206	-	206	-
- investment properties	1,217	1,131	-	-
Interest expense on lease liabilities	33	2	33	2
Interest expense	8,148	6,565	166	200
Interest income	(241)	(187)	-	-
Loss on disposal of investment	-	4	-	-
Equipment written off	-	1,279	-	-
Share of results in associates	(2,132)	(1,660)	-	-
Share of results in joint ventures	160	108	-	-
Operating profit before working capital changes	9,019	29,410	810	726
(Increase)/Decrease in inventories	(7,495)	65,406	-	-
Decrease/(Increase) in receivables	2,518	(65)	(81)	5
(Decrease)/Increase in payables	(4,412)	(40,471)	(120)	32
Decrease/(Increase) in contract assets	11,456	(5,645)	-	-
Increase/(Decrease) in contract liabilities	8,744	(16,134)	-	-
<b>CASH FROM OPERATIONS</b>	<b>19,830</b>	<b>32,501</b>	<b>609</b>	<b>763</b>
Interest paid	(7,939)	(7,472)	(83)	(52)
Net income tax paid	(4,193)	(4,041)	(92)	(7)
<b>NET CASH FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD</b>	<b>7,698</b>	<b>20,988</b>	<b>434</b>	<b>704</b>

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
BALANCE BROUGHT FORWARD		7,698	20,988	434	704
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment from subsidiaries		-	-	4,374	1,801
(Advances to)/Repayment from a joint venture		(4)	37	(4)	37
Interest received		82	38	-	-
Dividend received from an associate		878	1,765	-	-
Placement of fixed deposit pledged to a licensed bank		(30)	(23)	-	-
Withdrawal of fixed deposit with tenure of more than 3 months		-	105	-	-
Proceeds from disposal of investment		-	7	-	-
Purchase of equipment		(402)	(77)	(330)	(73)
Additions to investment properties		-	(792)	-	-
NET CASH FROM INVESTING ACTIVITIES		524	1,060	4,040	1,765
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment to subsidiaries		-	-	(2,155)	(1,706)
Repayment to a shareholder		(2,000)	(950)	(2,000)	(950)
Net repayment of revolving credits		(3,500)	(1,000)	-	-
Drawdown of term loans		12,000	41,796	-	-
Repayment of term loans		(5,197)	(66,126)	-	-
Net repayment of bankers' acceptances		(2,000)	(4,700)	-	-
Repayment of lease liabilities		(216)	(20)	(216)	(20)
NET CASH FOR FINANCING ACTIVITIES		(913)	(31,000)	(4,371)	(2,676)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,309	(8,952)	103	(207)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(22,916)	(13,964)	1,623	1,830
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34(c)	(15,607)	(22,916)	1,726	1,623

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business are at Unit No. C-01, Concourse Level, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 July 2023.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management and administrative services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**3.1** During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

**3.2** The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

#### **Effective Date**

MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment 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 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Critical Accounting Estimates and Judgements

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the 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 other than as disclosed below:-

(a) *Impairment of Investments in Subsidiaries, Investments in Associates, Land Held for Future Property Development and Goodwill*

The Group determines whether its investments in subsidiaries, investments in associates, land held for future property development and goodwill are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(b) *Revenue and Cost Recognition of Property Development Activities*

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(c) *Revenue Recognition for Construction Contracts*

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group relies on past experience and the work of specialists.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) *Classification Between Investment Properties and Owner-occupied Properties*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.1 Critical Accounting Estimates and Judgements (Cont'd)

##### *Critical Judgements Made in Applying Accounting Policies (Cont'd)*

##### *(b) Lease Terms*

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### *(c) Contingent Liabilities*

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

#### 4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

##### *(a) Business Combinations*

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

##### *(b) Non-controlling Interests*

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 Basis of Consolidation (Cont'd)

*(c) Changes in Ownership Interests in Subsidiaries Without Change of Control*

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

*(d) Loss of Control*

Upon loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

#### 4.4 Functional and Foreign Currencies

*(a) Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

*(b) Foreign Currency Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

*(c) Foreign Operations*

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity, attributed to the owners of the Company and non-controlling interests, as appropriate.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 Functional and Foreign Currencies (Cont'd)

##### *(c) Foreign Operations (Cont'd)*

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in associate or joint venture that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

#### 4.5 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss. Fair value adjustments on shareholder's loans and advances at initial recognition are added to the carrying value of the investments in the financial statements of the Group.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### *(a) Financial Assets*

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

##### *(i) Amortised Cost*

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.5 Financial Instruments (Cont'd)

##### (a) Financial Assets (Cont'd)

###### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

###### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

##### Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

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

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

###### (ii) Other Financial Liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

##### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

###### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.5 Financial Instruments (Cont'd)

##### (c) Equity Instruments (Cont'd)

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

##### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

##### (e) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

#### 4.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The cost of the investments includes the transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

#### 4.7 Investments in Associates

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 Investments in Associates (Cont'd)

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

#### 4.8 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

##### (a) Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

##### (b) Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

Investments in joint ventures are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 Joint Arrangements (Cont'd)

#### (b) Joint Ventures (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

### 4.9 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	2% - 5%
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	5% - 25%
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	5% - 20%
Motor vehicles	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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

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

### 4.10 Investment Properties

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 Investment Properties (Cont'd)

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties under construction are not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property classified.

#### 4.11 Leases

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group presents the right-of-use assets in property, plant and equipment and the associated lease liabilities as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

Right-of-use assets that meet the definition of land held for future property development or property development costs are categorised as inventories and measured in accordance with MFRS 102.

#### 4.12 Inventories

##### (a) Land Held for Future Property Development

Land held for future property development represents freehold land and right-of-use asset (leasehold land) on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Land held for future property development is stated at the lower of cost and net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.12 Inventories (Cont'd)

##### (a) Land Held for Future Property Development (Cont'd)

The cost comprises cost associated with the purchase of freehold land, payment for the right-of-use asset (leasehold land), conversion fees and other relevant levies.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for future property development will be the best available measure of the net realisable value.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

##### (b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

##### (c) Completed Development Properties Held for Sale

Completed development properties held for sale, are stated at the lower of cost and net realisable value.

The cost of completed properties held for sale comprises cost associated with the purchase of land, construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the completed property.

#### 4.13 Contract Costs Assets

##### (a) Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

##### (b) Costs to Fulfil a Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

#### 4.14 Contract Asset and Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

#### 4.16 Impairment

##### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.17 Provisions

Provisions are recognised when the Group has a present obligation (legal and constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

#### 4.18 Employee Benefits

##### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

##### (b) Defined Contribution Plans

The Group's contributions to a defined contribution plan are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### 4.19 Income Taxes

##### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

##### (b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.20 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

#### 4.21 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### 4.22 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

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

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

#### 4.23 Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.23 Revenue from Contracts with Customers (Cont'd)

(a) *Revenue From Property Development*

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(b) *Construction Services*

Revenue from construction services is recognised over time in the period in which the services are rendered using the output by reference to the construction progress based on the physical proportion of construction work certified by professional consultants. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

#### 4.24 Revenue from Other Sources and Other Operating Income

(a) *Dividend Income*

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

(b) *Rental Income*

Rental income is accounted for on a straight-line method over the lease term.

(c) *Interest Income*

Interest income is recognised on an accrual basis using the effective interest method.

Interest income on late payment is recognised on a receipt basis.

(d) *Management Fee and Administrative Charges*

Management fee and administrative charges are recognised on an accrual basis.

#### 4.25 Operating Segments

An operating segment is a component of the Group that engages 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. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### 4.26 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	218,818	218,918

The details of the subsidiaries, which are all incorporated and having principal place of business in Malaysia, are as follows:-

NAME OF SUBSIDIARY	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
	2023	2022	
	%	%	
<i>Subsidiaries of the Company:-</i>			
Syarikat Siah Brothers Trading Sdn. Bhd.	100	100	General building construction and investment holding.
Syarikat Siah Brothers Construction Sdn. Bhd.^	100	100	Building and civil engineering contractor.
PJX Property Sdn. Bhd.	100	100	Investment holding and property investment.
Mixwell (Malaysia) Sdn. Bhd.	100	100	Project management and property development.
South-East Best Sdn. Bhd.	100	100	Project development and property investment.
Masahmura Sdn. Bhd. *^	100	100	Trading of building materials.
Masahmura Sales & Service Sdn. Bhd.^@	100	100	Property development.
Aureate Construction Sdn. Bhd.	100	100	Project management and property development.
SBC Leisure Sdn. Bhd. *	100	100	Investment holding.
SBC Towers Sdn. Bhd. *	100	100	Investment holding.
PJX Car Parks Sdn. Bhd.	70	70	Property investment and car park operator.
PJX Retail Sdn. Bhd.®	70	70	Property investment, property management and leasing.
PJX Commercial Sdn. Bhd.®	70	70	Property investment.
SBHC Developments Sdn. Bhd.^^	-	50	Dormant.
Borneo Far East Sdn. Bhd.®	100	100	Dormant.
Jesselton Quay Properties Sdn. Bhd.	100	100	Property development.
JQC Property Sdn. Bhd.®	100	100	Property investment.
The Atkinson Hotel Sdn. Bhd.*	100	100	Dormant.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARY	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
	2023 %	2022 %	
Dalit Development Sdn. Bhd. <sup>®</sup> <i>Subsidiary of South-East Best Sdn. Bhd.:-</i>	100	100	Dormant.
Gracemart Resources Sdn. Bhd. <i>Subsidiaries of PJX Property Sdn. Bhd.:-</i>	100	100	Property development.
Sinaran Naga Sdn. Bhd. <sup>^</sup>	100	100	Property development.
Kiara East Property Sdn. Bhd. <sup>^</sup>	100	100	Property development.
Goldhill Achiever Sdn. Bhd. # <sup>®</sup>	50	50	Property development.

\* Not audited by Crowe Malaysia PLT.

# Goldhill Achiever Sdn. Bhd. is considered a subsidiary although the Company does not own more than 50% of its equity interest because the Company has the power to appoint and remove the majority of the Board of Directors and therefore controls the Board.

^ Temporarily dormant during the financial year.

® The auditors' reports on the financial statements of these subsidiaries included a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiaries to continue as a going concern in view of their capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to these subsidiaries.

^^ The subsidiary is under Members' Voluntary winding-up.

Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

#### 6. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	94,063	94,063	3,234	3,234
Share of post acquisition reserves	18,704	17,450	-	-
	112,767	111,513	3,234	3,234

The details of the associates are as follows:-

NAME OF ASSOCIATE	PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF OWNERSHIP		PRINCIPAL ACTIVITIES
		2023 %	2022 %	
Built SBC Co., Ltd *	Thailand	49.0	49.0	Dormant.
Kanyara Co., Ltd *	Thailand	49.0	49.0	Dormant.
<i>Associate of Mixwell (Malaysia) Sdn. Bhd.:-</i>				
Ligamas Sdn. Bhd. *	Malaysia	50.0	50.0	Property development.
<i>Associate of Syarikat Siah Brothers Trading Sdn. Bhd.:-</i>				
Sri Rawang Properties Sdn. Bhd.*	Malaysia	28.5	28.5	Investment in properties and rubber estates.

\* Not audited by Crowe Malaysia PLT.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

The summarised financial information (after alignment for the Group's accounting policies) for the following associate that is material to the Group is as follows:-

	<b>Ligamas Sdn. Bhd.</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At 31 March</u>		
Non-current assets	114,913	113,986
Current assets	26,565	28,112
Current liabilities	(5,859)	(7,829)
Net assets	135,619	134,269
<u>12-month Period Ended 31 March</u>		
Revenue	16,939	20,605
Profit for the financial year	5,637	5,122
Total comprehensive income	5,637	5,122
Group's share of results for the financial year	2,113	1,633
Dividend received	750	1,650
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	67,878	66,515
Goodwill	41,575	41,575
Carrying amount of the Group's interests in this associate	109,453	108,090

The summarised unaudited financial information (after alignment for the Group's accounting policies) for all associates that are individually immaterial to the Group is as follows:-

	<b>Other Individually Immaterial Associates</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Financial Year Ended 31 March</u>		
Group's share of results for the financial year	(109)	(89)
Group's share of total comprehensive income	(109)	(89)
Aggregate carrying amount of the Group's interests in these associates	3,314	3,423

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 7. INVESTMENTS IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	*	*	*	*
Share of post acquisition profits	*	*	-	-
	*	*	*	*

\* Less than RM1,000.

The details of the joint ventures are as follows:-

NAME OF JOINT VENTURE	PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF OWNERSHIP		PRINCIPAL ACTIVITIES
		2023 %	2022 %	
Cabana International Hotels Pte. Ltd. **	Singapore	50	50	Investment holding.
Cabana Investments Holdings Pty. Ltd. **	Australia	50	50	Investment holding.

\*\* Not audited by Crowe Malaysia PLT.

The summarised unaudited financial information for both joint ventures that are individually immaterial to the Group is as follows:-

	Individually Immaterial Joint Ventures	
	2023 RM'000	2022 RM'000
<u>Financial Year Ended 31 March</u>		
Group's share of results for the financial year	(160)	(108)
Group's share of total comprehensive income	(160)	(108)
Aggregate carrying amount of the Group's interests in these joint ventures	*	*

\* Less than RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 8. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2022 RM'000	ADDITION RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2023 RM'000
<b>2023</b>					
<i>CARRYING AMOUNT</i>					
Freehold land	2,220	-	-	-	2,220
Building	-	-	-	-	-
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	2,590	402	-	(549)	2,443
Motor vehicle	34	-	-	(24)	10
	4,844	402	-	(573)	4,673

THE GROUP	AT 1.4.2021 RM'000	ADDITION RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2022 RM'000
<b>2022</b>					
<i>CARRYING AMOUNT</i>					
Freehold land	2,220	-	-	-	2,220
Building	18	-	-	(18)	-
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	3,915	77	(1,279)	(123)	2,590
Motor vehicle	58	-	-	(24)	34
	6,211	77	(1,279)	(165)	4,844



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
<b>2023</b>			
Freehold land	2,220	-	2,220
Building	1,520	(1,520)	-
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	8,676	(8,676)	-
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	9,771	(7,328)	2,443
Motor vehicle	1,822	(1,812)	10
	24,009	(19,336)	4,673
<b>2022</b>			
Freehold land	2,220	-	2,220
Building	1,520	(1,520)	-
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	8,676	(8,676)	-
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	9,369	(6,779)	2,590
Motor vehicle	1,822	(1,788)	34
	23,607	(18,763)	4,844

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT 1.4.2022 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2023 RM'000
<b>2023</b>				
<i>CARRYING AMOUNT</i>				
Office equipment, computers, furniture and fittings	45	119	(23)	141
Office renovation	1,529	211	(101)	1,639
Motor vehicle	34	-	(24)	10
	1,608	330	(148)	1,790

THE COMPANY	AT 1.4.2021 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2022 RM'000
<b>2022</b>				
<i>CARRYING AMOUNT</i>				
Office equipment, computers, furniture and fittings	55	3	(13)	45
Office renovation	1,459	70	-	1,529
Motor vehicle	58	-	(24)	34
	1,572	73	(37)	1,608

THE COMPANY	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	CARRYING AMOUNT RM'000
<b>2023</b>			
Office equipment, computers, furniture and fittings	762	(621)	141
Office renovation	1,740	(101)	1,639
Motor vehicle	416	(406)	10
	2,918	(1,128)	1,790
<b>2022</b>			
Office equipment, computers, furniture and fittings	643	(598)	45
Office renovation	1,529	-	1,529
Motor vehicle	416	(382)	34
	2,588	(980)	1,608

The motor vehicle of the Group and of the Company is held under hire purchase agreement.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 9. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Buildings, at cost:-				
At 1 April	96,699	94,852	565	565
(Adjustments)/Additions during the financial year	(896)	1,847	-	-
At 31 March	95,803	96,699	565	565
Accumulated depreciation:-				
At 1 April	(9,533)	(8,402)	-	-
Depreciation during the financial year	(1,217)	(1,131)	-	-
At 31 March	(10,750)	(9,533)	-	-
Net carrying amount	85,053	87,166	565	565
Represented by:-				
Completed investment properties:-				
Buildings	46,849	42,755	565	565
Investment properties under construction:-				
Buildings	38,204	44,411	-	-
	85,053	87,166	565	565

- (a) The investment properties of the Group and of the Company are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 2 to 5 (2022 - 2 to 5) years and an option that is exercisable by the customers to extend their leases for an average of 5 (2022 - 6) years.

The Group requires a minimum of one month of advanced rental payment from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	THE GROUP	
	2023 RM'000	2022 RM'000
Within 1 year	1,538	1,538
Between 1 and 2 years	597	1,194
Between 2 and 3 years	-	597
	2,135	3,329

- (b) The carrying amounts of the completed investment properties approximated their fair values at the end of the reporting period. The fair values of the investment properties under construction cannot be reliably determined until either their fair values become reliably determinable or construction is completed, whichever is earlier.
- (c) Certain investment properties of the Group with a total carrying amount of RM57,707,000 (2022 - RM58,087,000) have been pledged to financial institutions as security for banking facilities granted to the Group.
- (d) In the previous financial year, included in the investment properties under construction of the Group were interests capitalised amounted to RM1,055,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 10. RIGHT-OF-USE ASSET

THE GROUP/THE COMPANY	AT 1.4.2022 RM'000	ADDITION RM'000	DEPRECIATION CHARGES RM'000	AT 31.3.2023 RM'000
<b>2023</b>				
CARRYING AMOUNT				
Office premise	-	1,061	(206)	855

The Group and the Company have leased an office premise for 3 years, with an option to renew after the date. The Group and the Company are not allowed to sublease the office premise.

## 11. INVENTORIES

	THE GROUP	
	2023 RM'000	2022 RM'000
Non-current:-		
Land held for future property development	(a) 122,794	121,617
Current:-		
Property development costs	(b) 122,774	155,568
Completed development properties held for sale	(c) 100,833	60,825
	223,607	216,393
	346,401	338,010
<b>(a) Land Held for Future Property Development</b>		
At cost:-		
At 1 April	122,034	121,504
Additions during the financial year	1,177	530
At 31 March	123,211	122,034
Allowance for impairment losses	(417)	(417)
	122,794	121,617
Analysed by:-		
Freehold land	41,984	41,984
Right-of-use assets (leasehold land)	42,936	42,936
Development costs	38,291	37,114
Allowance for impairment losses	(417)	(417)
	122,794	121,617

Certain land held for future property development of the Group with a total carrying amount of RM4,197,000 (2022 - RM22,103,000) have been pledged to financial institutions as security for banking facilities granted to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 11. INVENTORIES (CONT'D)

(b) Property Development Costs	THE GROUP	
	2023 RM'000	2022 RM'000
At cost:-		
At 1 April		
- freehold land	27,000	27,000
- right-of-use assets (leasehold land)	117,122	117,122
- development costs	389,260	353,152
	533,382	497,274
Addition during the financial year:		
- right-of-use assets (leasehold land)	25,000	-
- development costs	8,464	36,108
	33,464	36,108
Reversal of completed projects:		
- freehold land	(14,800)	-
- right-of-use assets (leasehold land)	(52,338)	-
- development costs	(248,372)	-
	(315,510)	-
Transfer to completed development properties held for sale:		
- freehold land	(12,200)	-
- right-of-use assets (leasehold land)	(787)	-
- development costs	(35,691)	-
	(48,678)	-
At 31 March		
- freehold land	-	27,000
- right-of-use assets (leasehold land)	88,997	117,122
- development costs	113,661	389,260
	202,658	533,382
Costs recognised in profit or loss:		
At 1 April	(377,814)	(281,278)
- costs recognised during the financial year	(17,580)	(96,536)
- reversal of completed projects during the financial year	315,510	-
At 31 March	(79,884)	(377,814)
Property development costs as at 31 March	122,774	155,568

(i) In the previous financial year, certain land of the Group with a total carrying amount of RM27,000,000 have been pledged to financial institutions as security for banking facilities granted to the Group.

(ii) Certain properties under development of the Group have been pledged to financial institutions as security for banking facilities granted to the Group.

(iii) Included in the property development costs is land proprietor's entitlement arising from the Joint Venture Agreement entered into with a third party to undertake a proposed mixed development in Kota Kinabalu with a carrying value of RM88,997,000 (2022 - RM117,122,000).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 11. INVENTORIES (CONT'D)

(c) Completed Development Properties Held for Sale

	THE GROUP	
	2023 RM'000	2022 RM'000
Unsold completed development properties, at cost	100,833	60,825
Recognised in profit or loss:-		
Inventories recognised as cost of sales	8,670	5,508

(i) Certain unsold completed development properties of the Group with a total carrying amount of RM36,080,000 (2022 - RM38,949,000) have been pledged to financial institutions as security for banking facilities granted to the Group.

(ii) None of these inventories is carried at net realisable value.

### 12. GOODWILL

	THE GROUP	
	2023 RM'000	2022 RM'000
Cost	27,305	27,305
Accumulated impairment losses	(17,810)	(17,810)
	9,495	9,495

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP	
	2023 RM'000	2022 RM'000
Mixwell (Malaysia) Sdn. Bhd.	7,145	7,145
Others	2,350	2,350
	9,495	9,495

(a) Goodwill arose from the investments in subsidiaries made in prior years.

(b) Goodwill is stated at cost and reviewed for impairment annually.

(c) The recoverable amount used is based on fair value less costs to sell.

(d) The fair value less costs to sell has been determined after taking into account the intrinsic value of the land held for future development. The fair value of the land held for future development is determined using a valuation carried out by an independent firm of professional valuers.

### 13. DEFERRED TAX ASSETS/(LIABILITIES)

	THE GROUP	
	2023 RM'000	2022 RM'000
At 1 April	1,059	895
Recognised in profit or loss (Note 32)	(835)	164
At 31 March	224	1,059
Represented by:-		
Deferred tax assets	1,724	2,559
Deferred tax liabilities	(1,500)	(1,500)
	224	1,059

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets and liabilities are attributable to the following items:-

	THE GROUP	
	2023 RM'000	2022 RM'000
Deferred tax assets:-		
Allowance for impairment losses on receivables	320	320
Unrealised profits on contract works	1,404	2,239
	1,724	2,559
Deferred tax liabilities:-		
Surplus arising from revaluation of land held for property development	(967)	(967)
Others	(533)	(533)
	(1,500)	(1,500)
	224	1,059

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

Unused tax losses:		
- expires in year of assessment 2028	20,507	20,507
- expires in year of assessment 2029	5,569	5,569
- expires in year of assessment 2030	13,309	14,702
- expires in year of assessment 2031	3,151	3,568
- expires in year of assessment 2032	1,509	1,509
- expires in year of assessment 2033	3,102	-
Unabsorbed capital allowances	757	752
Others	(19,082)	(19,429)
	28,822	27,178

Based on the current legislation, the unused tax losses are allowed to be utilised for 10 (2022 - 10) consecutive years of assessment immediately following that year of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

#### 14. RECEIVABLES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	3,504	5,780	-	-
Other receivables, deposits and prepayment	8,143	8,385	184	3
	11,647	14,165	184	3

The Group's normal trade credit terms range from 14 to 30 (2022 - 14 to 30) days.

#### 15. CONTRACT ASSETS/(LIABILITIES)

	THE GROUP	
	2023 RM'000	2022 RM'000
Contract assets:-		
Contract assets relating to property development activities	105	11,561
Contract liabilities:-		
Contract liabilities relating to property development activities	(27,829)	(19,085)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (a) The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities.
- (b) The transaction price allocated to the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period is RM23,454,000 (2022 - RM27,267,000) and the Group will recognise this revenue when the property development is completed, which is expected to occur over the next twelve months.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	THE GROUP	
	2023 RM'000	2022 RM'000
At 1 April	(7,524)	(29,303)
Revenue recognised in profit or loss during the financial year	5,402	26,932
Billings to customers during the financial year	(25,602)	(5,153)
At 31 March	(27,724)	(7,524)
Represented by:-		
Contract assets	105	11,561
Contract liabilities	(27,829)	(19,085)
	(27,724)	(7,524)

#### 16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

#### 17. AMOUNT OWING BY AN ASSOCIATE

The amount owing is trade in nature. The Group's normal trade credit term is 90 (2022 - 90) days. Other credit terms are assessed and approved on a case-by-case basis. The amount owing is to be settled in cash.

#### 18. AMOUNT OWING BY A JOINT VENTURE

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

#### 19. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.30% to 2.50% (2022 - 1.35% to 1.55%) per annum. The fixed deposits have maturity periods ranging from 30 to 180 (2022 - 30 to 180) days.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM1,792,000 (2022 - RM1,762,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(f) to the financial statements.

#### 20. CASH AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	4,513	3,121	1,726	1,623



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 20. CASH AND BANK BALANCES (CONT'D)

The foreign currency exposure profile of the cash and bank balances is as follows:-

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Thai Baht	1,545	1,545	1,545	1,545

(a) Included in the cash and bank balances of the Group is an amount of RM1,074,000 (2022 - RM1,046,000) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which is restricted from use in other operations.

(b) In the previous financial year, included in the cash and bank balances of the Group was an amount of RM2,000 held under the Housing Development Account pursuant to Section 8A of the Housing Developer (Control and Licensing) Enactment 1978 which was restricted from use in other operations.

#### 21. SHARE CAPITAL

	THE GROUP / THE COMPANY			
	2023	2022	2023	2022
	Number Of Shares ('000)		RM'000	RM'000
Issued and Fully Paid-up Ordinary Shares				
At 1 April/31 March	258,129	258,129	251,800	251,800

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

#### 22. TREASURY SHARES

The Company held 58,900 (2022 - 58,900) treasury shares as at the end of the reporting period. None of the treasury shares were resold or cancelled during the financial year.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

#### 23. LONG-TERM BORROWINGS

	THE GROUP	
	2023	2022
	RM'000	RM'000
Term loans (Note 24)	40,887	29,741
Revolving credit (Note 25)	4,500	13,500
	45,387	43,241

#### 24. TERM LOANS

	THE GROUP	
	2023	2022
	RM'000	RM'000
Current liabilities (Note 28)	6,655	10,808
Non-current liabilities (Note 23)	40,887	29,741
	47,542	40,549

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 24. TERM LOANS (CONT'D)

Details of the term loans outstanding at the end of the reporting period are as follows:-

Term loan	Date of commencement of repayment	THE GROUP	
		2023 RM'000	2022 RM'000
I	April 2015	3,406	3,898
II	June 2021	5,395	6,000
III	April 2021	-	3,789
IV	Upon first day of the following month if full drawdown is on or before 15th of the month, or on the first day of the month following next if full disbursement is after the 15th of the month, or upon expiry of availability period, whichever is earlier	6,040	6,351
V	June 2024	12,000	-
VI	July 2024	20,701	20,511
		47,542	40,549

- (a) Term loan I is repayable in 180 monthly instalments of RM54,270 and is secured by:-
- (i) a facility agreement of RM7,000,000;
  - (ii) an assignment of all the rights, title and interest in respect of a property of a subsidiary;
  - (iii) a first legal charge over a property of a subsidiary;
  - (iv) a corporate guarantee of the Company; and
  - (v) a power of attorney in respect of a property of a subsidiary.
- (b) Term loan II is repayable in 2 instalments of RM3,000,000 each, a third instalment of RM4,000,000 and a fourth instalment of RM6,000,000 and is secured by:-
- (i) the Company's shares held by a director and a shareholder; and
  - (ii) a corporate guarantee of the Company.
- (c) Term loan III is repayable in 36 monthly instalments totalling RM617,702 each and is secured by:-
- (i) a first legal charge over two pieces of land of a subsidiary;
  - (ii) a debenture creating a fixed and floating charge over the assets of a subsidiary; and
  - (iii) a corporate guarantee of the Company.
- The term loan was fully repaid during the financial year.
- (d) Term loan IV is repayable in 180 monthly instalments of RM50,696 and is secured by:-
- (i) a facility agreement of RM6,360,000;
  - (ii) an assignment of all the rights, title and interest in respect of properties of a subsidiary;
  - (iii) first legal charge over properties of a subsidiary;
  - (iv) a corporate guarantee of the Company; and
  - (v) power of attorney in respect of properties of a subsidiary.
- (e) Term loan V is repayable in 95 monthly instalment of RM167,000 and final principal of RM135,000 and was secured by:-
- (i) deed of assignment of 29 units retail shops of a subsidiary;
  - (ii) specific debenture over the 29 units retail shops of a subsidiary;
  - (iii) legal assignment over future rental proceeds from the 29 units retail shops in the Escrow Account-i;
  - (iv) charge over Escrow Account-i to be opened with the bank; and
  - (v) a corporate guarantee of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 24. TERM LOANS (CONT'D)

- (f) Term loan VI is repayable in 180 monthly instalments of RM567,141 and is secured by:-
- (i) fixed deposit with a licensed bank of a subsidiary, pledged for a facility agreement of RM73,000,000;
  - (ii) an assignment of all the rights, title and interest in respect of properties of a subsidiary;
  - (iii) first legal charge over a property of a subsidiary;
  - (iv) a corporate guarantee of the Company; and
  - (v) a power of attorney in respect of a property of a subsidiary.

#### 25. REVOLVING CREDITS

	THE GROUP	
	2023	2022
	RM'000	RM'000
Current liabilities (Note 28)	19,000	13,500
Non-current liabilities (Note 23)	4,500	13,500
	23,500	27,000

Details of the revolving credits outstanding at the end of the reporting period are as follows:-

	THE GROUP	
	2023	2022
	RM'000	RM'000
Revolving credit		
I	10,000	9,000
II	13,500	18,000
	23,500	27,000

- (a) Revolving credit I is secured by:-
- (i) a negative pledge on all assets of a subsidiary;
  - (ii) third party first legal charge over properties of a subsidiary;
  - (iii) a power of attorney in respect of properties of a subsidiary; and
  - (iv) a corporate guarantee of the Company.
- (b) Revolving credit II is repayable in 4 instalments of RM4,500,000 each and is secured by:-
- (i) a facility agreement of RM18,000,000;
  - (ii) a first legal charge over properties of a subsidiary; and
  - (iii) a corporate guarantee of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 26. LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April	31	51	31	51
Additions (Note 10)	1,061	-	1,061	-
Interest expense recognised in profit or loss (Note 31)	33	2	33	2
Repayment of principal	(216)	(20)	(216)	(20)
Repayment of interest expense	(33)	(2)	(33)	(2)
At 31 March	876	31	876	31
Analysed by:				
Current liabilities	352	20	352	20
Non-current liabilities	524	11	524	11
	876	31	876	31

The lease liabilities of the Group and of the Company bore effective interest rates ranging between 4.55%-6.45% (2022 - 4.55%) per annum.

## 27. PAYABLES

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:-				
Trade payables	3,445	2,215	-	-
Retention sums	3,950	12,461	-	-
Total trade payables	7,395	14,676	-	-
Other payables and accruals	42,788	41,803	3,979	5,983
Total payables	50,183	56,479	3,979	5,983

- (a) Credit terms of the trade payables range from 30 to 60 (2022 - 30 to 60) days.
- (b) The retention sums are unsecured, interest-free and are expected to be collected upon the expiry of defect liability period.
- (c) Included in other payables are the following items:-

		THE GROUP		THE COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amount owing to a shareholder of the Company	(i)	3,366	5,250	3,366	5,250
Amount owing to the shareholders of subsidiaries	(ii)	25,452	25,660	-	-
Land proprietor's entitlement	(iii)	-	4,954	-	-

- (i) The amount owing to a shareholder of the Company is unsecured, subject to 5% interest per annum and repayable on demand. The amount owing is to be settled in cash.
- (ii) The amount owing to the shareholders of subsidiaries at the end of the reporting period is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.
- (iii) In the previous financial year, the land proprietor's entitlement represented payable to a third party, pursuant to the Joint Venture Agreement as disclosed in Note 11(b)(iii) to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

**28. SHORT-TERM BORROWINGS**

	THE GROUP	
	2023 RM'000	2022 RM'000
Bankers' acceptances	1,000	3,000
Bank overdrafts	20,320	26,037
Term loans (Note 24)	6,655	10,808
Revolving credits (Note 25)	19,000	13,500
	<u>46,975</u>	<u>53,345</u>

The effective interest rates at the end of the reporting period for borrowings which bore interest at floating rates, were as follows:-

	THE GROUP	
	2023 %	2022 %
Bankers' acceptances	5.69	4.72
Bank overdrafts	7.60 - 8.87	6.60 - 7.87
Term loans	4.70 - 8.75	3.70 - 8.00
Revolving credits	<u>5.25 - 6.30</u>	<u>4.43 - 5.13</u>

- (a) The bankers' acceptances are secured by:-
- (i) corporate guarantees of the Company;
  - (ii) a negative pledge on the assets of a subsidiary; and
  - (iii) a letter of undertaking cum indemnity of a subsidiary.
- (b) The bank overdrafts are secured by:-
- (i) a corporate guarantee of the Company;
  - (ii) a negative pledge on the assets of a subsidiary;
  - (iii) a third party legal charge over a piece of land and a building of a subsidiary; and
  - (iv) a first party legal charge over a piece of land of a subsidiary.
- (c) The securities for the term loans are disclosed in Note 24 to the financial statements.
- (d) The securities for the revolving credits are disclosed in Note 25 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

**29. REVENUE**

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Revenue from Contracts with Customers</u>				
Property development activities	59,916	113,839	-	-
<u>Revenue from Other Sources</u>				
Management and administrative charges	-	-	5,401	5,400
Others	2,413	2,235	-	-
	62,329	116,074	5,401	5,400

The other information on the disaggregation of revenue is disclosed in Note 37 to the financial statements.

**30. COST OF SALES**

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property development activities	41,951	73,599	-	-
Others	860	607	-	-
	42,811	74,206	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 31. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of other assets	72	72	-	-
Audit fee:				
- for the financial year	270	274	63	58
- underprovision in the previous financial year	-	13	-	-
Non-audit fee:				
- for the financial year	5	21	5	6
Depreciation of:				
- property, plant and equipment	573	165	148	37
- right-of-use asset	206	-	206	-
- investment properties	1,217	1,131	-	-
Directors' fee	112	112	112	112
Directors' non-fee emoluments	1,434	1,595	1,434	1,595
Direct operating expenses arising from investment properties	1,060	982	-	-
Interest expense:				
- amount owing to a shareholder	166	200	166	200
- bankers' acceptances	107	255	-	-
- bank overdrafts	1,851	1,670	-	-
- revolving credits	1,365	1,298	-	-
- term loans	2,394	2,882	-	-
- lease liability	33	2	33	2
- others	2,265	260	-	-
Equipment written off	-	1,279	-	-
Staff costs (including other key management personnel as disclosed in Note 35):				
- salaries, allowances and bonuses	3,543	3,815	1,469	1,678
- defined contribution plan	357	391	161	182
- other benefits	90	101	51	64
COVID-19-related subsidies from government	-	(59)	-	(5)
Dividend income:				
- associate	(128)	(115)	-	-
Interest income:				
- licensed financial institutions	(82)	(38)	-	-
- others	(159)	(149)	-	-
Lease income:				
- rental income from investment properties	(4,548)	(3,949)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 32. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax:				
- current financial year	2,189	7,998	259	125
- (over)/under provision in the previous financial year	(526)	76	(32)	-
	1,663	8,074	227	125
Deferred tax (Note 13):				
- origination and reversal of temporary differences	835	(164)	-	-
	2,498	7,910	227	125

A reconciliation of the income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	983	21,931	257	487
Tax at statutory tax rate of 24%	236	5,263	62	117
Tax effects of:-				
Non-deductible expenses	2,868	3,492	180	160
Share of results in associates	(512)	(398)	-	-
Share of results in joint ventures	38	26	-	-
Deferred tax assets not recognised during the financial year	828	434	17	-
Utilisation of deferred tax assets previously not recognised	(434)	(983)	-	(152)
(Over)/Under provision of current tax in the previous financial year	(526)	76	(32)	-
Income tax expense for the financial year	2,498	7,910	227	125

## 33. (LOSS)/EARNINGS PER SHARE

	THE GROUP	
	2023 RM'000	2022 RM'000
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(348)	13,933
Weighted average number of ordinary shares in issue ('000)	258,070	258,070
Basic (loss)/earnings per share (Sen)	(0.13)	5.40

The basic (loss)/earnings per share of the Group is calculated by dividing the Group's (loss)/profit after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares of the Company.

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 34. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

THE GROUP	AMOUNT OWING TO A SHAREHOLDER RM'000	TERM LOANS RM'000	BANKERS' ACCEPTANCES RM'000	REVOLVING CREDITS RM'000	LEASE LIABILITIES RM'000	TOTAL RM'000
<b>2023</b>						
At 1 April 2022	5,250	40,549	3,000	27,000	31	75,830
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown	-	12,000	8,000	35,000	-	55,000
Repayment of principal	(2,000)	(5,197)	(10,000)	(38,500)	(216)	(55,913)
Repayment of interests	(50)	(2,204)	(107)	(1,365)	(33)	(3,759)
	(2,050)	4,599	(2,107)	(4,865)	(249)	(4,672)
	3,200	45,148	893	22,135	(218)	71,158
<u>Other changes</u>						
Acquisition of new Lease (Note 26)	-	-	-	-	1,061	1,061
Interest expense recognised in profit or loss (Note 31)	166	2,394	107	1,365	33	4,065
	166	2,394	107	1,365	1,094	5,126
At 31 March 2023	3,366	47,542	1,000	23,500	876	76,284

THE GROUP	AMOUNT OWING TO A SHAREHOLDER RM'000	TERM LOANS RM'000	BANKERS' ACCEPTANCES RM'000	REVOLVING CREDITS RM'000	LEASE LIABILITY RM'000	TOTAL RM'000
<b>2022</b>						
At 1 April 2021	6,050	64,879	7,700	28,000	51	106,680
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown	-	41,796	21,000	36,000	-	98,796
Repayment of principal	(950)	(66,126)	(25,700)	(37,000)	(20)	(129,796)
Repayment of interests	(50)	(3,937)	(255)	(1,298)	(2)	(5,542)
	(1,000)	(28,267)	(4,955)	(2,298)	(22)	(36,542)
Balance carried forward	5,050	36,612	2,745	25,702	29	70,138

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 34. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

THE GROUP	AMOUNT OWING TO A SHAREHOLDER RM'000	TERM LOANS RM'000	BANKERS' ACCEPTANCES RM'000	REVOLVING CREDITS RM'000	LEASE LIABILITY RM'000	TOTAL RM'000
<b>2022</b>						
Balance brought forward	5,050	36,612	2,745	25,702	29	70,138
<u>Other changes</u>						
Interest expense recognised in profit or loss (Note 31)	200	2,882	255	1,298	2	4,637
Interest expense capitalised under investment properties (Note 9(d))	-	1,055	-	-	-	1,055
	200	3,937	255	1,298	2	5,692
At 31 March 2022	5,250	40,549	3,000	27,000	31	75,830

THE COMPANY	AMOUNT OWING TO A SHAREHOLDER RM'000	LEASE LIABILITIES RM'000	TOTAL RM'000
<b>2023</b>			
At 1 April 2022	5,250	31	5,281
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(2,000)	(216)	(2,216)
Repayment of interests	(50)	(33)	(83)
	(2,050)	(249)	(2,299)
<u>Other changes</u>			
Acquisition of new Lease (Note 26)	-	1,061	1,061
Interest expense recognised in profit or loss (Note 31)	166	33	199
	166	1,094	1,260
31 March 2023	3,366	876	4,242
<b>2022</b>			
At 1 April 2021	6,050	51	6,101
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(950)	(20)	(970)
Repayment of interests	(50)	(2)	(52)
	(1,000)	(22)	(1,022)
<u>Other changes</u>			
Interest expense recognised in profit or loss (Note 31)	200	2	202
At 31 March 2022	5,250	31	5,281

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 34. CASH FLOW INFORMATION (CONT'D)

(b) The total cash outflows for leases as a lessee are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payment of short-term leases	-	-	132	132
Interest paid on lease liabilities	33	2	33	2
Payment of lease liabilities	216	20	216	20
	249	22	381	154

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	2,307	2,077	-	-
Cash and bank balances	4,513	3,121	1,726	1,623
Bank overdrafts	(20,320)	(26,037)	-	-
	(13,500)	(20,839)	1,726	1,623
Less:				
Fixed deposit pledged to a licensed bank (Note 19(b))	(1,792)	(1,762)	-	-
Fixed deposit with tenure of more than 3 months	(315)	(315)	-	-
	(15,607)	(22,916)	1,726	1,623

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

**35. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP / THE COMPANY	
	2023 RM'000	2022 RM'000
<b>(a) Directors</b>		
Short-term employee benefits:		
- fee	112	112
- salaries, bonuses and other benefits	1,281	1,425
Defined contribution plan	153	170
	<u>1,546</u>	<u>1,707</u>

**(b) Other Key Management Personnel**

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term employee benefits	946	1,130	353	583
Defined contribution plan	99	103	34	51
Total compensation for other key management personnel (Note 31)	<u>1,045</u>	<u>1,233</u>	<u>387</u>	<u>634</u>

**36. RELATED PARTY DISCLOSURES****(a) Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, joint ventures, key management personnel and entities within the same group of companies.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 36. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	THE GROUP / THE COMPANY	
	2023	2022
	RM'000	RM'000
<b>Subsidiaries</b>		
Management fee paid/payable	30	36
Rental paid/payable	132	132
Management fee received/receivable	5,401	5,400
Payment on behalf of	465	650
Advances to	1,740	917
Payment made by	1,680	1,877
Advances from	7,862	250
<b>Director</b>		
Rental paid/payable	226	-
<b>Shareholder</b>		
Interest expense	166	200

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 37. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into three main reportable business segments as follows:-

(i) Construction

The Group undertakes earthworks and buildings contracts.

(ii) Property development

The Group undertakes the development of commercial and residential properties.

(iii) Investment

The Group involved in investment-related activities and provision of management and administrative services.

The Group Executive Committee assesses the performance of the reportable segments based on their operating profit or loss which is measured differently from those disclosed in the consolidated financial statements. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 37. OPERATING SEGMENTS (CONT'D)

### 37.1 BUSINESS SEGMENTS

THE GROUP 2023	PROPERTY		INVESTMENT RM'000	CONSOLIDATION		GROUP RM'000
	CONSTRUCTION RM'000	DEVELOPMENT RM'000		ADJUSTMENTS RM'000		
<b>Revenue</b>						
External revenue	-	44,650	1,919	15,760		62,329
Inter-segment revenue	(11)	-	5,401	(5,390)		-
Total revenue	(11)	44,650	7,320	10,370		62,329
Represented by:-						
<u>Revenue recognised over time</u>						
Property development activities	-	44,156	-	15,760		59,916
Construction services	(11)	-	-	11		-
	(11)	44,156	-	15,771		59,916
<u>Revenue from other sources</u>						
Management and administrative charges	-	-	5,401	(5,401)		-
Others	-	494	1,919	-		2,413
	-	494	7,320	(5,401)		2,413

THE GROUP 2023	PROPERTY		INVESTMENT RM'000	CONSOLIDATION		GROUP RM'000
	CONSTRUCTION RM'000	DEVELOPMENT RM'000		ADJUSTMENTS RM'000		
<b>Results</b>						
Segment profit/(loss)	(67)	5,078	(727)	2,908		7,192
Finance costs						(8,181)
Share of results in associates						2,132
Share of results in joint ventures						(160)
Profit from ordinary activities before taxation						983
Income tax expense						(2,498)
Loss from ordinary activities after taxation						(1,515)
Non-controlling interests						1,167
Net loss attributable to shareholders						(348)

THE GROUP 2023	PROPERTY		INVESTMENT RM'000	CONSOLIDATION		GROUP RM'000
	CONSTRUCTION RM'000	DEVELOPMENT RM'000		ADJUSTMENTS RM'000		
Segment profit/(loss) before interest and taxation includes the following:-						
Interest income	(181)	(45)	(37)	22		(241)
Interest expense	1,314	5,423	1,625	(181)		8,181
Depreciation and amortisation	279	197	1,698	(106)		2,068
Share of results in associates	-	-	(2,132)	-		(2,132)
Share of results in joint ventures	-	-	-	160		160

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 37. OPERATING SEGMENTS (CONT'D)

### 37.1 BUSINESS SEGMENTS (CONT'D)

THE GROUP 2023	CONSTRUCTION RM'000	PROPERTY DEVELOPMENT RM'000	INVESTMENT RM'000	CONSOLIDATION ADJUSTMENTS RM'000	GROUP RM'000
<b>Assets</b>					
Segment assets	76,517	470,885	398,334	(359,372)	586,364
Unallocated assets					5,751
					<u>592,115</u>
<b>Liabilities</b>					
Segment liabilities	33,407	202,853	110,573	(175,583)	171,250
Unallocated liabilities					7,139
					<u>178,389</u>
Capital expenditure:					
- property, plant and equipment	-	11	391	-	402
- investment properties	-	-	-	(896)	(896)
- land held for future property development	-	1,177	-	-	1,177

THE GROUP 2022	CONSTRUCTION RM'000	PROPERTY DEVELOPMENT RM'000	INVESTMENT RM'000	CONSOLIDATION ADJUSTMENTS RM'000	GROUP RM'000
<b>Revenue</b>					
External revenue	-	138,330	1,917	(24,173)	116,074
Inter-segment revenue	30,535	-	5,400	(35,935)	-
Total revenue	<u>30,535</u>	<u>138,330</u>	<u>7,317</u>	<u>(60,108)</u>	<u>116,074</u>
Represented by:-					
<u>Revenue recognised over time</u>					
Property development activities	-	137,766	-	(23,927)	113,839
Construction services	30,535	-	-	(30,535)	-
	<u>30,535</u>	<u>137,766</u>	<u>-</u>	<u>(54,462)</u>	<u>113,839</u>
<u>Revenue from other sources</u>					
Management and administrative charges	-	-	5,400	(5,400)	-
Others	-	564	1,917	(246)	2,235
	<u>-</u>	<u>564</u>	<u>7,317</u>	<u>(5,646)</u>	<u>2,235</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 37. OPERATING SEGMENTS (CONT'D)

### 37.1 BUSINESS SEGMENTS (CONT'D)

THE GROUP 2022	PROPERTY			CONSOLIDATION	
	CONSTRUCTION RM'000	DEVELOPMENT RM'000	INVESTMENT RM'000	ADJUSTMENTS RM'000	GROUP RM'000
<b>Results</b>					
Segment profit/(loss)	522	30,468	(266)	(3,778)	26,946
Finance costs					(6,567)
Share of results in associates					1,660
Share of results in joint ventures					(108)
Profit from ordinary activities before taxation					21,931
Income tax expense					(7,910)
Profit from ordinary activities after taxation					14,021
Non-controlling interests					(88)
Net profit attributable to shareholders					13,933

THE GROUP 2022	PROPERTY			CONSOLIDATION	
	CONSTRUCTION RM'000	DEVELOPMENT RM'000	INVESTMENT RM'000	ADJUSTMENTS RM'000	GROUP RM'000
Segment profit/(loss) before interest and taxation includes the following:-	(184)	(11)	(28)	36	(187)
Interest income	1,859	4,494	398	(184)	6,567
Interest expense	105	299	1,198	(234)	1,368
Depreciation and amortisation	-	-	-	(1,660)	(1,660)
Share of results in associates	-	-	-	108	108
Share of results in joint ventures					

THE GROUP 2022	PROPERTY			CONSOLIDATION	
	CONSTRUCTION RM'000	DEVELOPMENT RM'000	INVESTMENT RM'000	ADJUSTMENTS RM'000	GROUP RM'000
<b>Assets</b>					
Segment assets	92,417	478,186	400,431	(380,465)	590,569
Unallocated assets					6,434
					597,003
<b>Liabilities</b>					
Segment liabilities	47,752	207,105	109,999	(192,675)	172,181
Unallocated liabilities					9,517
					181,698
<b>Capital expenditure:</b>					
- property, plant and equipment	-	3	74	-	77
- investment properties	-	-	1,851	(4)	1,847
- land held for future property development	-	530	-	-	530

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 37. OPERATING SEGMENTS (CONT'D)

#### 37.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

#### 37.3 MAJOR CUSTOMERS

No single customer contributed 10% or more to the Group's revenue.

### 38. CAPITAL COMMITMENT

	THE GROUP	
	2023 RM'000	2022 RM'000
Purchase of land held for future property development:- Payment for right-of-use asset (leasehold land)	15,215	15,215

### 39. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period is as follows:-

	THE GROUP	
	2023 RM	2022 RM
Thai Baht	0.129	0.126

### 40. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### 40.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

###### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and bank balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily Thai Baht. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

##### *Foreign Currency Risk Sensitivity Analysis*

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit/loss after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

###### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings and fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined by MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.1 Financial Risk Management Policies (Cont'd)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:-

	THE GROUP	
	2023 RM'000	2022 RM'000
<b>Floating rate instruments</b>		
Bankers' acceptances	1,000	3,000
Bank overdrafts	20,320	26,037
Revolving credits	23,500	27,000
Term loans	47,542	40,549
	<u>92,362</u>	<u>96,586</u>

##### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2023 RM'000	2022 RM'000
<b>Effects on (Loss)/Profit After Taxation</b>		
Increase of 100 basis points	(701)	(734)
Decrease of 100 basis points	701	734

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

##### (iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equity with different risk profiles.

##### *Equity Price Risk Sensitivity Analysis*

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Group monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.1 Financial Risk Management Policies (Cont'd)

##### (b) Credit Risk (Cont'd)

###### (i) Credit Risk Concentration Profile

The Group does not have major concentration of credit risk related to any individual customer or counterparty.

###### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM92,362,000 (2022 - RM96,586,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

###### (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

##### Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over certain period before the reporting period date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

For property development activities, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities. The identified impairment loss was immaterial and hence, it is not provided for.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.1 Financial Risk Management Policies (Cont'd)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses*

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING AMOUNT RM'000
<b>THE GROUP</b>				
<b>2023</b>				
Current (not past due)	3,355	-	-	3,355
31 to 60 days past due	-	-	-	-
61 to 90 days past due	-	-	-	-
91 to 120 days past due	-	-	-	-
>120 days	149	-	-	149
Trade receivables	3,504	-	-	3,504
Contract assets (not past due)	-	-	-	-
	3,504	-	-	3,504
<b>THE GROUP</b>				
<b>2022</b>				
Current (not past due)	2,143	-	-	2,143
31 to 60 days past due	4	-	-	4
61 to 90 days past due	1,921	-	-	1,921
91 to 120 days past due	430	-	-	430
>120 days	1,282	-	-	1,282
Trade receivables	5,780	-	-	5,780
Contract assets (not past due)	11,561	-	-	11,561
	17,341	-	-	17,341

The Group believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these trade receivables were negligible.

##### Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

##### *Allowance for Impairment Losses*

The Group believes that no impairment allowance is necessary in respect of its other receivables because the probability of default by these other receivables were negligible.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.1 Financial Risk Management Policies (Cont'd)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

###### Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

###### *Allowance for Impairment Losses*

The Group believes that no impairment allowance is necessary in respect of its amount owing by subsidiaries because the probability of default by these amount owing by subsidiaries were negligible.

###### *Financial Guarantee Contracts*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

###### *Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.1 Financial Risk Management Policies (Cont'd)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

THE GROUP	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
<b>2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Payables	-	46,817	46,817	46,817	-	-
Amount owing to a shareholder	5.00	3,366	3,366	3,366	-	-
Bankers' acceptances	5.69	1,000	1,000	1,000	-	-
Bank overdrafts	7.60 - 8.87	20,320	20,320	20,320	-	-
Revolving credits	5.25 - 6.30	23,500	23,500	19,000	4,500	-
Term loans	4.70 - 8.75	47,542	59,939	8,592	24,027	27,320
Lease liabilities	4.55 - 6.45	876	951	401	550	-
		143,421	155,893	99,496	29,077	27,320
<b>2022</b>						
<u>Non-derivative Financial Liabilities</u>						
Payables	-	51,229	51,229	51,229	-	-
Amount owing to a shareholder	5.00	5,250	5,250	5,250	-	-
Bankers' acceptances	4.72	3,000	3,000	3,000	-	-
Bank overdrafts	6.60 - 7.87	26,037	26,037	26,037	-	-
Revolving credit	4.43 - 5.13	27,000	27,068	13,568	13,500	-
Term loans	3.70 - 8.00	40,549	43,846	11,485	26,809	5,552
Lease liability	4.55	31	34	23	11	-
		153,096	156,464	110,592	40,320	5,552
<b>THE COMPANY</b>						
<b>2023</b>						
<u>Non-derivative Financial Liabilities</u>						
Payables	-	613	613	613	-	-
Amount owing to a shareholder	5.00	3,366	3,366	3,366	-	-
Amount owing to subsidiaries	-	71,142	71,142	71,142	-	-
Lease liabilities	4.55 - 6.45	876	951	401	550	-
Financial guarantee contracts in relation to corporate guarantees extended to banks for banking facilities granted to subsidiaries*	-	-	92,362	92,362	-	-
		75,997	168,434	167,884	550	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### 40.1 Financial Risk Management Policies (Cont'd)

#### (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

THE COMPANY	EFFECTIVE INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
<b>2022</b>						
<u>Non-derivative Financial Liabilities</u>						
Payables	-	733	733	733	-	-
Amount owing to a shareholder	5.00	5,250	5,250	5,250	-	-
Amount owing to subsidiaries	-	73,297	73,297	73,297	-	-
Lease liability	4.55	31	34	23	11	-
Financial guarantee contracts in relation to corporate guarantees extended to banks for banking facilities granted to subsidiaries*	-	-	96,586	96,586	-	-
		79,311	175,900	175,889	11	-

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised since their fair value on initial recognition were not material.

### 40.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amount owing to a shareholder	3,366	5,250	3,366	5,250
Bankers' acceptances	1,000	3,000	-	-
Bank overdrafts	20,320	26,037	-	-
Revolving credits	23,500	27,000	-	-
Term loans	47,542	40,549	-	-
Lease liabilities	876	31	876	31
	96,604	101,867	4,242	5,281
Less: Cash and bank balances	(4,513)	(3,121)	(1,726)	(1,623)
Less: Fixed deposits with licensed banks	(2,307)	(2,077)	-	-
Net debts	89,784	96,669	2,516	3,658
Total equity	413,726	415,305	264,108	264,078
Debt-to-equity ratio	0.22	0.23	0.01	0.01

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

### 40. FINANCIAL INSTRUMENTS (CONT'D)

#### 40.3 Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial Assets</b>				
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>				
Other assets	208	208	-	-
<u>Amortised Cost</u>				
Receivables	8,850	10,540	-	-
Amount owing by subsidiaries	-	-	106,796	111,170
Amount owing by associates	3,366	3,366	-	-
Amount owing by a joint venture	4,103	4,099	4,357	4,353
Fixed deposits with licensed banks	2,307	2,077	-	-
Cash and bank balances	4,513	3,121	1,726	1,623
	23,139	23,203	112,879	117,146
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Payables	46,817	51,229	613	733
Amount owing to a shareholder	3,366	5,250	3,366	5,250
Amount owing to subsidiaries	-	-	71,142	73,297
Bankers' acceptances	1,000	3,000	-	-
Bank overdrafts	20,320	26,037	-	-
Revolving credits	23,500	27,000	-	-
Term loans	47,542	40,549	-	-
Lease liabilities	876	31	876	31
	143,421	153,096	75,997	79,311

#### 40.4 Gains Or Losses Arising From Financial Instruments

	THE GROUP		THE COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	241	187	-	-
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(8,181)	(6,567)	(199)	(202)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### 40.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

THE GROUP	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
<b>2023</b>								
<u>Financial Asset</u>								
Other assets	208	-	-	-	-	-	208	208
<u>Financial Liabilities</u>								
Amount owing to a shareholder of the Company	-	-	-	-	3,366	-	3,366	3,366
Term loans	-	-	-	-	47,542	-	47,542	47,542
<b>2022</b>								
<u>Financial Asset</u>								
Other assets	208	-	-	-	-	-	208	208
<u>Financial Liabilities</u>								
Amount owing to a shareholder of the Company	-	-	-	-	5,250	-	5,250	5,250
Term loans	-	-	-	-	40,549	-	40,549	40,549
THE COMPANY	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
<b>2023</b>								
<u>Financial Liability</u>								
Amount owing to a shareholder of the Company	-	-	-	-	3,366	-	3,366	3,366
<b>2022</b>								
<u>Financial Liability</u>								
Amount owing to a shareholder of the Company	-	-	-	-	5,250	-	5,250	5,250

#### (a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of quoted investments are determined at their quoted closing bid prices at the end of the reporting period.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### 40.5 Fair Value Information (Cont'd)

#### (b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- (i) The fair value of amount owing to shareholder that carries fixed interest rate is determined by discounting the relevant future contractual cash flows using current market interest rate for similar instrument at the end of the reporting period. The interest rate used to discount the estimated cash flows are as follows:-

	THE GROUP	
	2023	2022
	%	%
Amount owing to a shareholder	5	5

- (ii) The fair value of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

## LIST OF PROPERTIES

### AT 31 MARCH 2023

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2023 RM	Description	Date of Acquisition */ Revaluation
1 74, 74A-E, Wisma Siah Brothers Jalan Pahang 53000 Kuala Lumpur	Freehold (35-38 years)	5,513/ (38,238)	2,219,559	6 1/2 storey commercial building for office headquarters and for rental	28/03/2000
2 Lot 48611 held under PN 48589 Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan KL	Leasehold expiring on 04/07/2109	130,675	7,794,533	Vacant land for future development	16/06/2010
3 Lot 48610 held under PN 22337 & Lot 48612 held under PN 22336 Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan KL	Leasehold expiring on 22/04/2086	379,560	184,110	Vacant land for future development	28/03/2000
4 Lot 80668 held under PN 51023, Lot 80669 held under PN 51024, Lot 80670 held under PN 51025, Lot 80671 held under PN 51026, Lot 80672 held under PN 51027, Lot 80673 held under PN 51028, Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan KL	Leasehold expiring on 22/04/2111	271,899	3,188,620	Vacant land for future development	28/03/2000
5 Lot 48685 (Lot 80421) held under PN 22411 Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan KL	Leasehold expiring on 22/04/2086	96,445	3,376,222	Sales gallery	28/03/2000
6 Lot 48686 held under PN 22549 Mukim Batu, Daerah Kuala Lumpur Wilayah Persekutuan KL	Leasehold expiring on 22/04/2086	20,495	17,924	Vacant land for future development	28/03/2000
7 Lot 45197 held under GRN 11712 Mukim Kuala Kuantan Daerah Kuantan Pahang Darul Makmur	Freehold	497,727	911,408	Vacant land for future development	16/12/1993*
8 Lot 3 held under TL 017546486 Signal Hill, Tanjung Lipat Daerah Kota Kinabalu Sabah	Leasehold expiring on 31/12/2093	197,087	29,261,088	Vacant land for future development	30/04/2002*
9 Lot 5871, Seksyen 20, held under GRN 149859 Bandar Serendah, Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	49,213	315,815	Vacant land for future development	03/06/2008
10 Lot 6 held under TL 017560879 Signal Hill, Tanjung Lipat Daerah Kota Kinabalu Sabah	Leasehold expiring on 31/12/2109	66,133	2,985,000	Vacant land for future development	16/11/2011*

## LIST OF PROPERTIES

### AT 31 MARCH 2023

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2023 RM	Description	Date of Acquisition */ Revaluation
11 CT 10166 for Lot 2398 (GRN 52189) Mukim Batang Kali Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	2,178,149	25,010,000	Vacant land for future development	16/04/2004*
12 PT 2186 held under HS(M) 1622 Pekan Ulu Yam Lama Mukim Ulu Yam Daerah Hulu Selangor Selangor Darul Ehsan	Leasehold expiring on 16/05/2055	236,983	829,000	Vacant land for future development	16/04/2004*
13 B-01, B-09, A-01, A-02, A-03, A-3A, A-06, A-09 Residensi 6 Kapas No.6 Jalan Kapas Bukit Bandaraya, Bangsar 59100 Kuala Lumpur	Freehold	(33,303)	45,079,492	Unit for rental and sale	31/03/2023
14 Lot 414-417, 543-545, 677 & 624, held under GRN 37628, 37629, 37631, 37632, 5484, 5485, 5486, 43804 & 65305 Section 47, Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan KL	Freehold	24,692	8,620,000	Vacant land for future development	28/01/2011*
15 Lot 26 held under GRN 24742 Section 47, Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan KL	Freehold	17,995	6,740,000	Vacant land for future development	28/01/2011*
16 1-G-1 to 1-3-1, 1-5-1, 1-G-2 to 1-5-2, 1-G-8 to 1-5-8, 1-G-9 to 1-5-9, 2-1-1, 2-2-3A, 3-G-1, 4-G-1, 4-G-3, 4-1-8 Kompleks Kantonmen Prima No. 698, Jalan Ipoh 51200 Kuala Lumpur	Freehold	(53,810)	21,968,994	Units for rental and sale	31/03/2021
17 20, Jalan Suria Setapak Taman Suria Setapak 53000 Kuala Lumpur	Freehold	(1,359)	372,428	Unit for rental and sale	01/08/2008*
18 Unit No. L11-05, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(1,621)	926,259	Units for rental and sale	12/10/2011
19 Unit No. L26-06, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(811)	463,415	Unit for rental and sale	12/10/2011
20 Unit No. L26-08, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(1,621)	926,259	Unit for rental and sale	12/10/2011

## LIST OF PROPERTIES

### AT 31 MARCH 2023

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2023 RM	Description	Date of Acquisition */ Revaluation
21 31-0-2 and 31-0-3, Intan Kenny Condo Persiaran Bukit Tunku 50480 Kuala Lumpur	Freehold	(3,851)	1,351,382	Unit for rental and sale	27/03/2000
22 A-33-03A, Suasana Sentral Loft Condominium No. 6, Jalan Stesen Sentral 5, KL Sentral 50470 Kuala Lumpur	Freehold	(811)	295,387	Unit for rental	06/06/2005*
23 Unit nos. S-01 to S-12, Ground Floor The Peak Suites, Signal Hill, Tanjung Lipat 88400 Kota Kinabalu, Sabah	Leasehold expiring on 31/12/2093	(22,490)	7,866,000	Units for rental and sale	02/09/2009
24 No. J-3-12, The Peak Suites Signal Hill, Tanjung Lipat 88400 Kota Kinabalu, Sabah	Leasehold expiring on 31/12/2093	(965)	437,510	Unit for staff hostel	02/09/2009
25 No. J-3-07, The Peak Suites Signal Hill, Tanjung Lipat 88400 Kota Kinabalu, Sabah	Leasehold expiring on 31/12/2093	(972)	361,299	Unit for staff hostel	02/09/2009
26 Unit nos. G-S1 to G-S9, Ground Floor & Unit nos. 1-S10 to 1-S18, First Floor, Retail Shops The Peak Vista, Block B Lorong Puncak 1, Tanjung Lipat 88400 Kota Kinabalu, Sabah	Leasehold expiring on 31/12/2093	(18,923)	5,353,517	Units for rental and sale	03/12/2012
27 No. 8/7, 2nd Floor, Building No. A Ideo Blucove Sathon, Klong Ton Zai, Klong San, Bangkok, Thailand	Freehold	(744)	564,557	Unit for rental and sale	05/08/2008*
29 Unit No. L20-01-08, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(13,353)	7,666,540	Unit for rental	01/12/2011*
29 Unit No. L-01-01, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(12,792)	7,547,280	Unit for rental	27/07/2012*
30 Unit No. L-01-02, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(3,478)	2,052,020	Unit for rental	27/07/2012*
31 Unit No. L-01-03, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(658)	388,220	Unit for rental	27/07/2012*

# LIST OF PROPERTIES

## AT 31 MARCH 2023

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2023 RM	Description	Date of Acquisition */ Revaluation
32 Unit No. L9-01-08, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	(54,479)	16,349,278	Unit for rental	27/07/2012*
33 Unit Nos. L2-L8, PJX-HM Shah Tower No. 16A, Persiaran Barat 46050 Petaling Jaya Selangor Darul Ehsan	Leasehold expiring on 27/07/2105	N/A	11,083,600	Commercial car park operation	27/07/2012*
34 Unit Nos. 1-1-01 to 1-1-13A Jesselton Quay Central Off Jalan Tun Fuad Stephens Tanjung Lipat 88400 Kota Kinabalu, Sabah	Leasehold expiring on 31/12/2108	(7,666)	7,638,800	Units for rental and sale	28/06/2019*

# SHAREHOLDERS' INFORMATION

## AS AT 21 JUNE 2023

Issued and Fully Paid Up Capital	:	RM251,934,836.28 consisting of 258,129,053 ordinary shares
Class of Shares	:	Ordinary shares
Voting Right	:	1 vote per ordinary share

### DISTRIBUTION SCHEDULE

Shareholding Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Number of Issued Shares
Less than 100 shares	463	11.60	17,291	0.01
100 - 1,000 shares	258	6.46	112,554	0.04
1,001 - 10,000 shares	1,981	49.61	9,295,471	3.60
10,001 - 100,000 shares	1,109	27.77	34,054,922	13.20
100,001 to less than 5% of shares	180	4.51	147,048,308	56.98
5% and above of shares	2	0.05	67,541,607	26.17
<b>Total</b>	<b>3,993</b>	<b>100.00</b>	<b>258,070,153<sup>Ω</sup></b>	<b>100.00</b>

Ω is equivalent to 258,129,053 less 58,900 shares bought back and retained as treasury shares

### THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% of Total Number of Issued Shares
1. LOM Holdings Sdn. Bhd.	40,808,999	15.81
2. RHB Nominees (Tempatan) Sdn. Bhd. - OSK Capital Sdn. Bhd. for Sia Teong Heng	26,732,608	10.36
3. Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Ching Ching	12,310,700	4.77
4. Tan Han Chuan	12,217,500	4.73
5. Morisem Consolidated Sdn. Bhd.	11,740,000	4.55
6. Bina PYK (Sabah) Sdn. Bhd.	10,777,188	4.18
7. Sia Teong Heng	8,375,800	3.25
8. Mun Oi @ Mun Oi Lin	8,216,675	3.18
9. Evergreen Legacy Sdn. Bhd.	7,771,534	3.01
10. Kho Choon Kian	7,771,080	3.01
11. Ong Wee Shyong	5,071,500	1.97
12. RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Michelle Looi Poh Gaik	3,187,100	1.23
13. Ho Fook Seng @ Ho Pock Seng	2,907,800	1.13
14. Mun Oi @ Mun Oi Lin	2,221,200	0.86
15. Yu Kok Ann	2,000,000	0.77
16. HSBC Nominees (Asing) Sdn. Bhd. - Exempt An For The Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	1,800,000	0.70



# SHAREHOLDERS' INFORMATION

## AS AT 21 JUNE 2023

Name of Shareholders	No. of Shares Held	% of Total Number of Issued Shares
17. Lim Boon Liat	1,695,000	0.66
18. Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Siew Eng @ Ong Chai (8040800)	1,515,400	0.59
19. Lim Jit Hai	1,405,000	0.54
20. Siah Chong Hock	1,331,250	0.52
21. Meer Sadik Bin Habib Mohamed	1,260,003	0.49
22. Lee Eng Hock & Co. Sendirian Berhad	1,100,000	0.43
23. Yayasan Guru Tun Hussein Onn	1,066,250	0.41
24. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Salbiah Binti Shuib (MM0641)	1,000,000	0.39
25. Lem Kim Seong	962,785	0.37
26. Kingsley Lim Fung Wang	915,500	0.35
27. Maybank Nominees (Tempatan) Sdn. Bhd. - Ho Fook Seng @ Ho Pock Seng	831,475	0.32
28. Yong Min Foong	800,000	0.31
29. Woo Kim Fong	794,800	0.31
30. Yong Yin Siew	778,200	0.30
<b>TOTAL</b>	<b>179,365,347</b>	<b>69.50</b>

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same depositor).

### DIRECTORS' SHAREHOLDINGS AS AT 3 JULY 2023

(As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Datuk Sia Teong Heng	35,803,782 <sup>(a)</sup>	13.87	48,580,533 <sup>(b)</sup>	18.82
Lee Kong Leong	-	-	-	-
Datuk Roselan Johar bin Johar Mohamed	-	-	-	-
Sia Teong Leng	-	-	48,580,533 <sup>(b)</sup>	18.82
Dato' Lim Cheang Nyok	1,767 <sup>(c)</sup>	0.001	-	-
Choo Suit Ling	-	-	-	-

Notes –

- (a) 26,732,608 shares are held in bare trust by RHB Nominees (Tempatan) Sdn. Bhd. – OSK Capital Sdn. Bhd.
- (b) Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (40,808,999 shares) and Evergreen Legacy Sdn. Bhd. (7,771,534 shares).
- (c) 1,767 shares are held in bare trust by Maybank Nominees (Tempatan) Sdn. Bhd.

# SHAREHOLDERS' INFORMATION

AS AT 21 JUNE 2023

**SUBSTANTIAL SHAREHOLDERS AS AT 3 JULY 2023** (excluding bare trustees)

(As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of shares held or beneficially interested in		% of Total Number of Issued Shares	
	Direct	Indirect	Direct	Indirect
The Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased	2,221,200 <sup>(a)</sup>	48,580,533 <sup>(b)</sup>	0.86	18.82
Datuk Sia Teong Heng	35,803,782 <sup>(c)</sup>	48,580,533 <sup>(b)</sup>	13.87	18.82
LOM Holdings Sdn. Bhd.	40,808,999	7,771,534 <sup>(d)</sup>	15.81	3.01
Sia Teong Leng	-	48,580,533 <sup>(b)</sup>	-	18.82

Notes –

- (a) 2,221,200 shares are held by Mun Oi @ Mun Oi Lin as the Executor
- (b) Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (40,808,999 shares) and Evergreen Legacy Sdn. Bhd. (7,771,534 shares)
- (c) 26,732,608 shares are held in bare trust by RHB Nominees (Tempatan) Sdn. Bhd. – OSK Capital Sdn. Bhd.
- (d) Deemed interest by virtue of its shareholding in Evergreen Legacy Sdn. Bhd.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-third Annual General Meeting of SBC Corporation Berhad will be held at Unit No. C-01, Concourse Level, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan on Thursday, 21 September 2023 at 10.00 a.m. to transact the following business -

## AGENDA

### As Ordinary Business

1. To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 March 2023 together with the Auditors' Report thereon.
2. To approve the following payment to Directors -
  - (a) Fees totalling RM121,000 payable for the financial year ending 31 March 2024. **(Ordinary Resolution 1)**
  - (b) Benefits of up to RM100,000 from this Annual General Meeting until the next annual general meeting of the Company. **(Ordinary Resolution 2)**
3. To re-elect YBhg. Datuk Roselan Johar bin Johar Mohamed as a Director retiring in accordance with Clause 88 of the Constitution of the Company. **(Ordinary Resolution 3)**
4. To re-elect Ms. Choo Suit Ling as a Director retiring in accordance with Clause 95 of the Constitution of the Company. **(Ordinary Resolution 4)**
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Business, to consider and, if thought fit, to pass the following resolutions -

6. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES** **(Ordinary Resolution 6)**

"THAT subject always to the Companies Act, 2016, the Constitution of the Company and the approval from Bursa Malaysia Securities Berhad and other governmental/regulatory bodies, where such approval shall be necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as they may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

7. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Ordinary Resolution 7)**

"THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 ("the Act"), the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following -

- (a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 25,812,905 representing 10% of the total number of issued shares of the Company as at 21 June 2023;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company as at 31 March 2023 of RM12.36 million;

## NOTICE OF ANNUAL GENERAL MEETING

- (c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next annual general meeting or the expiry of the period within which the next annual general meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;
- (d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner –
- (i) to cancel the shares so purchased; or
  - (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees' share scheme or as purchase consideration; or
  - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder,

and in any other manner as prescribed by Section 127 of the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

### 8. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

**(Ordinary Resolution 8)**

"THAT YBhg. Datuk Roselan Johar bin Johar Mohamed, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021."

9. To consider any other business for which due notice shall have been given.

By Order of the Board

CHONG FOOK SIN (CCM PC No. 202008000484) (MACS 00681)  
KAN CHEE JING (CCM PC No. 202008000596) (MAICSA 7019764)  
Company Secretaries

Petaling Jaya  
31 July 2023

# NOTICE OF ANNUAL GENERAL MEETING

## NOTES -

- (1) A member whose name appear in the Record of Depositors as at 14 September 2023 shall be regarded as a member entitled to attend, speak and vote at the meeting.

- (2) Proxy -

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

- (3) Audited Financial Statements for the financial year ended 31 March 2023 -

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

- (4) Ordinary Resolution 2 -

The Directors' benefits comprise the following -

- (a) Meeting allowance of RM300 per meeting; and
- (b) Training benefits and directors & officers liability insurance coverage.

- (5) Ordinary Resolution 6 -

This resolution, if passed, will give the Directors authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

The approval is a renewed general mandate and is sought to provide flexibility and to avoid delay and cost in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last Annual General Meeting held on 29 September 2022 and which will lapse at the conclusion of the Thirty-third Annual General Meeting.

Should there be a decision to issue new shares after the authority is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

- (6) Ordinary Resolution 7 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 31 July 2023 which is enclosed together with the Annual Report 2023.

## NOTICE OF ANNUAL GENERAL MEETING

(7) Ordinary Resolution 8 -

Both the Nominating Committee and the Board have assessed the independence of YBhg. Datuk Roselan Johar bin Johar Mohamed who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and recommended him to be retained as an Independent Non-Executive Director of the Company based on the following justifications:—

- (a) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, he would be able to provide independent judgement, objectivity and check and balance to the Board.
- (b) He performs his duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management.
- (c) His in-depth knowledge of the Group's businesses and his extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board.
- (d) He, having been with the Company for more than 9 years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.
- (e) He is independent as he has shown great integrity and he has not entered into any related party transaction with the Group.
- (f) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Group.

Shareholders' approval for Ordinary Resolution 8 will be sought on a single tier voting basis.

- (8) Mr. Lee Kong Leong who is retiring in accordance with Clause 88 of the Constitution of the Company has not offered himself for re-election.

# **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

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

- (1) The following are the Directors standing for re-election at the Thirty-third Annual General Meeting –
- (a) Re-election of YBhg. Datuk Roselan Johar bin Johar Mohamed as a Director pursuant to Clause 88 of the Constitution of the Company.
  - (b) Re-election of Ms. Choo Suit Ling as a Director pursuant to Clause 95 of the Constitution of the Company.
- The profiles of the Directors as mentioned in the above paragraph are set out in the Annual Report 2023 under the section named Directors' Profile.
- (2) The statement relating to the general mandate for authority to Directors to allot and issue shares is set out in Note 5 to the Notice of the Thirty-third Annual General Meeting.





CDS Account No.	
Contact No.	

# FORM OF PROXY

## SBC CORPORATION BERHAD

Registration No. 199001007740 (199310-P)  
(Incorporated in Malaysia)

I/We, \_\_\_\_\_

Company No./NRIC No. (new) \_\_\_\_\_ (old) \_\_\_\_\_

of \_\_\_\_\_

being (a) member(s) of SBC Corporation Berhad do hereby appoint: \_\_\_\_\_

NRIC No. (new) \_\_\_\_\_ (old) \_\_\_\_\_

of \_\_\_\_\_

and/or failing whom \_\_\_\_\_ NRIC No. (new) \_\_\_\_\_

(old) \_\_\_\_\_ of \_\_\_\_\_

or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-third Annual General Meeting of the Company to be held at Unit No. C-01, Concourse Level, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan on Thursday, 21 September 2023 at 10.00 a.m. and at any adjournment thereof in the manner indicated below –

No.	Ordinary Resolution	For	Against
1.	Payment of Directors' fees		
2.	Payment of Directors' benefits		
3.	Re-election of Director : YBhg. Datuk Roselan Johar bin Johar Mohamed		
4.	Re-election of Director : Ms. Choo Suit Ling		
5.	Re-appointment of Auditors		
6.	Authority to Directors to allot and issue shares		
7.	Proposed Renewal of Authority for Share Buy-Back		
8.	Retention of Independent Non-Executive Director : YBhg. Datuk Roselan Johar bin Johar Mohamed		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023

Number of Shares held	
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\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100%</b>

### NOTES -

A member whose name appear in the Record of Depositors as at 14 September 2023 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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Affix  
Stamp

The Company Secretaries  
**SBC CORPORATION BERHAD**  
Unit No. C-01, Concourse Level,  
PJX-HM Shah Tower,  
No. 16A, Persiaran Barat,  
46050 Petaling Jaya,  
Selangor Darul Ehsan.

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[www.sbcgroup.com.my](http://www.sbcgroup.com.my)

**سبى جروپ**  
Registration No. 20020100171000-09

The Gallery @ PDX  
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