

ANNUAL REPORT 2023



YONG TAI
永大集团

Registration No. 199401025505 (311186-TJ)
(Incorporated in Malaysia)

CONTENT

4

Corporate
Information

5

Group
Structure

6

Vision, Mission
& Core Values

36

Statement on Risk
Management and
Internal Control

78

Corporate Social
Responsibility

48

Sustainability
Statement

80

Additional Compliance
Requirements

8

Profile of
The Directors &
Key Management
Personnel

16

Chairman's
Statement

22

Corporate
Governance
Overview
Statement

18

Management
Discussion
& Analysis
Statement

30

Audit and Risk
Management
Committee
Report



81

Financial
Statements

149

List of
Material
Properties

150

Analysis of
Shareholdings
* Ordinary shares
* Irredeemable
Convertible
Preference
Shares (ICPS)
* Warrant B



159

Notice of Annual
General Meeting
Proxy Form

Board Of Directors

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Independent
Non-Executive Chairman

Dato' Leong Sir Ley
Managing Director cum
Chief Executive Officer

Datuk Wira Boo Kuang Loon
Executive Director

See Tai Soon
Executive Director

Leong Sir Chin
Executive Director

Dato' Beh Hang Kong
Executive Director

Leou Thiam Lai
Independent
Non-Executive Director

Subramaniam A/L A.V. Sankar
Independent
Non-Executive Director

Datuk Ng Bee Ken
Independent
Non-Executive Director

Anthony Ang Meng Huat
Independent
Non-Executive Director

Tang Po Yi
Non Independent
Non-Executive Director

Audit and Risk Management Committee

Leou Thiam Lai
Chairman

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Member

Anthony Ang Meng Huat
Member

Nomination Committee

Subramaniam A/L A.V. Sankar
Chairman

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Member

Datuk Ng Bee Ken
Member

Remuneration Committee

Datuk Ng Bee Ken
Chairman

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Member

Anthony Ang Meng Huat
Member

Company Secretaries

Wong Youn Kim (f)
(MAICSA 7018778)
SSM PC No.: 201908000410

Lee Chin Wen (f)
(MAICSA 7061168)
SSM PC No.: 202008001901

Corporate Information

Corporate Office

No. 3, Jalan KSB – Impression 8,
Impression City @ Kota Syahbandar,
75200 Melaka, Malaysia.
Tel : 06-270 7799
Fax : 06-270 7788
Website : www.yongtai.com.my

Registered Office

B-25-2, Block B, Jaya One,
No. 72A, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03-7955 0955
Fax : 03-7955 0959

Registrar

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre,
Jalan 51/205, 46050 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03-7784 3922
Fax : 03-7784 1988

Auditors

RSM Malaysia PLT (AF 0768)
5th Floor, Penthouse, Wisma RKT,
Block A, No. 2, Jalan Raja Abdullah,
Off Jalan Sultan Ismail,
50300 Kuala Lumpur.
Tel : 03-2610 2888
Fax : 03-2698 6600

Solicitors

Mah-Kamariyah & Philip Koh
Adnan Sundra & Low
Teh & Lee

Principal Bankers

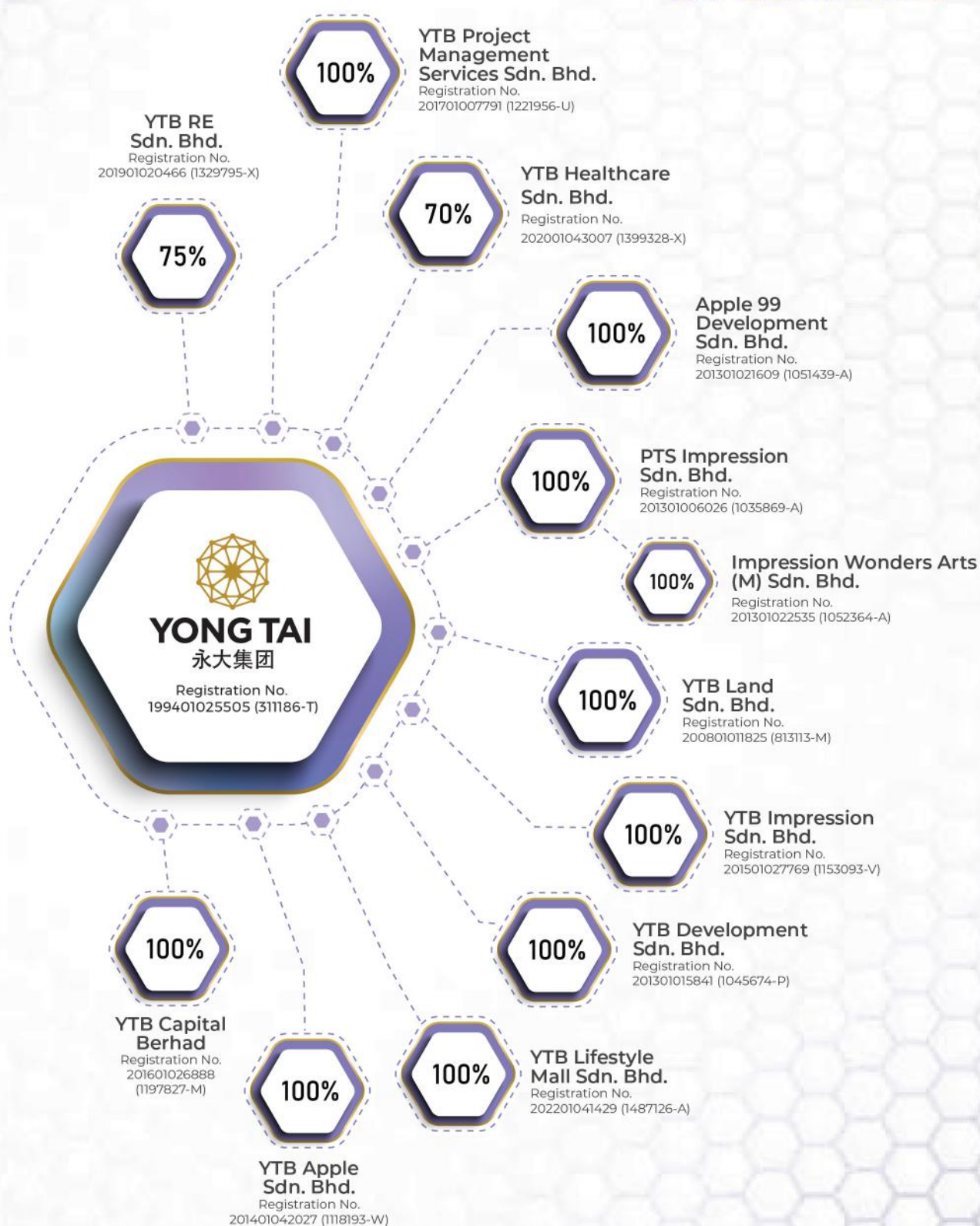
Malayan Banking Berhad
Bank of China (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad
Hong Leong Bank Berhad

Stock Exchange

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: YONGTAI
Stock Code: 7066

Group Structure

as of 20 October 2023



VISION

To become a globally recognised company for its broad spectrum versatility and future forward thinking. A company built on turning hope into reality through tangible planning and actionable strategies.

MISSION

We are in the business of turning hope into reality. And to do so, we must begin by finding actionable and tangible ways of bringing that hope to life. Be it through, innovative strategy, advanced technology or future-forward solutions; we MAKE it happen. A belief that has already been proven to work in the fields of Arts & Culture, Wellness, Fashion, and A.I. with many more to come.



CORE VALUES OF **HOPE**

The Brightest Flame Begins With A Spark of **HOPE**

We believe that the strongest driver to achieving ones goals is to always have hope. However, the true challenge lies in bringing that hope to life. And it is something we do here on a daily basis. By drawing up clear and concise pathways and plans, we develop the strategies needed to not only realise hope, but to see it as a tangible and attainable ambition.

Hope Grows Ever Stronger With Clear **OPTIMISM**

Every ray of hope can sometimes be shrouded by clouds. But we believe that every cloud has a silver lining, and we take every positive action to turn that silver lining into a solid result, grounded in reality. With eyes ever to the horizon, we continue to see every challenge as an opportunity and take every task as a positive encounter and a life experience.

Fanning the Flames of Hope With Burning **PASSION**

Fuelled by our belief in hope and our tenacity to never give up or backdown, we thrive on the passion and drive of our people. From every sector and every level of management in every industry, we believe in our commitment to not only deliver on our promises but to do so with the utmost pride and integrity. If we believe it, we can achieve it.

Spreading Hope Through the Embrace of **EMPATHY**

Hope is contagious, and we continue to spread it the people and places that surround us. By placing hope in them and their capabilities we allow them to grow to be the best versions of themselves. By exuding grace, humility and gratitude, we show them the value they bring to others. We regrow hope in barren lands in the form of nature and all things natural. Because at the end of the day, we are not just a company of people on this planet, we are a company FOR the people and the planet.

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

Independent Non-Executive Chairman

Nationality : Malaysian
Age/Gender : 74/Male
Date of Appointment : 15 Jan 2016

Academic/Professional Qualification/ Membership(s)

- Bachelor of Arts(Honours), University Malaya

Relevant Experience

- Upon graduation from University Malaya in 1973, Dato' Indera Syed Norulzaman joined the Administrative and Diplomatic Service of the Government of Malaysia and was assigned to the Ministry of Foreign Affairs. He served in different capacities in the Ministry's Political and Administrative Departments and was assigned to a number of Malaysia's diplomatic missions abroad including Geneva, Ottawa, Baghdad and Jakarta.

In 1994, Dato' Indera Syed Norulzaman was appointed as Malaysia's Ambassador to Spain. On his return in 1997, he served at the Ministry of Foreign Affairs as its UnderSecretary for East-Asia and South-Asia. Subsequently, in June 1999 he headed the Institute of Diplomacy and Foreign Relations as its Director General before being appointed as Malaysia's Ambassador to the Kingdom of Thailand in 2002. In January 2005, Dato' Indera Syed Norulzaman was assigned to Beijing as Malaysia's Ambassador Extraordinary and Plenipotentiary to the Peoples' Republic of China, after which he returned to Malaysia in 2010 to retire from Government service.

Upon his return, Dato' Indera Syed Norulzaman served for a number of years as Public Interest Director at the Federation of Investment Managers Malaysia (FIMM) and as Advisor (China Business) at IJM Corporation Bhd.

Present Directorship(s)

- Non-Independent Non-Executive Chairman of OCK Group Berhad
- Independent Non-Executive Chairman of Pelikan International Corporation Berhad
- Chairman of Mah Sing Foundation

Membership of Board Committees

- Member of the Audit and Risk Management Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



Dato' Leong Sir Ley

Managing Director cum Chief Executive Officer

Nationality : Malaysian
Age/Gender : 48/Female
Date of Appointment : 10 May 2023

Academic/Professional Qualification/ Membership(s)

- Bachelor of Laws (Hons), Thames Valley University of the United Kingdom

Relevant Experience

- Dato' Leong Sir Ley is the Founder, Chairman and Group President/CEO of Sheng Tai International group of companies, which is headquartered in Malaysia with offices in Kuala Lumpur and Melaka, and also with regional offices in Japan (Tokyo and Osaka) and China (Hong Kong, Shanghai and Beijing)

Dato' Leong started her career in legal practice chambering at the law firm of Messrs. Maxwell Kenion Cowdy & Jones in 1999 and was called to the Bar on 30 September 2000. In 2001, Dato' Leong started her own legal practice of S.L. Leong, Kartina & Partners with the first office in Ipoh, and subsequently opened two more offices in Petaling Jaya and Shah Alam respectively. The law firm of S.L. Leong, Kartina & Partners specializes in providing legal advice on international corporate contracts and agreements to clients including overseas clients. In 2012, Dato' Leong started Sheng Tai International Limited in Hong Kong and Sheng Tai International Sdn. Bhd. in Malaysia. In 2016, Dato' Leong relinquished her partnership in S.L. Leong, Kartina & Partners as she decided to exit legal practice to pursue full time her passion in the real estate industry.

In 2017, Dato' Leong ventured into property development by becoming the White Knight in reviving several abandoned projects in Melaka, namely the MITC Business Centre @ Hotel project, which Dato' Leong successfully rehabilitated and converted into the present day Ames Hotel (a 5-star business hotel), and the MITC Business Centre @ Serviced Suites project, which Dato' Leong successfully rehabilitated and converted into the present day MetraSquare Serviced Suites, both of which were completed in the year 2019. In 2019, Dato' Leong launched her brainchild iconic project known as The Sail in Kota Laksamana, Melaka with an estimated gross development value of RM6.5 Billion.

In 2016, Dato' Leong was awarded the President's Volunteer Service Award (PSA) by President Barack Obama of the United States of America. Dato' Leong also won the Global Youth Excellence Award at the Outstanding Global Chinese Businessmen Award ceremony in Hong Kong in the same year. In 2017, Dato' Leong was appointed as the Committee Member of the Youth Division of the Outstanding Chinese Culture Association in Hong Kong and thereafter in 2018, Dato' Leong was appointed as the Vice President of the Outstanding Chinese Culture Association in Hong Kong for a term of 5 years.

Present Directorship(s)

- Nil

Membership of Board Committees

- Nil

Board Meetings Attended In The Financial Year



Declaration

1. She is a Substantial Shareholder of the Company and the sister of Leong Sir Chin, the Executive Director of the Company.
2. She has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



DATUK WIRA BOO KUANG LOON

Executive Director

Nationality : Malaysian
Age/Gender : 51/Male
Date of Appointment : 7 Oct 2015

Academic/Professional Qualification/ Membership(s)

- Diploma in Building, Tunku Abdul Rahman College.

Relevant Experience

- Datuk Wira Boo Kuang Loon was appointed to the Board on 7 October 2015. Thereafter, he was then re-designated as the Group's Chief Executive Officer from April 2016 to May 2023.

Datuk Wira Boo began his career with Domain Resources Sdn. Bhd., a 100% wholly owned subsidiary of Malton Berhad in 1996 until 2003. During his service in Malton Berhad, he is one of the pioneers that started the Pavillion KL project. Subsequently, Datuk Wira Boo joined Jaya 33 Sdn. Bhd. as project director until 2007. With his vast experience in property development, project management and construction sectors, Datuk Wira Boo then established PTS Properties Sdn. Bhd. in 2007.

Among the past iconic projects developed by Datuk Wira Boo includes Jaya 99, the First corporate tower in Melaka with fully – tenanted as well as The Pines Melaka, the city's First hotel with pool suite and salt water pool. Under his leadership, Yong Tai Berhad ("YTB") is proud to bring many 'Firsts' to Melaka – The First Marriot Hotel Chain namely Courtyard by Marriott, The First Duplex Residential – The Apple and the First International Franchise of China's world famous Impression Series - Encore Melaka Theatre at Impression City Melaka.

Datuk Wira Boo was the business architect and mastermind behind the Impression City Melaka. A multi award-winning international icon - Impression City is an impressive 138 acres cultural-tourism integrated township development fronting the Straits of Melaka.

Tuan Yang Terutama Yang Di-Pertua Negeri Melaka bestowed on him with the title Datuk Wira for his contributions to the Melaka State in developing the flagship project "Impression City" in the Year 2016. He also received the recording as the Entrepreneur of the Year in 2018 by Sin Chew.

Datuk Wira Boo has strong vision and insight to the fast-paced change of the market trends. He led the Group to weather through the challenges during the pandemic and continue to explore new business opportunities in order to generate diversified revenue stream to the Group.

- **Present Directorship(s)**
Nil

- **Membership of Board Committees**
Nil

Board Meetings Attended In The Financial Year

BOD
Member

5/5

Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



SEE TAI SOON

Executive Director

Nationality : Malaysian
Age/Gender : 50/Male
Date of Appointment : 10 May 2023

Academic/Professional Qualification/ Membership(s)

- Member of the Malaysian Institute of Accountants (MIA)
- Fellow Member of Association of Chartered Certified Accountants ("FCCA")

Relevant Experience

- Mr. See started his career with Shamsir Jasani Grant Thornton in 1998 as an external auditor. In 2001, he joined a multinational company as an assistant accountant and was subsequently promoted to the position of an accountant. In 2005, he set up his own business in financial and business advisory. He is currently a director and shareholder of several other private limited companies.

Present Directorship(s)

- Nil

Membership of Board Committees

- Nil

Board Meetings Attended In The Financial Year

BOD
Member

1/1

Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



LEONG SIR CHIN

Executive Director

Nationality : Malaysian
Age/Gender : 41/Male
Date of Appointment : 7 July 2023

Academic/Professional Qualification/ Membership(s)

- Bachelor of Arts in Biological Sciences, Wichita State University in Kansas, USA

Relevant Experience

- In the first few years in the states, Mr. Leong was recruited into the National Institute of Aviation Research (NIAR) as a part-time researcher. Setting up project planning, management and quality control for composites testing under the FAA conformity inspections.

At the time of graduation in 2006, he was involved in Medical technology Clinical Training over the city of Wichita with the Wesley Medical Center, Red Cross and other medical centres in the county.

In 2008, he decided it was time for him to return to his home country Malaysia to continue his family business in the welding technology and manufacturing line setup in Perak namely Welding Industries(M) Sdn Bhd -WIM. There, he was given the tasks to lead the Kuala Lumpur branch by implementing marketing plans, corporate image and brand building. He also led the WIM World Conference 2009 by inviting over 45 countries of industry leaders to promote the company brand and products. In 2016, he joined the group Sheng Tai International as the General Manager and worked his way to be the Sales & Marketing Director in 2019. He is now responsible for countries sales and marketing strategies globally.

Present Directorship(s)

- Nil

Membership of Board Committees

- Nil

Board Meetings Attended In The Financial Year



Declaration

1. He is the brother of Dato' Leong Sir Ley, the Managing Director cum Chief Executive Officer of the Company.
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



DATO' BEH HANG KONG

Executive Director

Nationality : Malaysian
Age/Gender : 66/Male
Date of Appointment : 15 Jan 2016

Academic/Professional Qualification/ Membership(s)

- Diploma in Accounting

Relevant Experience

- Dato' Beh has about 32 years of experience in property investment and development industry. Dato' Beh started his career in 1980 as a part-time reporter for the China Press. In 1985, Dato' Beh established a company involved in marketing of office equipment and tele-communication.

Dato' Beh served as Municipal Councillor for the Majlis Perbandaran Shah Alam from 1986 to 1990.

Present Directorship(s)

- Independent Non-Executive Director of MGB Berhad
- Deputy Board Chairman of China-Malaysia Qinzhou Industrial Park (CMQIP), Qinzhou, Guangxi, People's Republic of China
- Director of Malaysia-China Business Council (MCBC)
- Chairman of China-Asean Entrepreneur Association (Malaysia)
- Deputy Chairman of Malaysia-Guangdong Chamber of Investment and Promotion (MGCIP)

Membership of Board Committees

- Nil

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



LEOU THIAM LAI

Independent Non-Executive Director

Nationality : Malaysian
Age/Gender : 67/Male
Date of Appointment : 10 July 2023

Academic/Professional Qualification/ Membership(s)

- Member of the Malaysian Institute of Accountants (MIA)
- Fellow Member of the Chartered Tax Institute of Malaysia
- Fellow Member of the Chartered Association of Certified Accountants (UK)

Relevant Experience

- Mr. Leou is currently a Partner of Leou & Associates and Leou Associates PLT, Chartered Accountants, Malaysia.

His working experience includes being the Group Accountant of a public listed company, Paper Products Berhad from 1984 to 1987. His roles included managing the Finance division and reporting to the Finance Director. Subsequently, he established Leou & Associates and became a Partner since 1988.

Present Directorship(s)

- Independent Non-Executive Director of BTM Resources Berhad

Membership of Board Committees

- Chairman of the Audit and Risk Management Committee

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



SUBRAMANIAM A/L A.V. SANKAR

Independent Non-Executive Director

Nationality : Malaysian
Age/Gender : 74/Male
Date of Appointment : 15 Decmeber 2014

Academic/Professional Qualification/ Membership(s)

- Member of the Malaysian Institute of Accountants (MIA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

Relevant Experience

- Mr. Subramaniam is a senior partner in HALS & Associates, an audit firm. Mr. Subramaniam has been in public practice since 1983. Over the years, Mr. Subramaniam has been involved in the audit of companies in various industries which includes securities, banking, finance, construction, property development and manufacturing.

Mr. Subramaniam is also involved in business advisory assignments.

Present Directorship(s)

- Nil

Membership of Board Committees

- Chairman of the Nomination Committee

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



DATUK NG BEE KEN

Independent Non-Executive Director

Nationality : Malaysian
Age/Gender : 69/Male
Date of Appointment : 14 Jan 2015

Academic/Professional Qualification/ Membership(s)

- Bachelor of Laws (Hons), University of Wales, Cardiff, Wales
- Master of Laws from King's College, University of London
- Barrister-at-Law of Lincoln's Inn, London
- Master of Science in Corporate Communication, Universiti Putra Malaysia
- An associate of the Association of Costs & Executive Accountants of England
- Doctor of Divinity from Mellenium International University in conjunction with Asia Pacific Seminary
- Advocate & Solicitor of the High Court of Malaya
- A Certified Mediator

Relevant Experience

- Datuk Ng is currently the Managing Partner of Azri, Lee Swee Seng & Co and is the partner in charge of the firm's Corporate and Finance Department.

Present Directorship(s)

- Non-Independent Non-Executive Director of MyTech Group Berhad

Membership of Board Committees

- Chairman of the Remuneration Committee
- Member of Nomination Committee

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



ANTHONY ANG MENG HUAT

Independent Non-Executive Director

Nationality : Singaporean
Age/Gender : 68/Male
Date of Appointment : 15 Jan 2016

Academic/Professional Qualification/ Membership(s)

- Bachelor of Science Degree (Mechanical Engineering) with First Class Honours, Imperial College, London University, United Kingdom.
- Master of Business Administration, European Institution of Business Administration (INSEAD) - France.
- Certificate for International Directorship Programme (INSEAD) - France.

Relevant Experience

- Mr. Ang started his career in the Singapore public service and served in the Singapore Economic Development Board and the National Science and Technology Board. Thereafter, Mr. Ang held various senior appointments in the private sector including as Group General Manager and Executive Director of Armstrong Industrial Corporation Limited, Senior Vice President of Vertex Management Pte Ltd and Executive Vice President of GIC Real Estate Pte. Ltd.

Following that, from 2006 to 2016, Mr. Ang worked with the ARA Group of Singapore and served as CEO of ARA Asia Dragon Fund Limited, CEO and Executive Director of ARA Asset Management (Fortune) Limited, the manager of Fortune REIT which is dual-listed in Singapore and Hong Kong. He retired from the ARA Group in December 2016. After that, Mr. Ang was appointed as the CEO of Sasseur Asset Management Pte Ltd, the manager of Sasseur REIT that is listed on the Singapore Exchange. He retired from that position in July 2021.

Mr. Ang is currently Singapore's Non-Resident Ambassador to the Republic of Tunisia since November 2018. Mr. Ang is also the Chairman and CEO of Global Star Acquisition Inc - a Special Purpose Acquisition Company listed on Nasdaq, Chairman of Singapore Digital Exchange Pte Ltd - a fintech company for a digital securities and cryptocurrency exchange and Chairman of RV SG Pte Ltd - a licensed crowd funded real estate platform based in Singapore.

Present Directorship(s)

- Independent Non-Executive Director of Heatec Jietong Holdings Ltd
- Independent Non-Executive Director of Eurosports Global Limited
- Executive Director of Sunrise Shares Holdings Ltd

Membership of Board Committees

- Member of the Audit and Risk Management Committee
- Member of the Remuneration Committee

Board Meetings Attended In The Financial Year



Declaration

1. He does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company
2. He has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.



TANG PO YI

Non-Independent Non-Executive Director

Nationality : China
Age/Gender : 31/Female
Date of Appointment : 19 Jan 2018

Academic/Professional Qualification/ Membership(s)

- Bachelor Degree in Economics and Business, University College London
- MSc in Political Economy of Europe, London School of Economics and Political Science

Relevant Experience

- After graduation, Ms. Tang had been working as an Associate in Deloitte, Hong Kong. Ms. Tang is currently an Executive Director of Asia Television Holdings Limited (707:HK), a company listed in the Main Board of the Stock Exchange of Hong Kong Limited.

Present Directorship(s)

- Nil

Membership of Board Committees

- Nil

Board Meetings Attended In The Financial Year

BOD
Member
5/5

Declaration

1. She does not have any conflict of interest or any family relationship with any other Director and/or major shareholder of the Company.
2. She has not been convicted for any offences within the past five (5) years, nor publicly sanctioned, nor have any penalty imposed upon by relevant regulatory bodies during the financial year.

Profile of The Key Management Personnel



Dato' Leong Sir Ley
Managing Director/
Chief Executive Officer

The profile of Dato' Leong Sir Ley is set out on page 9 of this Annual Report.



Datuk Wira Boo Kuang Loon
Executive Director

The profile of Datuk Wira Boo Kuang Loon is set out on page 10 of this Annual Report.



See Tai Soon
Executive Director

The profile of See Tai Soon is set out on page 10 of this Annual Report.



Leong Sir Chin
Executive Director

The profile of Leong Sir Chin is set out on page 11 of this Annual Report.



Dato' Beh Hang Kong
Executive Director

The profile of Dato' Beh Hang Kong is set out on page 11 of this Annual Report.



Chairman's Statement

Dear Valued Shareholders,

I am humbled to present the financial year ended 30 June 2023 ("FY2023") report, a transition year marked by a change in management following the emergence of our major shareholder, Dato' Leong Sir Ley, in May 2023. We are excited to witness the new direction set by our management team as we strive to guide Yong Tai towards recovery and growth, especially in the wake of the unprecedented challenges posed by the COVID-19 pandemic.

The past few years have been tumultuous, with the global landscape evolving at an unparalleled pace. The pandemic reshaped our world, impacting economies, businesses, and societies across the globe.

Against this backdrop, our transition year brought its own set of challenges and opportunities. We navigated a changing management landscape, adapting to new strategies and visions while maintaining our commitment to stakeholders. Leveraging on the expertise and network of our new management team, we have strategically positioned the Group towards recovery and growth.

Business Overview

FY2023 unfolded against global challenges, including rising interest rates, persistent inflation, and prolonged geopolitical tensions such as the Russia-Ukraine war. However, it is heartening to note that the Malaysian economy displayed remarkable resilience despite these hurdles.

In the first quarter of 2023, the economy registered a robust growth rate of 5.6%. Both the government and Bank Negara Malaysia ("BNM") have reaffirmed their GDP growth forecast of 4 to 5% for the full year. This performance can be attributed to robust domestic demand, private expenditure, and a revitalised labour market. Notably, the services and manufacturing sectors have exhibited remarkable strength, proving the adaptability of our nation's economy.

In the tourism sector, we are witnessing a recovery in 2023 compared to 2022. Malaysia is expected to surpass its initial target of 16.1 million international tourist arrivals, with a projection of at least 18 million arrivals. The first quarter already recorded 4.5 million tourist arrivals, reflecting this positive growth trajectory. It is a testament to the resilience and attractiveness of our nation's tourism offerings.

Given our exposure to property development and tourism industry, we are in a good position to tap into this recovery going forward. Despite our optimism about our recovery and growth transition, we remained cautious of the dynamic landscape that could change amid the waning global trade, persistent inflationary environment, prolonged geopolitical tensions, and tightening financial conditions. Malaysia must remain vigilant and agile, and companies like Yong Tai to pivot their strategies accordingly.

Financial Performance

Yong Tai remained loss-making in FY2023 but has managed to report a substantial reduction of our net loss to RM21.7 million in FY2023 compared to a net loss of RM346.6 million in FY2022. This progress demonstrates that our recovery efforts are on track, with the property development sector playing a pivotal role in driving this positive trajectory.

In FY2023, our total revenue saw substantial growth, increasing by 69.8% year-on-year ("yoy") to reach RM121.9 million, compared to RM71.8 million in FY2022. This revenue growth reflects the Group's commitment to deliver on our property development projects and complete all of our ongoing development projects, namely The Apple serviced apartment in December 2021, followed by the Amber Cove serviced apartment in October 2022, as well as to monetise on its remaining inventories.

Within the property development sector, the Group achieved revenue of RM115.61 million and a profit before tax ("PBT") of RM8.43 million in FY2023. This is a significant improvement compared to the revenue of RM71.47 million and a loss before tax ("LBT") of RM8.90 million recorded in the preceding financial year. These positive results were mainly driven by the successful completion and handover of 838 units of Amber Cove serviced apartments, with a gross development value of RM262 million, completed in October 2022, and sales from completed property inventories, particularly The Apple serviced apartments.

Meanwhile, the property investment segment also showed improvement, with revenue primarily stemming from hotel operations and rental income generated from Encore Melaka Theatre. Despite the increase in revenue during the financial year compared to FY2022, the LBT remained at RM18.14 million, consistent with FY2022. This was due to pre-operation expenses incurred by Courtyard by Marriott Melaka before its official opening on 8 April 2023.

These financial results underscore our commitment to steady progress and resilience amid the transition with our new management team and the dynamic shift in the economic landscape. Our property development sector's performance is particularly noteworthy, serving as a driving force in our ongoing recovery journey as we rebrand our property investment journey to drive growth going forward. We remain dedicated to further strengthening our financial position and achieving sustained growth in the coming years.

Outlook

As we move forward into the next phase of our journey, we are filled with excitement and optimism regarding the future of Yong Tai. The strategic plan developed by our new management team sets the stage for a remarkable transformation and resurgence.

The rebranding of Impression City to "City of Hope" signifies our deep commitment to positively impacting society. City of Hope represents more than just a place; it embodies the values we hold dear - hope for health, hope for inspiration, and hope to reunite with loved ones. This

rebranding is not merely cosmetic; it symbolises our shift towards a holistic approach to community development.

City of Hope encompasses four pillars: Art and Culture, Artificial Intelligence ("AI"), Wellness, and Fashion. We aim to create a unique blend of art, culture, technology, and lifestyle, reflecting our adaptability and determination in the face of adversity. By integrating these elements seamlessly, we aspire to create a vibrant and dynamic community that adapts to change and embraces it. We are confident that City of Hope will be a beacon of innovation and progress, setting new standards in urban development.



Appreciation

As we contemplate the achievements and hurdles we have encountered in the past year, it becomes paramount to convey our profound appreciation to those who have played instrumental roles in our journey. The unwavering support, steadfast dedication, and collaborative efforts of numerous individuals and groups have been priceless, and we extend our wholehearted gratitude to each one of them.

First and foremost, we extend our sincere appreciation to the outgoing management team. We acknowledge the contributions and commitment that you have demonstrated, especially amid the unprecedented disruptions brought forth by the COVID-19 pandemic. Your dedication has played an important part as we navigate this pivotal transition towards the next phase of recovery and growth.

We are particularly excited to welcome our new management team, led by Managing Director cum Chief Executive Officer, Dato' Leong Sir Ley. Dato' Leong, with her extensive experience and vision, brings a fresh perspective and dynamic leadership to the table. We are confident that her insights and strategic direction will play a pivotal role in propelling Yong Tai toward greater success. We eagerly anticipate the new ideas, branding, and turnaround efforts under her guidance.

To the Board of Directors, we express our gratitude for your guidance, wisdom, and unwavering commitment to the company's growth and sustainability. Your strategic insights and governance have been crucial in shaping our decisions and driving us forward.

Our appreciation extends to our dedicated employees,

who have shown remarkable resilience and adaptability during these trying times. Your hard work and commitment to our shared goals have been the driving force behind our accomplishments. We value your dedication and look forward to achieving even greater milestones together.

We also extend our thanks to our banking partners, whose support and trust in Yong Tai have been vital in facilitating our financial stability and growth. Your collaboration is a testament to the strength of our relationships and the mutual trust we share.

Last but not least, we express our heartfelt gratitude to our loyal customers and stakeholders. Your confidence in our brand and offerings is the cornerstone of our success. We remain committed to delivering value and quality in all our endeavours to meet and exceed your expectations.

As we embark on this exciting chapter of growth and transformation, we recognise that it is the collective effort and commitment of these individuals and groups that will propel Yong Tai to new heights. Together, we are not merely weathering the storms but charting a course towards a brighter and more prosperous future.

Thank you all for your unwavering support and dedication to Yong Tai. We look forward to a future filled with promise, innovation, and shared success.

Warm regards,

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN
Independent Non-Executive Chairman

Management Discussion & Analysis Statement

Dear Valued Shareholders,

I am deeply honoured to present the Management's Discussion and Analysis for Yong Tai Berhad ("Yong Tai" or "Group") for the financial year ended 30 June 2023 ("FY2023") as the newly appointed Managing Director and Chief Executive Officer. This marks the first MDA presentation of my tenure, and it is a privilege to address you today and provide insights into our company's performance, strategies, and the path forward as we embark on an exciting journey of transformation and growth.

As we step into a new era for Yong Tai, I am reminded of the resilience and adaptability that define our organisation. We have weathered significant challenges, adapted to changing landscapes, and have emerged stronger and more determined than ever. Our commitment to innovation, sustainability, and creating value for all stakeholders remains unwavering.

In this statement, we discuss key developments and achievements of the past year, explore the challenges we have encountered, and outline our strategic priorities and rebranding for the future. It is a testament to our collective efforts that we stand today on the brink of new opportunities and possibilities.

I would like to express my gratitude to the entire Yong Tai team, our board of directors, our valued shareholders, and all our stakeholders for their trust and support as we work together to shape a brighter future for our company.

Let us embark on this journey together as we continue to innovate, grow, and deliver sustainable value in the years to come.

Background

Since emerging as Yong Tai in 2014, the Group has successfully diversified from garment manufacturing to focus on property development and tourism-related property investment.

As outlined in its vision, the company aspires to become a leading lifestyle developer that creates value for its stakeholders and the broader community.

Some of its notable projects include Encore Melaka, a cutting-edge theatre celebrating Melaka's rich cultural heritage; Courtyard by Marriott, a luxurious hotel overlooking the picturesque Straits of Melaka; and the rebranding of Impression City into the City of Hope, representing a shift towards a holistic approach to community development with four key concepts: Art and Culture, Artificial Intelligence ("AI"), Wellness and Fashion.

With the emergence of the new management, Yong Tai has embarked on a journey of transition and transformation under the new leadership. This change in management reflects a renewed commitment

to charting a course towards sustained growth and innovation. The infusion of new ideas and resources from new management is poised to further strengthen Yong Tai's position in its various business segments.

As Yong Tai continues to adapt to this significant change, it does so with a forward-looking perspective, guided by a vision of becoming a leading lifestyle developer and creating value for all stakeholders, including its shareholders, customers, employees, and the broader community. This change in management marks a pivotal moment in Yong Tai's history, and the company is well-prepared to embrace the opportunities and challenges that lie ahead.

OPERATING ENVIRONMENT

Global

The global economy finds itself navigating a complex web of challenges driven by both internal and external factors. Recent events have emphasised the intrinsic interdependence of world economies, as illustrated by the US banking crisis and China's ongoing real estate concerns. While the World Health Organization ("WHO") ended the global emergency status for COVID-19 in May 2023, the aftermath of the pandemic, coupled with rising geopolitical tensions like the Russia-Ukraine conflict, continues to cast uncertainty over the global economic landscape.

Adding to the complexity are persistent inflationary pressures exacerbated by ongoing geopolitical tensions, trade disputes, sanctions, and supply chain disruptions. Central banks worldwide face the challenging task of striking a balance between restoring price stability and fostering economic growth. This has led to monetary policy tightening, including interest rate hikes, impacting businesses and escalating borrowing costs. These ripple effects are particularly notable in the property sector, where heightened interest rates have tempered market demand.

Projections suggest a slowdown in global growth, from 3.5% in 2022 to 3.0% in both 2023 and 2024. While the outlook for 2023 offers some optimism compared to earlier forecasts, it remains modest in historical context. On the inflation front, global headline inflation is expected to ease from 8.7% in 2022 to 6.8% in 2023, further settling at 5.2% in 2024. However, core inflation's trajectory may see a gentler descent, with forecasts for 2024 showing a slight upward revision.

Domestic

GDP grew by 5.6%

What are the factors supporting growth?



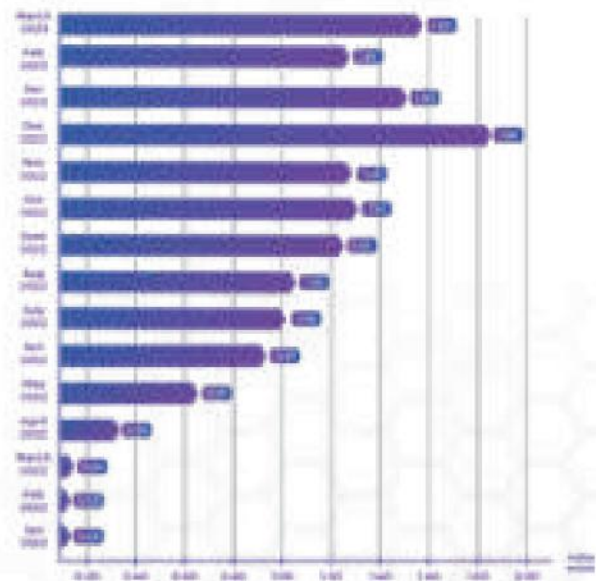
Source: Bank Negara Malaysia (BNM)'s Quarterly Bulletin 1Q 2023

Despite the challenging global backdrop, the Malaysian economy showcased resilience during the first quarter of 2023, posting a robust growth rate of 5.6%. This performance significantly bolsters confidence in Malaysia's ability to achieve its projected Gross Domestic Product ("GDP") growth rate of 4.0% to 5.0% for the entire year. Bank Negara Malaysia ("BNM") also maintains its GDP forecast within this range, underpinned by resilient domestic demand and improvements in the job market.

Malaysia's strong start in 2023 owes much to consistent growth across all sectors, with services and manufacturing leading the way with growth rates of 7.3% and 3.2%, respectively. The buoyant domestic demand reflects growing economic confidence driven by robust private expenditure and a revitalised labour market. Unemployment rates remained stable at a commendable 3.5% in Q1 2023, slightly better than the 3.6% in Q4 2022.

Inflationary measures, including price controls and consumer subsidies, have proved effective, with the inflation rate easing to 3.6% in Q1 2023 from 3.9% in Q4 2022. By March 2023, domestic inflation dipped further to 3.4%, outperforming many advanced and regional nations. However, challenges lie ahead, including diminishing external demand, geopolitical tensions, rising price pressures, and tightening financial conditions, driven by a notable increase in the Overnight Policy Rate ("OPR") from 1.75% to 3.0% over the past year. The property sector has demonstrated promising growth, recording over 389,000 property transactions valued at RM179.07 billion in 2022, marking a substantial increase in volume and value. This growth can be attributed to an influx of new properties and a notable reduction in overhang property units, showcasing a positive trend.

International tourists arrivals



Source: Tourism Malaysia data

In the tourism sector, Malaysia is poised for a significant uptick in tourist arrivals, targeting 16.1 million international tourists in 2023. The country has witnessed a recovery, with 4.5 million tourist arrivals in the first quarter of 2023 alone, signalling a resurgence in its attractiveness as a travel destination. Moreover, there is growing optimism that the actual number of international tourist arrivals could surpass the initial target of 16.1 million, potentially reaching at least 18 million tourists, highlighting the nation's resilience and enduring allure as a global tourism hotspot.

The government's National Tourism Policy ("NTP") 2020-2030 aims to revitalise and ensure the continuity of Malaysia's tourism industry, with a vision of becoming a top 10 global tourism destination in both arrivals and receipts. Malaysia has also set 2026 as the next "Visit Malaysia" year, with a target of 26.1 million foreign tourist arrivals and domestic spending of RM97.6 billion.

Capitalising on the evolving economic landscape and Malaysia's positive economic trajectory, Yong Tai has seized the opportunity to enact strategic measures aimed at reducing losses and fostering revenue growth. The company's nimble response to the changing market conditions has yielded encouraging results, with a concerted effort to diversify income streams, streamline operations, and enhance cost efficiency.

In particular, the property development sector has played a pivotal role in the company's resurgence, reporting increased revenue and a notable reduction in losses. Moreover, Yong Tai's astute decision to rebrand Impression City as "**City of Hope**" represents a forward-looking strategy designed to align with the evolving demands of modern living. This rebranding initiative is not merely cosmetic; it symbolises a holistic approach to community development, encompassing art, culture, technology, and lifestyle. Yong Tai's proactive approach underscores its commitment to shaping a dynamic and resilient future, leveraging economic recovery as a catalyst for growth and transformation.

FINANCIAL REVIEW

In FY2023, Yong Tai exhibited a notable improvement in its financial performance, marking a significant step forward in its journey towards recovery and growth. While challenges persisted in the global and domestic economic environments, the company's strategic initiatives and resilience played a pivotal role in mitigating losses and driving revenue growth.

One of the most remarkable achievements during this fiscal year was the reduction of losses. Yong Tai successfully managed to reduce its net loss to RM22.0 million from the RM350.5 million net loss recorded in FY2022. This significant reduction in losses demonstrates the effectiveness of the company's measures to enhance operational efficiency, control costs, and drive towards a path of recovery.

A noteworthy highlight was the impressive growth in revenue during FY2023. The company reported a robust 69.8% year-on-year increase in revenue, reaching RM121.9 million in FY2023, compared to RM71.8 million in FY2022. This revenue growth was underpinned by several key factors, including the completion and handover of 838 units of the Amber Cove serviced apartments, with a gross development value of RM262 million, in October 2022. Additionally, sales from completed property inventories, notably the Apple serviced apartments, contributed significantly to the enhanced revenue figures.

The property development segment emerged as a strong driver of this improved financial performance. Within this sector, Yong Tai achieved a revenue of RM115.61 million and a profit before tax ("PBT") of RM8.43 million in FY2023, compared to a revenue of RM71.47 million and a loss before tax ("LBT") of RM8.90 million in the preceding financial year. This turnaround can largely be attributed to the successful completion and handover of the Amber Cove serviced apartments and sales from the Apple serviced apartments, demonstrating the effectiveness of Yong Tai's property development strategies.

Furthermore, the property investment business segment also witnessed an improvement in revenue. The revenue recognised during the fiscal year was mainly derived from hotel and rental income from Encore Melaka Theatre. Although there was an increase in revenue compared to FY2022, the LBT remained consistent with the previous year at RM18.14 million. This was primarily due to pre-operation expenses incurred by Courtyard by Marriott Melaka prior to its opening on 8 April 2023.

Aside from that, Yong Tai has proactively addressed its balance sheet, taking decisive steps to reduce its borrowings. As of June 30, 2023, the Group's total borrowings stood at RM187.0 million, down from RM193.3 million recorded on June 30, 2022. This strategic move holds significant importance in light of the prevailing environment of rising interest rates, as it positions the company to manage its interest costs in the future better. The Group's current ratio remained stable at 1.05 times as of June 30, 2023, compared to 1.07 times on June 30, 2022, despite the recorded net loss. This demonstrates the company's adeptness in maintaining its short-term liquidity position amidst operational challenges. Furthermore, there is a noteworthy positive to highlight—the remarkable enhancement in its net asset per share. As of June 30, 2023, the net asset per share reached 68 sen per share, a substantial increase from the 20 sen per share reported on June 30, 2022. This improvement reflects the Group's efforts to fortify its financial foundation and enhance shareholder value, marking a significant stride forward in its financial health and stability.

In terms of cash flow, there is a noteworthy achievement to highlight. In FY2023, Yong Tai demonstrated a remarkable improvement in its operating cash flow, with net cash generated from operating activities soaring to RM10.8 million. This impressive figure represents a substantial enhancement compared to the RM3.6 million recorded in FY2022. Significantly, this surge in positive operating cash flow is a sign towards recovery for the Group. It demonstrates Yong Tai's capacity to manage its operational expenses and generate surplus funds, setting the stage for more stable and sustainable financial performance in the future. This positive cash flow is a testament to Yong Tai's resilience and its proactive measures in navigating financial challenges. It reinforces the company's commitment to achieving financial stability and lays a solid foundation for its future growth initiatives, positioning it for a brighter and more prosperous path forward.

In conclusion, Yong Tai's financial performance in FY2023 reflects its resilience and strategic prowess in navigating a challenging economic environment. The significant loss reduction, substantial revenue growth, and improvement in its balance sheet and cash flow underscore the Group's commitment to achieving sustainable growth and value creation for its stakeholders. As Yong Tai continues implementing its strategic initiatives and capitalising on economic recovery, it remains poised for further recovery and transition towards growth.

OPERATIONS REVIEW

FY2023 continued to be a challenging year for Yong Tai amid a gradual shift towards recovery. The persistent inflationary pressure, rising interest rate environment, prolonged geopolitical tension and uncertain global macro environment continued to weigh on the post-COVID recovery. While the arrival of international tourists in 2023 continued to recover with the reopening of international borders, it has yet to recover to the level seen in 2019, which recorded approximately 26.1 million international visitors.

In FY2023, the property development segment continued to be the key revenue driver for the Group. Yong Tai placed significant emphasis on the completion and delivery of its ongoing development projects, notably the successful execution of the Amber Cove project. Additionally, revenue growth was boosted by sales from completed property inventories, particularly from the Apple serviced apartments. This strategic approach helped the Group clear its existing property inventories, aligning with the gradual reopening of the economy, which positively impacted the property industry.

Nevertheless, the property sector faced challenges, including a supply-demand mismatch, affordability concerns for prospective homebuyers, and the increasing difficulty in obtaining housing loans amidst the rising interest rate environment. These challenges underscored the need for prudent strategies and market adaptability as Yong Tai navigated the complex dynamics of the property market while striving for sustained growth and recovery.

In FY2023, the property development arm of the Group successfully reported a profit before tax, marking a notable achievement despite encountering challenges. These challenges primarily revolved around the sharp escalation in the costs of building materials, which had a discernible impact on the overall financial performance. It is worth noting that the fiscal year did not witness any new property launches, as Yong Tai's strategic emphasis was directed towards strengthening its balance sheet and cash flow position and systematically reducing its property inventories. As of June 30, 2023, the completed

properties inventories stood at approximately RM13.8 million, reflecting a reduction from the previous year's level of RM59.8 million. Simultaneously, there has been a noteworthy improvement in operating cash flow, demonstrating the Group's increasing financial resilience. This improvement serves as a crucial foundation as Yong Tai steers into the next phase of recovery and growth, notably marked by the rebranding of Impression City to the City of Hope.

Yong Tai's ongoing property projects have garnered commendable take-up rates, capitalising on the gradual reopening of the economy. With the completion of its Amber Cove project, the Group's immediate focus now shifts towards the Impression U-Thant project in Kuala Lumpur, aiming for its successful completion. These strategic manoeuvres reflect Yong Tai's commitment to financial stability, operational excellence, and poised readiness for its next phase of development in the dynamic property development sector.

Meanwhile, Yong Tai's property investment division is undergoing a significant transformation with the rebranding of Encore Melaka to be the part of the City of Hope. This strategic shift aims to drive traffic and generate interest in the area through exciting events and unique concepts. The City of Hope encompasses four key elements: art and culture, AI, wellness, and fashion.

While the transformation and rebranding process is underway, Yong Tai celebrated a momentous achievement with the inauguration of its inaugural hotel venture, Courtyard by Marriott Melaka. This internationally acclaimed luxury business hotel, offering an impressive 287 rooms, is now situated in the heart of Melaka, a UNESCO World Heritage City. This landmark establishment marks a significant milestone for the Group and signifies its commitment to expanding its hospitality portfolio. The debut of Courtyard by Marriott Melaka has generated a favourable response, contributing positively to the Group's operations. However, it is noteworthy that pre-operation expenses associated with Courtyard by Marriott Melaka, incurred before its official opening on April 8, 2023, have temporarily impacted the financial performance in the fiscal year.

PROSPECTS AND FUTURE PLANS

Yong Tai is embarking on an ambitious transformation under the new management team as we rebrand our flagship development of Impression City, as the "City of Hope". This holistic rebranding initiative revolves around four core concepts: Art and culture, AI, Wellness and Fashion. The primary aim is to breathe new life into the area and ignite increased visitor traffic. Departing from the previous Impression Series focus, Yong Tai is diversifying its approach to encompass a diverse range of captivating events tailored to a wide array of interests, all designed to drive substantial foot traffic and engagement.

Moving forward, Yong Tai may embark on synergistic collaborations that hold the potential to massively rebrand and rejuvenate the 138-acre City of Hope site, underscoring our commitment to value creation and innovation.

These ambitious initiatives and collaborations underscore Yong Tai's commitment to creating a vibrant, multifaceted destination positioned to attract diverse audiences and pave the way for a dynamic future in the City of Hope.

Aside from that, the Group plans to organise a wide array of engaging events that cater to different interests. For instance, we intend to host fashion shows featuring renowned designers, which are expected to

attract fashion enthusiasts and fans, ultimately driving substantial foot traffic. Collaborations with international entertainment companies are also in the pipeline. These partnerships will not only attract fans but also provide ancillary business opportunities such as hotel stays, ensuring visitors have a comprehensive experience.

The Group's management team has set ambitious targets for the transformation, aiming to realise these goals within the next 6-12 months. Additionally, the Group is actively working on securing Visit Malaysia 2026 collaboration with Tourism Malaysia, which would place the City of Hope on the international stage.

Yong Tai's prospects and future plans align well with the government's Budget 2024, which strongly emphasises revitalising the tourism sector and driving economic transformation. The government has set ambitious targets for the next Visit Malaysia Year in 2026, aiming for 26.1 million foreign tourist arrivals and significant domestic spending. To support this, the government will allocate RM350 million for various tourism initiatives, including cooperation with industries and assistance for cultural players.

This synchronised effort with the government's tourism agenda positions Yong Tai favorably. The company's push for its "City of Hope," with its diverse array of attractions spanning art and culture, AI, wellness, and fashion, aligns with the goal of attracting a broad spectrum of tourists. Additionally, the government's measures to support tourism recovery, such as extending tax relief for domestic tourism expenses and providing assistance to licensed tour guides, can directly benefit Yong Tai's plans to boost visitor traffic through captivating events and partnerships. The allocation of RM100 million for eco-tourism and agro-tourism products is particularly relevant to Yong Tai's vision for the City of Hope. Yong Tai's ambitious transformation efforts, combined with the government's support and the upcoming Visit Malaysia Year in 2026, create a promising outlook for the company's role in revitalising the tourism landscape and contributing to Malaysia's economic growth and transformation.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 30 June 2023 with reference to Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance ("MCCG").

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report ("CG Report"). This CG Report will be announced together with the Annual Report of the Company on 24 October 2023. Shareholders may obtain this CG Report by accessing to Company's website under Investor Relations / Corporate Governance section of www.yongtai.com.my for further details and are advised to read this overview statement together with the CG Report.

Principle A: Board Leadership and Effectiveness

1. Board Responsibilities

1.1 Clear Functions of the Board and Management

The Board's role is to provide stewardship of Yong Tai Berhad's ("YTB") business on behalf of the shareholders.

The Board is involved in matters that have a significant impact on the Group's business such as, but not limited to, issues within the objectives, strategies, operations and financials of the Group.

The Board delegates the authority and responsibility for managing the day-to-day business affairs of the Group to the Chief Executive Officer ("CEO") and Executive Directors who are responsible for overseeing the business development, implementation of the corporate strategies and business plans, policies and controls. The CEO and Executive Directors remain accountable to the Board for the authorities that are delegated to them, and for the performance of the Group.

The Board has also delegated certain responsibilities to Board Committees, which operate within clearly defined terms of reference. It is the general policy of the Company that all major decisions be considered and made by the Board as a whole.

1.2 Clear Roles and Responsibilities of the Board

The role of the Board is to provide overall strategic

guidance, effective oversight on the governance and management of the business affairs of the Group for the benefit of the stakeholders. Responsibilities of the Board include, inter-alia the following:

- Strategic business plan and direction of the Group
- Investment and divestment proposals
- Approval of financial results
- Risk management
- Board appointments, their fees and remuneration
- Dividend policy
- Reviewing the adequacy and integrity of the Group's internal control systems
- Implementing effective public communications and investor relations policies

In discharging its fiduciary duties, Board Committees are formed to assist in the effective functioning of the Board while retaining full responsibility for the direction and control of the Group. The Board delegates specific responsibilities to the following Committees, namely:

1. Audit and Risk Management Committee
2. Nomination Committee
3. Remuneration Committee

The Committees are guided and operate within clearly defined terms of reference. All these Committees are led by Independent Non-Executive Directors. Management and third parties are invited to attend such committees as and when required. These Committees have the authority to examine particular issues and report to the Board their recommendations. The Board also review the minutes of the Board Committee meetings. The ultimate responsibility for the decision lies with the Board.

1.3 Board Charter

The Board had adopted a Charter, which outlines the composition of the Board together with the roles and responsibilities of the Board, Chairman, Chief Executive Officer, Executive Directors and the Board Committees including the process and procedures for convening of Board Meetings.

The Charter is available in the Company's website at www.yongtai.com.my.

1.4 Ethical Standard through Code of Conduct

The Board of Directors is guided by the Director Code of Conduct and Ethics ("Director Code") which formalizes the standard ethical values and behaviour that is expected of its directors at all times. The Director Code is formulated to enhance the standard of corporate governance and corporate behaviour of directors based on trustworthiness and values that can be accepted and to uphold the spirit of responsibility and social responsibility in line with legislation, regulations and guidelines for administering the Group. A summary of the Director Code is available in the Company's website at www.yongtai.com.my.

1.5 Qualified and competent Company Secretaries

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are experienced and are competent on statutory and regulatory requirements.

The Company Secretaries prepared minutes of the meetings which include amongst others, pertinent issues, substance of enquires and responses, recommendations and decisions made by the Directors. The minutes of the meetings are properly kept in line with the relevant statutory requirements of the Companies Act, 2016.

Prior to the Board meetings, all Directors are provided with the agenda together with reports and papers containing information relevant to the business of the meetings, such as information on major financial, operational and corporate matters as well as activities and performance of the Group, to enable the Directors to focus on issues to be deliberated at Board meetings. The Directors may also obtain independent professional advice at the Company's expense, where necessary.

1.6 Information and Support for Directors

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as and when necessary. During the financial year ended 30 June 2023, five (5) meetings of the Board were convened.

At the quarterly meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretaries. During the financial year under review, the number of Board of Directors' meetings attended by each Director is as follows:

Name of Directors	No. of meetings attended *
Dato' Indera Syed Norulzaman	5/5
Bin Syed Kamarulzaman	
Dato' Leong Sir Ley (appointed on 10 May 2023)	1/1
Datuk Wira Boo Kuang Loon	5/5
See Tai Soon (appointed on 10 May 2023)	1/1
Leong Sir Chin (appointed on 7 July 2023)	-^
Dato' Beh Hang Kong	5/5
Leou Thiam Lai (appointed on 10 July 2023)	-^
Subramaniam A/L A.V. Sankar	5/5
Datuk Ng Bee Ken	4/5
Anthony Ang Meng Huat	5/5
Tang Po Yi	5/5
Chan Wai Kit (retired on 22 November 2022)	1/2
Dato' Sri Lee Ee Hoe, JP (resigned on 24 May 2023)	2/4
Dato' Jason Chan Wa Chiang (appointed on 16 December 2022 and resigned on 23 June 2023)	2/2

* Reflects the number of meetings held during the tenure of the respective directors

^ Leong Sir Chin and Leou Thiam Lai were appointed after the financial year under review.

An annual meeting calendar is prepared and circulated in advance of each financial year to all Directors to facilitate the Directors' planning. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees.

To ensure the Directors have sufficient time to fulfil their roles and responsibilities effectively, the Board has agreed that they must not hold more than five (5) directorships in public listed companies.

Under its Board Charter, the Directors are required to notify the Chairman before accepting any new directorships.

1.7 Directors Training and Induction

The Board is mindful that continuous education is vital for Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skill sets and knowledge in discharging its responsibilities. The training programmes and seminars attended by Directors during the financial year ended 30 June 2023 are as follows:

1. Corporate Disclosure Framework
2. The Board "Agenda"
3. How Board Directors Make A Real Difference
4. Implementing ISQM 1 & ISA 220(R)
5. Understanding & Implementing the International Standard of Quality Management (ISQM) 1 for Small & Medium Practices
6. Considerations of Specific Items in an Audit (ISA 501), External Confirmations (ISA 505) & Initial Audit Engagements (ISA 510)
7. Planning & Risk Assessment in Audits of Financial Statements
8. Audit Fundamentals - Control Testing, Substantive Procedures, Documentation Analytical Procedures, Audit Evidence & Stock Take Observations & Audit Documentation
9. Audit of Group Financial Statements - ISA 600 (Revised & Redrafted)
10. Mastering The Cloud - How To Adopt Cloud Technology In Your Practice
11. National Tax Conference 2022
12. Transfer Pricing Documentation And Latest Updates
13. MPERS: Preparation of MPERS Financial Statement
14. Managing Taxpayers & LHDN Expectations In Tax Audits - A Guide For Tax Practitioners
15. Seminar Percukaian Kebangsaan 2022 (Bajet 2023)
16. 2023 Budget Seminar
17. Virtual MIA International Accountants Conference 2023 Future Fit Profession: Charting A Better Tomorrow
18. LED - Environmental, Social and Governance Essentials (Core)

2. Board Composition

The Board currently consists of Eleven (11) members, comprising five (5) Executive Directors (including Chief Executive Officer), five (5) Independent Non-Executive Directors (including the Chairman) and one (1) Non-Independent Non-Executive Director. The Company complies with the Listing Requirements that requires at least two (2) or one-third (1/3) of the Board to be Independent Directors.

The Board practices a clear division of responsibility to ensure a balance of power and authority between the Chairman, CEO, Executive Directors and Non-Executive Directors. The Chairman is primarily responsible for the orderly conduct and functions of the Board whilst the CEO is responsible for the overall operations of the business and direction on policy formation and decision making. The CEO is ably assisted by the Executive Directors who are responsible for the day-to-day operations and business activities of the Group. The roles of Non-Executive Directors are to provide unbiased and independent views, advice and judgement, and to ensure that the Board practices good governance in discharging its duties and take into account the interests, not only of the Group, but also of the shareholders, employees and customers.

The Board has an appropriate mix of relevant skills, knowledge and experience in the areas of business, property development, construction, tourism, legal, investment and fund management, accounting, finance and economics, which are relevant to the Group.

The Board is satisfied that the current composition of Directors provides the appropriate size and balance of expertise, skills and core competencies among the Directors, which are necessary to lead the Group effectively. It also fairly represents the ownership structure of YTB, with appropriate representations of minority interests through the Independent Non-Executive Directors.

The profiles of the Board members are set out in this annual report on pages 8 to 14.

2.1 Nomination Committee

The Nomination Committee currently comprises all Independent Non-Executive Directors. The present members of the Nomination Committee are as follows:

Name of Committee Members	Designation
Subramaniam A/L A.V. Sankar (Independent Non-Executive Director)	Chairman
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Independent Non-Executive Director)	Member
Datuk Ng Bee Ken (Independent Non-Executive Director)	Member

The Nomination Committee has written terms of reference dealing with its authority and duties, which is made available in the Company's website at www.yongtai.com.my.

2.2 Develop, maintain and review the criteria for recruitment process and annual assessment of directors

A. Appointment Process

The decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the Nomination Committee. The Nomination Committee is empowered to evaluate and recommend candidates for new appointments to the Board. In the process the Nomination Committee shall take into consideration, the following criteria:

- Size, composition, mix of skills, experience, competencies and other qualities of the existing Board members,
- The candidate's skills, knowledge, expertise and experience, competence and capability, professionalism, personal and financial integrity and reputation and commitment (including time commitment) to effectively discharge his role as Director. In the case of a candidate for the position of Independent Non-Executive Director, independence is as defined in the Listing Requirements.
- Directorships of not more than five (5) public listed companies (as prescribed under paragraph 15.06 of the Listing Requirements) to ensure Directors have sufficient time to fulfil their roles and responsibilities effectively.

The Board Recruitment Process shall involve the following stages: -

- Identification of candidate;
- Deliberation and Evaluation of suitability of candidates by Nomination Committee;
- Recommendation to Board for approval; and
- Completion of the documentation process.

B. Re-election Directors

The Constitution of the Company provide that at least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") but shall be eligible for re-election and that all Directors (including the Managing Director) shall retire at least once in every three (3) years. The Company's Constitution also provide that a Director who is appointed during the year shall hold office only until the next AGM and shall then be eligible for re-election.

C. Review the composition of Board Committees

In determine candidates for appointment to the Board Committees, various factors are considered, including the time commitment of the Board Committee members in discharging their role and responsibilities through attendance at their respective meeting, their performance and contribution to the achievement of the Board Committee's goals and objectives, possession of the attributes, capabilities and qualifications and demonstration of independence, integrity in decision-making.

D. Annual assessment of Directors

At present, the Board is made up of eleven (11) Directors, of whom five (5) are Independent. The Nomination Committee reviews the performance of all Directors to ensure that they remain objective in expressing their views in deliberations and decision making of the Board and Board Committees.

2.3 Boardroom diversity

The Board strongly believes that diversity of the Board's composition is important to facilitate optimal decision-making. The current diversity of the Board is as follows:

Race/Ethnicity		Number of Directors
Malay		1
Chinese		9
Indian		1

Nationality		Number of Directors
Malaysian		9
Foreign		2

Gender		Number of Directors
Male		9
Female		2

The current Directors' age distribution is as follows:

Age Group	Number of Directors
31-40	1
41-50	3
51-60	1
Above 60	6

2.4 Tenure of independent directors

The concept of Independence adopted by the Board is in line with the definition of an independent director in Section 1.01 and PN No 13 of the Listing Requirements. The key criteria is the Independent Director appointed must not be a member of the management (i.e. a Non-Executive Director) and should act in the best interests of the company.

Pursuant to the MCCG the tenure of an independent director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board believes that valuable contribution can be obtained from Directors who have, over a period of time, developed valuable insight of the Company and its business. Their experiences would enable them to discharge their duties and responsibilities independently and effectively in the decision making process of the Board notwithstanding their tenure on the Board. Hence subject to assessment of the Nomination Committee, the Board may recommend and provide justifications for an independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director, subject to shareholders' approval.

In line with the MCCG, the Board has assessed the independence of Mr. Subramaniam A/L A.V. Sankar, who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and the Board has recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

1. Mr. Subramaniam A/L A.V. Sankar has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and hence, he would be able to provide an element of objectivity, independent judgement and balance to the Board;
2. His length of services on the Board of more than nine (9) years does not in any way interfere with his exercise of objective judgement or his ability to act in the best interests of the Company and Group. In fact, Mr. Subramaniam A/L A.V. Sankar, has been with the Company for more than nine (9) years, is familiar with the Group's business operations and have devoted sufficient time and commitment to his role and responsibilities as an Independent Director for informed and balance decision making; and
3. He has exercised due care during his tenures as Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

3. Remuneration

3.1 Remuneration policies and procedures

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to run the Group successfully and effectively. In the case of Executive Directors, their remunerations are structured to link rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them.

The present members of Remuneration Committee comprise as follows:

Name of Committee Members	Designation
Datuk Ng Bee Ken (Independent Non-Executive Director)	Chairman
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Independent Non-Executive Director)	Member
Anthony Ang Meng Huat (Independent Non-Executive Director)	Member

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of Executive Directors. The Board as a whole determines the remuneration of Non-Executive Directors. The individual concerned will abstain from the discussion of their own remuneration.

The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing his/her own remuneration.

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The total amount of Directors' fee to all Directors and Directors' benefit to the Non-Executive Directors for the new financial year proposed for the shareholders' approval at the forthcoming AGM is up to an amount of RM900,000 from 1 July 2023 until the next Annual General Meeting of the Company.

The details of remuneration paid or payable to the Directors for the Financial Year are disclosed in Practice 8.1 of Corporate Governance Report.

Principle B: Effective Audit and Risk Management

1. Audit and Risk Management Committee

1.1 Compliance with applicable financial reporting standard

The Board acknowledges its responsibility for the quality, correctness and completeness of the financial statements of the Company and the Group, hence sufficient time and efforts are put aside to review and to ensure that the financial statements are prepared in accordance with applicable financial reporting standards. In order to achieve this objective, the Board has entrusted the Audit Committee in ensuring that this responsibility is carried out effectively. The Board has established an effective Audit and Risk Management Committee ("ARMC"). The ARMC reviews the financial statements not only against past results but also with the budgeted and forecast figures as well.

A Statement by Directors on their responsibilities in preparing the Annual Financial Statements is set out in page 28.

1.2 Suitability and Independence of External Auditors

The Board through the ARMC maintains a transparent and professional relationship with the Group's external auditors. The ARMC discusses with the External Auditors, the nature and scope of the audit and reporting obligations prior to the commencement of audit. The ARMC ensures that Management provides timely responses on all material queries raised by the External Auditors.

The ARMC meets with the External Auditors at least twice a year to discuss the audit findings in relation to the Group's financial results. The ARMC will have a private session with the External Auditors without the presence of Executive Directors and Management to discuss the audit findings and any other observations they may have during the audit process.

For the current financial year, the External Auditors attended one (1) of the ARMC meetings held on 18 October 2022 without the presence of the executive Board members and Management, to discuss the extent of assistance rendered by Management as well as key audit matters and observations arising from their audit.

An assurance is provided by the External Auditors via their report to the ARMC, confirming their independence through the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirement.

The External Auditors are invited to the 29th AGM of the Company and are available to answer shareholders' queries on the conduct of the statutory audit.

The ARMC of the Board comprises three (3) Independent Non-Executive Directors. The composition of the ARMC is in compliance with the Listing Requirements and the Code which require all Audit Committee members to be Non-Executive Directors with majority of them being independent directors.

The Board, upon the recommendation of the ARMC and assessment of the External Auditors, Messrs. RSM Malaysia, with regards to its independence and suitability, approved the re-appointment of Messrs. RSM Malaysia subject to the approval by shareholders at the upcoming Annual General Meeting.

2. Risk Management and Internal Control

2.1 Sound framework to manage risks

The Board affirms its overall responsibility for the Group on the implementation of an effective risk management system, and internal control system. The Board via the Audit Committee ensures that actions are taken to review the adequacy, integrity and effectiveness of these systems. Details of the Risk Management Framework and its corresponding action plans taken to mitigate the risks are outlined in the Statement on Risk Management and Internal Control Section of this Annual Report.

2.2 Internal Audit Function

The Board acknowledges its responsibility for the Group's system of internal control and its effectiveness as well as reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets. The Group has established Internal Audit Department that reports directly to ARMC.

The Statement on Risk Management and Internal Control set out on pages 36 to 47 of this Annual Report provides an overview of the state of internal controls within the Group.

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

1. Communication with Stakeholders

1.1 Effective communication and proactive engagements with shareholders

The Board recognises the importance of direct engagement with shareholders to provide a better appreciation of the Company's objectives, quality of its management and challenges, whilst making the Company aware of shareholders' expectations and concerns. As such, the Company has via its website, included a 'Contact Us' link where shareholders and the public can direct their queries to.

1.2 Corporate disclosure policies and procedures

The Board is aware of the need to establish internal corporate disclosure policies and procedures which are practical and in compliance with the disclosure requirements imposed by Bursa Malaysia according to Listing Requirements.

The Board has also ensured that apart from the regulatory requirement of public announcements via the Bursa Link, the Annual Report, being a key source of information, which is available for each shareholder, contains easy and details of the business, the financial performance of the Company and corporate policies and procedures. Information that is price sensitive or may be regarded as undisclosed material information about the Group is not disclosed to any party until it is already in the public domain through proper disclosure.

The Company also arranges press releases announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

1.3 Leverage on information technology for effective dissemination of information

The Company's corporate website at www.yongtai.com.my serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information. The Board has earmarked a dedicated section for Investor Relations on the Company's website, where information on the Company's announcements to the regulators, the share price information, annual report, and current development may be accessed.

2. Conduct of General Meetings

2.1 Shareholder participation at general meetings

The Annual General Meeting serves as an important means for shareholders communication. The notice of the Annual General Meeting and Annual Reports are sent to shareholders 28 days prior to the meeting in accordance to the Company's Constitution and the provision in the Companies Act, 2016.

The AGM remains the principal forum of dialogue and means of communication with shareholders. Shareholders are encouraged to attend and participate at the AGM and are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the Auditors of the Company are present to answer questions raised during the meeting.

Shareholders and investors are also encouraged to interact and feedback to the Chairman for opinions or concerns. Separately, the Company has also reported its Sustainability Statement on pages 48 to 77 of this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

2.2 Poll voting

In line with Clause 66 of the Constitution of the Company, requiring any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll, the Board shall table all the resolutions at the forthcoming AGM for voting by poll.

The Company will also appoint an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day while the summary of key matters discussed during the AGM will be posted on the Company website.

ADDITIONAL COMPLIANCE INFORMATION:

Statement of Directors' Responsibilities in respect of the Financial Statements

The Board is responsible to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flow of the Group and the Company for the financial year ended.

In preparing the financial statements, the Directors have:

- Adopted the appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured applicable approved accounting standards have been followed and any material departures have been disclosed and explained in the financial statements; and
- Ensured the financial statements have been prepared on a going concern basis.

The Board is responsible for keeping proper accounting records of the Group and the Company, which disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.



Compliance Statement

The Board is satisfied that the Group has substantially complied with the majority of the practices of the Malaysian Code on Corporate Governance ("MCCG") throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 18 October 2023.



Audit and Risk Management Committee Report

The Board of Directors of Yong Tai Berhad ("YTB") is pleased to present the report of the Audit and Risk Management Committee ("ARMC") for the financial year ended 30 June 2023.

OVERVIEW

The Audit and Risk Management Committee principally assists the Board in fulfilling its statutory and fiduciary responsibilities by overseeing the Group's management of financial risk processes, accounting and financial reporting practices, ensure good corporate governance practices and adequacy of internal controls, oversee both external and internal audit functions as well as promoting a culture of compliance across the Group.

COMPOSITION AND MEMBERSHIP

The Audit and Risk Management Committee comprises three (3) Directors and the composition is as follows:

Name of Committee Members	Designation
Leou Thiam Lai (Independent Non-Executive Director) (appointed on 24 August 2023)	Chairman
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Independent Non-Executive Director)	Member
Anthony Ang Meng Huat (Independent Non-Executive Director)	Member
Subramaniam A/L A.V. Sankar (Independent Non-Executive Director) (resigned on 24 August 2023)	–

MEETINGS

The Audit and Risk Management Committee held five (5) meetings during the financial year ended 30 June 2023 and the attendance of each Audit and Risk Management Committee member are as follows:

Member	No. of meetings attended
Subramaniam A/L A.V. Sankar (resigned on 24 August 2023)	5/5
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	5/5
Anthony Ang Meng Huat	5/5
Leou Thiam Lai (appointed on 24 August 2023)	–

The Audit and Risk Management Committee Chairman

together with the Audit and Risk Management Committee members play an active role in engaging with the Management, Chief Financial Officer ("CFO"), Group Financial Controller ("GFC"), Head of Internal Audit and the External Auditors.

The CFO, GFC and Head of Internal Auditor attended the Audit and Risk Management Committee Meetings to brief the Committee on the activities involving their areas of responsibilities. The External Auditors were also invited to attend three (3) Audit and Risk Management Committee meeting during the financial year end without the presence of the management. There were no key areas of concern that warrant the Board's attention during the financial year.

Minutes of each ARMC meeting are properly recorded and the ARMC Chairman reported the ARMC's recommendations and remedies (if any) on each significant audit issues to the Board for consideration, approval and management implementation during the Board meeting.

AUTHORITY, DUTIES AND RESPONSIBILITIES

The Audit and Risk Management Committee is guided by its Terms of Reference in performing its duties and discharging its responsibilities. The Terms of Reference of the Audit and Risk Management Committee is available on the Company's website at www.yongtai.com.my.

ARMC's Role in Governance: -

- Oversight of financial reporting
- Risk management
- Internal control
- Compliance
- Ethics
- Management
- Internal auditors
- External auditors






Roles and functions of Audit & Risk Management










YTB refers to the COSO (Committee of Sponsoring Organizations) framework - a system for establishing and integrating internal controls into business processes. Collectively, these controls provide reasonable assurance that YTB's operations are ethical, transparent, and consistent with established industry standards. The framework is designed to establish internal controls and standardize how key business processes are performed. This helps us comply with legal and ethical requirements while also focusing on risk assessment and management. In addition to integrating such controls into key business processes, the framework places a strong emphasis on monitoring and reporting, particularly as it relates to the use of internal auditors to monitor compliance with established controls.

COSO Components and Principles

INTERNAL CONTROL COMPONENTS	PRINCIPLES
 Control Environment	<ul style="list-style-type: none"> • Demonstrates commitment to integrity and value. • Demonstrates independence and exercises oversight responsibility. • Establishes structure, authority and responsibility. • Demonstrates commitment to attracting, developing and retaining competent staff. • Enforces accountability
 Risk Assessment	<ul style="list-style-type: none"> • Specifies suitable, specific objectives. • Identifies and analyzes risks. • Assesses fraud risk. • Identifies and analyzes significant changes
 Control Activities	<ul style="list-style-type: none"> • Selects and develops control activities that help mitigate risks. • Selects and develops general controls over technology. • Bases controls on thorough policies and procedures.
 Information and Communication	<ul style="list-style-type: none"> • Uses relevant, high-quality information. • Communicates internally to support controls. • Communicates externally.
 Monitoring	<ul style="list-style-type: none"> • Conducts ongoing and/or separate evaluations. • Evaluates and communicates deficiencies

BOARD OVERSIGHT

	EXPECTATIONS	REMARKS
 Control Environment	Establishing integrity and ethical values, oversight structures, authority and responsibility, expectation of competency, and accountability to the Board	CoBE IA Charter ARMC Charter Authority Limit Table
 Risk Assessment	Overseeing Management's assessment of risks to the achievement of YTB's objectives, potential impact of significant changes, fraud, and management override of controls	Detailed Internal Audit Plan Key risk assessment
 Control Activities	Provide oversight to senior management in the development and performance of control activities	A regular update by Internal Audit Team and management on any control issues and key risks identified.
 Information and Communication	Analyzing and discussion information relating to the entity's achievement of objectives.	Significant transactions are discussed in the Board.
 Monitoring	Assigning and overseeing the nature and scope of monitoring activities and management's evaluation and remediation of deficiencies.	Presentation by Management on the operations on a quarterly basis in place.

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Despite the uncertainty and challenges caused by the prolonged effect of on-going COVID-19 pandemic, the Group has effectively maintained a strong internal control environment and continued to standardize and streamline its financial systems and processes, while ensuring audit compliance. During the financial year under review, the activities and work of the Audit and Risk Management Committee included the following:

1) Financial Reporting

- Reviewed the quarterly unaudited financial results including the draft announcement and made recommendations to the Board for approval prior to releasing the announcement to Bursa Malaysia.
- The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and are in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34- Interim Financial Reporting as well as applicable disclosure provisions of the Listing Requirements of Bursa Malaysia.

- Reviewed and made recommendations to the Board in respect of the Audited Financial Statements of the Company and Group for the financial year ended 30 June 2021 at its meeting held on 18 October 2021 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year in compliance with regulatory requirements. There were no significant and unusual issues other than those reported in the financial statements and the Group continued to operate as going concerns.

- Reviewed and deliberated related party and recurrent related party transactions of the Company and of the Group.

2) External Audit

- The Audit and Risk Management Committee and the Board place great emphasis on the suitability and independence of the external auditors in providing relevant and transparent reports to the stakeholders. During the financial year, Audit and Risk Management Committee has evaluated the performance of the External Auditors for the financial year ended 30 June 2022 covering areas such as caliber, quality process, audit team, audit scope, audit communication, adequacy of audit firm's expertise,

its resources to carry out the audit work according to the audit plan, and audit governance independence of the external auditors as well as the audit fees of the External Auditors. The Audit and Risk Management Committee being satisfied with the independence, suitability and performance of RSM Malaysia PLT, had recommended to the Board for approval, the reappointment of RSM Malaysia PLT as External Auditors for the financial year ending 30 June 2023 at its meeting held on 18 October 2022.

- Reviewed the Audit Planning Memorandum for FY 2023 with the External Auditors including the adequacy of the external audit team. The areas of audit emphasis and action plans were discussed at length with the External Auditors and the Management to ensure that adequate actions were carried out to ascertain compliance with the relevant accounting standards, prior to finalising the audited financial statements of the Group.
- Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit, financial controls and operational efficiencies of the Company and its subsidiaries as well as the final audit with the External Auditors.
- The external auditors attended the Annual General Meeting of the Company and were available to respond to shareholders' queries or concerns relating to the conduct of the statutory audit and the preparation and contents of their audited report.
- The external auditors have confirmed with written assurance to the Audit and Risk Management Committee that they have not identified any breach of independence and are in compliance with the independent requirements set out in the by-laws (on Professional Ethics, Conduct and Practice) for Professional Accountants of Malaysian Institute of Accountants.

3) Internal Audit

- During the financial year, the Committee reviewed and approved the 2023 Internal Audit Plan for the Company and the Group and authorized the deployment of necessary resources to address risk areas identified and adequacy of the scope of internal audit function.
- Reviewed and approved updates to the Internal Audit Charter, including further updates and alignment with the International Internal Auditing Professional Practice Framework, which sets out its roles and responsibilities, scope, accountability and authority.
- Reviewed the internal audit reports prepared by the Internal Auditors and provided constructive feedback in ensuring the adequacy and effectiveness of the internal control system covering various operations, systems, processes and functions across the Company and of the Group.
- The Audit and Risk Management Committee also reviewed the audit findings and recommendations to approve any weaknesses or non-compliance and the respective management response thereto. Some weaknesses in internal control were identified for the year under review but these were not deemed significant and had not materially impacted the businesses or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses. The internal audit monitored the implementation of management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are properly addressed.

4) Risk Management

- The Audit and Risk Management Committee sets the strategic direction of risk roles, responsibilities and reporting structure.
- ARMC also reviewed the adequacy and robustness of Internal Control System and Risk Management Framework.
- Risk management activities is undertaken by the management via the Management Risk Committee ("MRC") chaired by Chief Financial Officer. The MRC reviewed and reported on the Group's Risk Register, including significant and emerging risks, and how exposure have changed during the period and summarised the Group Key Risks for the ARMC on a yearly basis.
- The Audit and Risk Management Committee reviewed the risk management processes and deliberated on the annual Statement on Risk Management and Internal Control submitted to ensure that all necessary risk mitigation measures to address the critical risk areas have been or were being put in place.
- Reviewed the Group's internal restructuring of business activities for business continuity and build enterprise resilience towards the challenging business environment post Covid-19 pandemic.

5) Related Party Transactions

- Reviewed, discussed and considered related party transactions entered into by the Company to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

6) Corporate Liability Provision of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act")

- In compliance with Bursa Malaysia's Listing Requirements on Anti-Corruption Measures following the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020 the Board and Audit and Risk Management Committee exercised their fiduciary duty to ensure adequate procedures are in place to detect, prevent and minimise corrupt practices.
- The Board and Audit and Risk Management Committee believe that excellence in corporate governance is vital in ensuring that values and ethical behaviours are consistent across the Company and its subsidiaries. The Group has developed a common set of expected behaviours based on the corporate values and an effective system of governance to promote ethical and governance culture in the Group.
- The Group is continuously taking steps and holistic approach to ensure that appropriate measures are taken as a defense mechanism in accordance with the TRUST principle under the "Guidelines on Adequate Procedures." These Guidelines set out adequate procedures that commercial organisations need to build into their corporate structure(s) as a reasonable defense against the risk of being charge for corporate liability, an offence recently introduced in Section 17A of MACC 2009, which came into effect on 1 June 2020.

TRUST principles as follow:

- T**op level commitment;
- R**isk assessment;
- U**ndertake control measures;
- S**ystematic review and monitoring;
- T**raining & Communication.

- The Group has in place a Code of Conduct and Business Ethics (CoBE), Suppliers' CoBE, Anti-Bribery and Corruption Policy (ABC), Conflicts of Interest Policy for Directors, Term of Reference, Fit and Proper Policy, Policy and Procedure of Whistleblowing, Due Diligence Checklist, Bribery Risk Assessment and Gifts, Entertainment & Hospitality Policy, Sustainable Procurement Policy which aims to promote good business conduct; ethical behaviours; maintain a healthy corporate culture within the Group; commit to professional standards of integrity and provide assurance to the stakeholders that the Group operates its business and operations ethically and in a responsible manner. The Conflicts of Interest Policy for Directors, Term of Reference, Fit and Proper Policy, CoBE, ABC & Policy and Procedure of Whistleblowing are available on the Company's website at www.yongtai.com.my.
- The Board places great importance on countering corruption while encouraging its personnel to be aware of corruption in all its forms. The Policy and Procedure of Whistleblowing provides employees and other stakeholders an avenue to report any knowledge of incidents of misconduct or unlawful behaviour within the Company without fear of retaliation.

7) Ethics and Integrity

- To assist the Board in ensuring that an effective ethics programme is implemented across the Group and monitoring compliance with established policies and procedures.
- This reflects the Group's commitment in upholding and strengthening its corporate governance structure and ensuring its commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group.

8) Other activities

- The company secretary briefed ARMC on latest developments (if any) from Securities Commissions at its quarterly meeting.
- The ARMC had reviewed and approved its revised terms of reference incorporating the new amendments to be in line with the Malaysian Code on Corporate Governance 2021 and Main Market Listing Requirements.
- Reviewed and recommended to the Board for approval, the Audit and Risk Management Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report at the meeting held on 18 October 2022.
- Reviewed and recommended to the Board for approval the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent RPTs of a revenue or trading nature.

THE INTERNAL AUDIT FUNCTION

- The internal audit function of the Group is performed by in-house Internal Audit Department ("IAD"). The internal auditor reports to the Audit and Risk Management Committee and carried out the audit reviews in accordance with the internal audit plan. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit and Risk Management Committee. It serves as a means of obtaining sufficient assurance of regular reviews and/ or appraisals of the adequacy and effectiveness of the risk, control and governance framework of the Group.
- Internal audit functions independently of the activities it audits and carries out its work objectively according to the code of ethics and standards set by professional bodies, primarily consistent with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations. For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meeting and finalising audit report. The audit reports detail out the objectives, scope of audit work, findings, management responses and conclusion in an objective manner and are distributed to the responsible parties.
- The audit findings and recommendations were forwarded to the management concerned for attention and necessary action. The Audit and Risk Management Committee reviewed and deliberated the internal audit reports and relevant issues presented during the regular Audit and Risk Management Committee meetings.
- In an effort to provide value added services, IAD also provide additional assurance and advisory services to Business Units or Heads of Departments upon request in relation to compliance, governance, risk management and internal controls.
- The IAD also assists the Audit and Risk Management Committee in reviewing the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Audit and Risk Management Committee Report, and the Statement on Risk Management and Internal Control pursuant to the Main Market Listing Requirements of Bursa Securities.

SUMMARY OF THE WORK OF THE INTERNAL AUDITOR

The Company has an established Internal Audit Department whose primary function is to assist the Audit and Risk Management Committee in discharging its duties and responsibilities. IAD's role is to provide the Committee with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures in the operating units within the Group and the extent of compliance with the Group's established policies, procedures and guidelines, and also compliance with applicable laws, regulations, directives and other enforced compliance requirements. The Head of IAD has unrestricted access to the ARMC and reports directly to the ARMC Chairman.

The internal audit functions are:

1. To prepare the risk-based annual audit plan for deliberation and approval by the Audit Committee
2. To review the existing systems, controls and governance processes of various operating units within Group;
3. To provide recommendations to assist the various operating units and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes;
4. To provide continuous review of the effectiveness of risk management, control and governance processes and practices with proposed recommendation based on good practices and recommended guidelines;
5. To recalibrate the Group's Standard Operating Procedure (SOP) to enhance processes and practices to increase efficiency, user-friendliness and relevance;
6. To follow up review to ensure that the agreed internal audit recommendations and the key corrective actions were implemented appropriately are effectively implemented; and
7. To provide value-added services by performing ad hoc reviews of areas with issues affecting financial reporting, compliance, risk management, internal controls and governance.

In order to perform internal audit functions effectively,

the internal auditors are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job-training. None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The total cost incurred in maintaining the internal audit function for FY2023 was RM0.15 million (FY2022: RM0.16 million).

This Audit and Risk Management Committee Report is made in accordance with a resolution of the Board of Directors dated 18 October 2023.



Statement On Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") of Yong Tai Berhad ("Yong Tai" or the "Group") is committed in maintaining a sound internal control and risk management system under the leadership of the Chief Executive Officer to safeguard shareholders' investment and the Group's assets, and to discharge its management responsibilities and determine key risks and ensuring that appropriate risk management and internal control systems are implemented to manage these risks. Risk management and internal controls are integrated into management processes and embedded in business activities of the Group.

The Board is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2023 made pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and Principle B of the Malaysian Code on Corporate Governance 2021, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board of Directors recognizes its responsibility for the Group's risk management and internal control system, which covers financial, operations and compliance control as well as reviewing its adequacy and effectiveness from time to time.

The Board performs quarterly reviews to assess the adequacy and effectiveness of the risk management and internal control systems and is satisfied that the risk management and internal control system in place is adequate and effective. The Audit & Risk Management Committee ("ARMC") presents a summary of its deliberations and decisions to the Board on a quarterly basis.

Recognising the ever-changing risk landscape and the limitations that are inherent in any system of internal control, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud and operational failures. However, the aim is to ensure that any adverse effects arising from foreseeable future events or circumstances that may affect the Group's objectives are identified, mitigated, and managed.

During the financial year, ARMC reviewed the adequacy and effectiveness of the internal control system based on internal audits conducted by the Internal Audit Department ("IAD") and control issues reported by the external auditors. The ARMC deliberated on audit issues and actions taken by Management, and a summary of these deliberations has been presented to the Board.

For the financial year ended 30 June 2023 ("FY2023"), the Board has received assurances from the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer that the Group's risk management and internal control systems are operating fully and effectively in all material respects, based on risk management and internal control framework of the Group.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

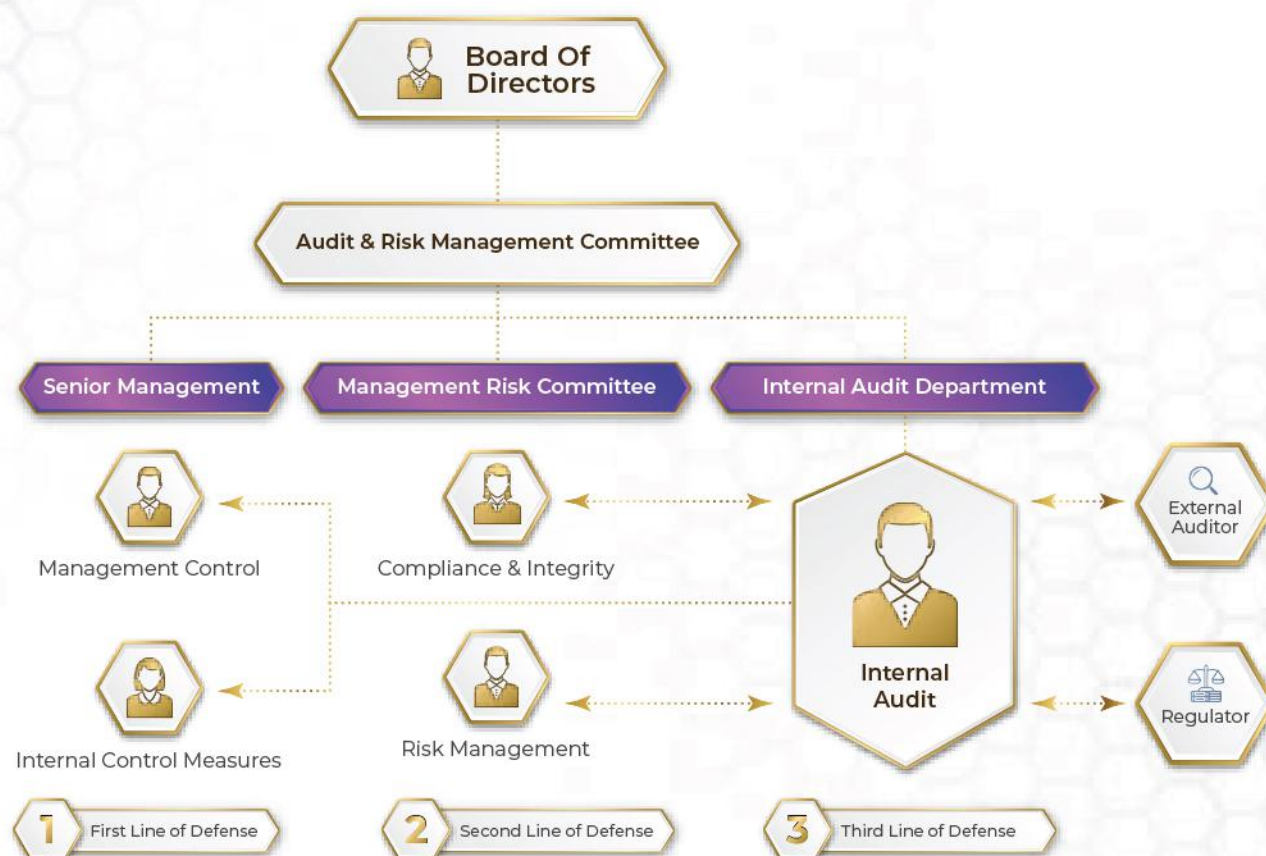
Risk management is seen as an integral part of the Group's business operations by the Board. On a daily basis, the Heads of Departments are responsible for managing the risks of their respective departments. The key risks relating to the Group's operations and business plans are addressed at yearly basis to ARMC and the Board on risk management activities undertaken by management via the Management Risk Committee ("MRC"), which keeps the ARMC and the Board apprised in respect of the Group's key risk areas and risk trends.

The risk management framework incorporated, is embedded in day-to-day business activities and management decisions. The framework has been developed to establish robust risk management processes across the Group and ensure that all business risks are prudently identified, analyzed and effectively managed.

Underpinning this broader risk management framework is an internal control system that promotes internal control design and operational effectiveness to manage key risks. The Group ensures that there is an ongoing process to identify, evaluate, manage, monitor and communicate material risks that affect the achievement of the Group's business objectives. The framework is incorporated into board-approved risk management policies and guideline documents.

Internal Audit Department incorporates into its Internal Audit Plan the necessary procedures to check the adequacy and effectiveness of the controls established to address the identified risks.

The diagram below provides an overview of the governance structure:



1 First Line of Defense

The first line of defense is provided by the Senior Management and Heads of Department accountable for all risks and effective internal controls assumed under their respective areas of responsibility. Senior Management is also responsible for the promotion of the risk culture, which will ensure greater understanding of the importance of risk management whilst ensuring its principles are embedded in key operational processes, including project evaluation and monitoring.

2 Second Line of Defense

The second line of defense is provided by the Management Risk Committee which is responsible for facilitating the risk management process and monitors financial risks and financial reporting issues, and to ensure compliance and integrity.

3 Third Line of Defense

The third line of defense is provided by the Internal Audit Department. Internal audit provides independent assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives, and ensures compliance with related regulatory requirements.

AUTHORITY AND RESPONSIBILITY



Board

Responsible for maintaining sound risk management and internal control systems to protect shareholder investments and group assets, and fulfilling management responsibilities for identifying key risks while ensuring the appropriate and effective implementation of risk management and internal control systems within the YTB Group.



ARMC

Oversees the Group's risk management framework with the assistance of the MRC and IAD and obtains reasonable assurance through the IAD on the adequacy and effectiveness of the risk management and internal control systems.



Remuneration Committee

Assist the Board, including, but not limited to, reviewing, and recommending appropriate compensation policies for directors and senior management.



Nomination Committee

Assist the Board, including, but not limited to, reviewing succession plans, recommending candidates to the Board, and conducting annual evaluations of the performance of the Board as a whole, Board committees and individual directors.



MRC

Oversee and regularly review the risk management processes of the Group's businesses and operations to ensure prudent risk management. The MRC is chaired by the Chief Financial Officer and includes representatives from all business units as well as supporting functions.



IAD

Led by the Head of Internal Audit, IAD conducts independent, objective assurance reviews of the Group's risk management and internal control systems, and assists in improving the effectiveness of risk management, control and governance processes.



RISK MANAGEMENT PROCESS

The Group's risk assessment approach is depicted in the following diagram: -



This approach outlines the policies and ongoing processes for identifying, assessing, managing, monitoring and communicating risks to the Group throughout the period under review whereby risks and risk mitigation measures are regularly reviewed and adjusted accordingly. It entails reviewing and assessing all key factors within the Group's business context covering key areas including liquidity, market, escalation of construction cost, cyber threats and security vulnerabilities risk and workplace health and safety risk. It focuses on balancing risk and reward when making strategic business decisions, managing existing and potential risks to safeguard the interests of key stakeholders and ensuring compliance with statutory and regulatory requirements.

The scope of the assessment includes interim and ongoing reviews of identified and emerging risks and management's response to significant risks to achieve:

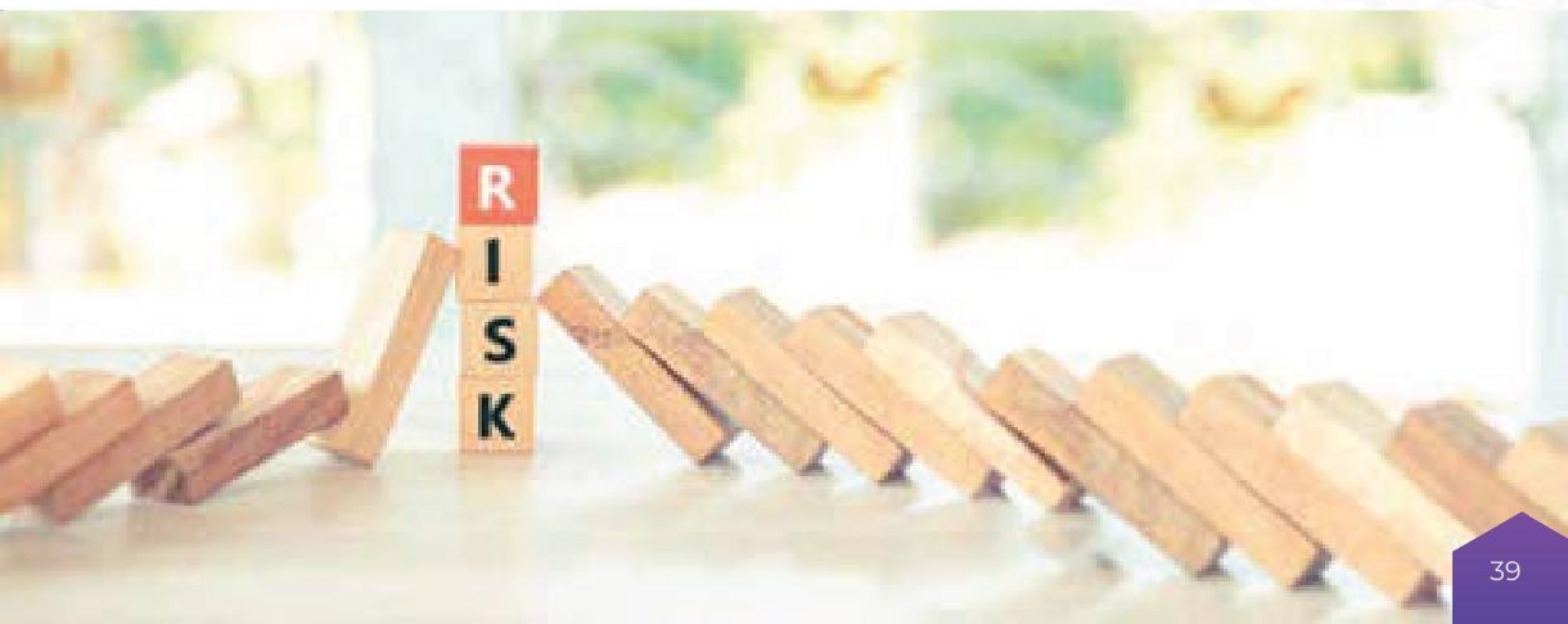
- Company strategy and business objectives;
- Operational effectiveness and efficiency;
- Completeness of information and reporting; and
- Comply with relevant laws, regulations, policies and procedures.

Methodology and approach adopted is in accordance to international standards of: - ISO 31000:2018 Risk Management; and - Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management Framework (depicted below).



The risk analysis and mitigation plans are consolidated to provide an enterprise-wide risk management overview and reported to the Management and Board on a yearly basis. The continuous risk assessment process therefore, represents the cornerstone of an effective risk management for the Group.

During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment plagued by the uncertainty of the global economic environment and the lingering impact of the COVID-19 pandemic slowing growth, tighter monetary policy, supply chain disruptions, sluggish labor markets and rising inflationary pressures which have a direct impact on the Group's profitability and liquidity position. The Group is leveraging its strengths and opportunities to address these challenges, focusing on cost optimization, revenue generation and innovative business processes to enhance competitiveness and safeguard its financial position and agility. The Group remains resilient through systematic and adequate controls to ensure risks and the exposures are constantly reviewed and proactively mitigated.



MANAGING YONG TAI KEY RISKS

Based on the current operating environment, the Group has identified five key risks that could potentially impact our business performance and value creation. These risks are carefully monitored and managed to ensure achievements of our core business objectives within the acceptable risk appetite of the Group.

KEY RISKS	MITIGATION PLAN
Liquidity Risk 	<ul style="list-style-type: none"> ● Maintained a close relationship with key bankers and explore new fund opportunities in capital market. ● Constantly reviewed and monitored the contractual obligations on the two major loans (i.e., Maybank - Courtyard by Marriott hotel loan and Bank of China - Theatre loan) to ensure all financial covenants are complied with. ● Strengthened its treasury function to closely monitor its cashflow requirement to support the Group's current and future needs. ● Fund raising via equity and/or debt capital market. ● Conduct cash flow position assessment to ensure a healthy cash flow balance through regular review meetings. ● Weekly credit control meeting to closely monitor progress billings collection from the on-going development projects. ● Review and maintain sufficient credit facilities. ● Enhance liquidity through monetisation of unsold inventories; internally generated fund (increase sales for remaining unsold inventories); debts financing; equity financing (Land) ● Two major tourism-related loans have gone through several rounds of rescheduling and reconstruction (R&R). ● Ongoing tracking and close monitoring of overdue debts.
Market Risk 	<ul style="list-style-type: none"> ● The Group constantly reviewed its development plans and made changes to its development components in response to market conditions and current demand. With current weak market sentiment, the Group's strategy is to stay focus completing all its on-going development projects and remain prudent on new launches. ● While the Group's core business is primarily on tourism and property development, the Group also explore other business opportunities in order to generate diversified income stream for the Group. ● Expedited digital marketing initiatives such as creation of more e-newsletter, videos and virtual sales events in order to boost sales in both local and international markets. ● Constantly explore innovative marketing strategy with appropriate product differentiation that suits market needs ● For future product launches and product sales, some areas to be considered for future feasibility studies: - <ul style="list-style-type: none"> • Seeking more affordable housing projects • transit-oriented development • light Industrial Park • warehouse ● With the management changes under the newly appointed Managing Director and CEO, the Group is working to transform the Group's flagship project, Impression City, into a "City of Hope" that will focus on fashion, health, artificial intelligence, art and culture, in order to position Melaka as a "Fashion and Wellness City" in the future. The Group will cooperate with a few international performance producers to hold events or performances at Encore Melaka to maximize the use of the theater and generate additional income for the Group. ● In order to attract potential investors to purchase YTB's properties, the Group will target professional and elite customers with spending power, especially those from Hong Kong, China, Japan, South Korea and the Middle East. We will be able to attract and convince these target groups to invest if we create value for their investment.

KEY RISKS

MITIGATION PLAN

Escalation of Construction Cost Risk



- Project team continually review actual costs against the project budget to reduce potential cost overruns. The project team also performed value engineering to reduce overall construction costs.
- Contract team exercise strict control on cost certification and scrutinise cost escalation from variation orders.
- Adjust marketing strategy to focus on bare units for The Dawn and U-Thant Project rather than furnished (semi/fully furnished) units.
- The contract team also assists contractors in sourcing building materials at competitive prices to manage product costs.
- Continuously monitor ongoing project costs to ensure the Group remains resilient in terms of profitability and can continue to deliver sustainable value to stakeholders.

Cyber Threats & Security Vulnerabilities Risk



- Briefing sessions conducted to enhance staff awareness on cyber threats and to remain cautious on scams.
- Use standard security tools (e.g., anti-virus software and firewall) to prevent unauthorised access to YTB confidential data.
- Implement and constant review of appropriate policies (e.g., System Firewall Policy & Monitoring, Hardware & Software Assets Protection Policy, Remote Access, Mobile Device Security, Data Loss Prevention, Network Access Control, Robust Analytics, Vulnerability Assessment, Access Control & User Access Management, Preparedness and Response in Data & Disaster Recovery) to enforce and enhance IT and digital workplace security and data recovery.
- Staff awareness is important as they are first line of defense against external threats, e.g., risk of a network intrusion.
- Conduct ongoing cybersecurity training to inform users of best practices and lead them to adopt these practices when faced with security threats to promote a culture of awareness on cyber risk, data protection and privacy.
- Train our people, test them, and try to trick them with fake exercises and / or phishing simulation. These basics have a disproportionate impact.
- Mitigate cyber risk to ensure business continuity.
- Having a resilient Data and Disaster Recovery Plan outlines the key recovery steps to be carried out in the event of a major disruption to YTB's critical IT and telecommunications services so that it can be restored within an appropriate period following the incident. This is critical for the business continuity of the Group's main businesses such as critical IT and telecommunications services, as well as the continuity of major equipment and other natural disaster failures, cyber-attacks, virus outbreaks, fires, floods, etc. The Group has taken rigorous measures to ensure that its IT infrastructure can support the uptime required by the business.

Workplace Health and Safety Risk



- To ensure construction safety at the project sites, our tender process and awarded contracts with contractors incorporates the required compliance to Malaysia's safety-at-work legislation which include the Occupational Safety and Health Act 1994 (Act 514), Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986, Mineral Development Act 1994.
- For construction and mining sites, we ensure that our main contractors are obligated to comply with all safety, health and welfare regulations pertaining to them with strict adherence to safe work procedures that are in line with the latest legal requirements.
- Safe Work Procedures are being implemented continuously during the COVID-19 outbreak and movement control order periods and four phases in the Movement Control Under National Recovery Plan (NRP).
- The Group remains exposed to the prolonged effect of COVID-19 despite improved outlook of the pandemic globally. High vaccination rates and strict adherence to SOPs continue to be an effective mitigation strategy adopted by the Group.
- As we move towards the endemic phase, the Group remains focused in ensuring the safety and wellbeing of its customers, partners and employees.
- All construction sites are insured against All Risks Insurance Policy.
- Kick starts the "Construction Site Access Waiver Of Liability And Release" on YTB construction sites to protect the company from liability for claims resulting from illness, injury, or death due to on-site inspections by investors/bankers/visitors/sales agencies/owners etc. as the construction site conditions were unsuitable and not safe for their on-site inspections.



INTERNAL CONTROL SYSTEM

Key elements of the Group's internal control environment for the financial year ended 30 June 2023 are as follows:



CLEAR OBJECTIVE

Clear objectives serve four basic functions:

- ✓ provide guidance and direction
- ✓ motivate and inspire employees
- ✓ facilitate planning
- ✓ help organizations evaluate and control performance

ORGANISATION STRUCTURE

The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group for planning, executing, controlling and monitoring business operations. In addition, the Board of Directors and its various Board Committees are all governed by clearly defined terms of reference.

Relevant Board Committees outlining functions and duties delegated by the Board.

PEOPLE MANAGEMENT

A strong recruitment strategy has been developed to attract skilled and capable individuals to the Group. On-the-job training and online virtual or physical training programmes are made available to all employees to ensure that they are adequately trained and competent in carrying out their duties and responsibilities. Established guidelines are also in place for recruitment, talent development programmes and performance appraisal to maintain high competency and capability levels.

Systematic performance appraisal for all employees of the Group.



FINANCIAL MANAGEMENT

Annual budgets are prepared by all departments and Divisions using a detailed budgeting process. These budgets are subjected to evaluation and scrutiny by the Management.

Performance against the budget is tracked by conducting budget variance analysis on each development projects and business units.

Quarterly financial results and reports are provided to the Board of Directors and Audit and Risk Management Committee with comprehensive information on financial performances of the Group.



TECHNOLOGY MANAGEMENT

The Group has established a set of IT security policies and procedures based on relevant data security standards and industry recommended practices.

The Group proactively monitors and implements layers of new controls to protect its critical business systems against the ever-evolving cyber threat landscape and challenges. Regular educational and awareness emails, briefings, phishing test etc. are conducted to enhance staff awareness particularly on cyber security.



COMMUNICATION MANAGEMENT

Regular and comprehensive information is provided by the Management to the Board and its Committees, covering financial performance, achievement of key performance indicators, progress of key projects, utilisation of funds and the Group's cashflow position.

Communication and engagement activities with all our various stakeholders are more fully disclosed on Stakeholder Engagement Process on pages 57 - 59.



RISK MANAGEMENT

Heads of Departments and Heads of Business Units are made responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.

Monthly operation meetings to discuss the Group's financial performance, business and project development, operational and corporate issues.

The C Suite level are closely involved in the running of day-to-day business and operations of the Group and they report to the Board of Directors on significant changes in the business and external environment.

CEO and CFO presented to the Board of Directors on the mitigation plan in response to key risks, which include the Group's liquidity status, project status and new ventures on quarterly basis.



STANDARD OPERATING POLICIES AND PROCEDURES (SOPs)

The key processes in the Group's management and operations have been formalised and documented in the form of Standard Operating Policies and Procedures ("SOPs"). These SOPs are subject to review and improvements, particularly through periodic reviews.

These SOPs provide guidance to all departments and business units to operate effectively and efficiently and proactively respond to potential business, operational, financial, compliance and other risks to achieving goals Group's goals and objectives. The below policies are published in the Group's web portals: -

Adoption and consistent application of appropriate accounting policies in the annual financial statements of the Group, and reasonable judgments and estimates have been made in accordance with the applicable approved accounting standards in Malaysia. Processes and controls are in place for effective and efficient financial reporting and disclosure in the annual and quarterly financial statements of the Group to give a true and fair view of the financial position and financial performance of the Group.



DELEGATED AUTHORITY LIMIT

Establish arrangements wherein the delegated authority from the board cascades downwards through the whole organization in a clear, coherent and unambiguous manner.

A central repository of delegated authorities has been established to enable tracking of such authority, and comply with clauses stated in the Approval Limits Forms ("ALF") to ensure that mechanisms are established to monitor and evaluate delegated authority granted within the Group.

The Approval Limit Table ("ALT") is a written authorization from CEO to Head of Department and/or business units' head within the YTB Group. Its primary goal is to provide a holistic view of the authority limits that have been set, encourage delegation, empowerment, and accountability, and eliminate guesswork, confusion and provide clarity.

The ALT are being implemented to ensure accountability of senior level staffing. If there are any staffing changes, appropriate amendments to the ALT are carried out simultaneously with continuous review and monitoring of any misalignment between accountability, responsibility and authority.

The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically to incorporate any changes that affect authority limits and changes in the organisation.



OCCUPATIONAL SAFETY & HEALTH (OSH)

Occupational safety and health ("OSH") guidelines, which include the formation of OSH committee and Emergency Response Team ("ERT") to monitor and enhance OSH procedures and to address OSH issues that may arise from time to time while developing a safe and healthy workforce.

The Group has a comprehensive Occupational Safety and Health Policy that has been approved by the CEO. The Group conducts ongoing health and safety training to promote and create a safe and secure workplace, ensuring the safety and success of everyone involved.



RELATED PARTY TRANSACTIONS

Periodic review of Related Party Transactions by the Audit and Risk Management Committee and the Board to ensure: -

- continuous compliance with the Main Market Listing Requirements
- to determine whether these transactions:
 - ✓ terms are no better than those available to the general public; and
 - ✓ for recurring and trading RPTs, subject to authorization approved by shareholders.

ARMC reviewed all proposed RPTs to be entered into by the Group to ensure that they were in the best interests of the Group, fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders of the Company.



ETHICS AND INTEGRITY

The Group's Anti-Bribery and Corruption Policy (ABC) was established pursuant to the introduction of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, "Guidelines on Adequate Procedures", which was made effective from June 2020. This reflects the Group's commitment in upholding and strengthening its corporate governance structure and ensuring its commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group.

Key policies governing ethics and integrity includes: -

- Terms of Reference (Audit & Risk Management Committee, Nomination Committee, Remuneration Committee);
- Fit & Proper Policy;
- Director Code of Conducts & Ethics;
- Conflicts of Interest Policy for Directors;
- Anti-Bribery and Corruption (ABC) Policy;
- Conflicts of Interest Policy for Directors;
- Code of Conduct and Business Ethics (CoBE);
- Suppliers' CoBE;
- Due Diligence Checklist;
- Bribery Risk Assessment; and
- Policy and Procedure of Whistleblowing.

The ABC Policy outlines the Group's position, key principles and tolerance with regards to anti-bribery and corruption. Strict adherence is expected without compromise. It is published on both YTB's corporate website and the intranet with the intention to:

- Set out the parameters including the main principles, policies and guidelines which the Group adopts in relation to anti-bribery and corruption;
- Provide guidance to its Board members and employees whilst discharging their duties; and
- Serve as guiding principles for its customers, business partners and stakeholders.

Key initiatives embarked by YTB in relation to ABC includes:

- Conduct of a Group-wide Bribery Risk Assessment exercise to ensure the appropriateness of mitigation measures established to minimise risk exposure;
- Roll-out of Third-Party Due Diligence process to ensure a viable potential defence through a series of guidelines, assessments, reporting and monitoring implemented in alignment with the Section 17A of the MACC Act "Guidelines on Adequate Procedures";
- Incorporation of standard clauses relating to ABC in all contractual agreements to ensure that business partners and suppliers are aware and abide to the Group's position in relation to ethics and integrity practices;
- Distribution of the "Suppliers' Code of Business Conduct" to business partners and requiring an acknowledgment from them on the reasonable and appropriate measures it will take whilst serving for or on-behalf of the Group;
- Continuously review existing ABC including the respective functions' roles & responsibilities and scopes etc.; and
- Instilling the culture of integrity and high compliance at workplace through educational and awareness communications such as refresher training, email blasts and reminders to all employees pertaining to the Group's Gifts, Entertainment, & Hospitality Policy, whistleblowing channel, ABC policy etc.

The Group has clearly set out expected behaviours of Directors and employees of the Group, contractors, sub-contractors, consultants, agents, representatives or other service providers in the Group's Code of Conduct and Business Ethics (CoBE). The declaration programme is in place with the aim of confirming that each Director, employee and vendor have read and agreed to comply with the provisions of the CoBE and ABC.

The Group has in place a Policy & Procedures on Whistleblowing that provides clarity on the oversight and responsibilities of the whistleblowing process, the reporting process, protection to Whistleblowers and the confidentiality given to Whistleblowers. The primary aim of the Policy & Procedures on Whistleblowing and its supporting mechanism is to enable individuals to raise genuine concerns without fear of retaliation.

THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("ARMC") comprises three independent non-executive directors with relevant experience and background. The ARMC has full and unimpeded access to both the internal as well as external auditors. The ARMC ensures that there exist effective risk monitoring and compliance procedures to provide the level of assurance required by the Board. The ARMC, on behalf on the Board, regularly reviews and holds discussions with management on the actions taken on internal risk management and control issues identified in reports prepared by the internal auditors and the management.

The ARMC reviews and deliberates on any matters relating to internal control highlighted by the External Auditors during their statutory audit of the financial statements of the Group.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed by in-house Internal Audit Department which reports to the Audit and Risk Management Committee on the adequacy and effectiveness of the risk management and internal control systems. All audit findings are deliberated and resolved with the management and respective Heads of Departments.

Regular assessments on the adequacy and integrity of the internal control system are carried out through internal audits. Internal audit department assist the Board and the Audit and Risk Management Committee in undertaking independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year ended 30 June 2023, internal audit reviews were carried out in accordance with a risk-based internal audit plan that is approved by the Audit and Risk Management Committee. The internal audit methodology applied is risk based and in accordance with the International Professional Practices Framework as issued by the Institute of Internal Auditors.

Results of the internal audit reviews including recommendations for improvements as well as corrective measures implemented or planned were presented to the Audit and Risk Management Committee for their deliberation on a quarterly basis. Based on the internal audit reviews conducted during the year, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors, Messrs. RSM Malaysia PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2023 in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and integrity of risk management and internal control within the Group, nor was factually inaccurate.

CONCLUSION

The Chief Executive Officer has given assurance to the Board 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 and its subsidiaries for the financial year ended 30 June 2023.

The Board is of the view that the system of internal control and risk management is in place for the year under review and, and is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments,

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

This statement was approved by the Board of Directors on 18 October 2023.

Sustainability Statement

Yong Tai Berhad ("YTB" or "Group") continues to improve our commitment in advancing the sustainable development agenda in all aspects of our business, including corporate culture, strategy and operations. With this in mind, we present our Sustainability Statement ("Statement"), which highlights our ongoing economic, environmental, social & governance ("EESG") advances and achievements related to our strategic plan strive to create long-term value for our stakeholders. This statement covers our sustainability journey during the reporting period, starting from July 1, 2022 till June 30, 2023.

YTB's sustainability strategy will consider how we operate within the ecological, social and economic environment, balancing purpose and long-term growth with profits, and balancing the needs of employees, customers and society with the needs of shareholders. EESG is used to measure economic, environmental, social and governance practices within YTB.

EESG focuses on evaluating a YTB's performance against these factors, while sustainability is a broader principle that comprehensively encompasses responsible and ethical business practices. In simple term, EESG is a subset of Sustainability Development Goals (SDGs) designed by the United Nations.

SDGs set as "blueprint to achieve a better and more sustainable future for all." SDGs give a framework to YTB to fulfil EESG requirements as each SDG entails E or S or G or a combination of two or all three together.

Although sustainability and EESG are almost similar, there is one main difference: sustainability is vague, and EESG is specific and measurable. EESG looks at how the world impacts YTB, whereas sustainability focuses on how YTB impacts the world.

"G" - governance element has already been extensively covered under the existing disclosure requirements in the Listing Requirements and the Malaysian Code on Corporate Governance 2012.

Against the backdrop of the ongoing spread of the epidemic and the current prevailing economic crisis, social disruption and uncertainty, the Group is committed to formulating a robust business strategy to ensure business continuity. YTB conduct on-going assessment of our sustainability matters and focus on delivering sustainable goals to our key stakeholders' group.

Sustainability is essential to the Group's corporate philosophy and identity. We aim to deliver financial value and societal benefits by balancing the commercial objectives with the environment and social needs of our stakeholders, as well as a strong focus on good corporate governance and risk management practices throughout our value chain and across the entire organisation to achieve a sustainable and profitable business. We have aligned our material matters with GRI & SDGs that reflect the Group's business operations and activities to ensure sustainable value creation.

Committed to integrating sustainable practices into business strategy, the Group has adopted industry best practices to establish a balanced and holistic approach to address the concerns of external and internal stakeholders to whom the Group strive to serve and partner with in the long term. While we seek an open and transparent dialogue with stakeholders, we maintain a focus on material issues where we can make a real difference, which is an integral part of our culture and reflected in the content of this report.

Enhancing Risk Management

Integrating EESG risks into our organisation's risk framework. Sustainability reporting can serve as a catalyst for us to assess EESG risks that may impact our business. Managing EESG risks can help:

- Reducing exposures to sustainability-related risks
- Staying ahead of emerging sustainability risks and disclosure regulations
- Reducing the cost of capital through a lower risk profile

Promoting Innovation & Attracting New Customers

As sustainability considerations increase, YTB recognizes opportunities and innovates to drive business growth through sustainable products, services, and customers. The community and various stakeholders are likely to be more supportive of organizations that engage in and communicate openly about the management of their EESG matters.

Maintaining A Licence To Operate

A "licence to operate" (also known as "social licence to operate") refers to society's implicit approval of an organization's business operations. It does not refer to legal or regulatory permission to operate.



We are realising key benefits from integrating sustainability in business including: -



Securing capital

Evaluating EESG factors alongside financial data when identifying investments is quickly becoming the norm for investors. Given the growing investor focus, improved sustainability performance and disclosure may provide YTB with greater access to local and global capital.

The growing investor focus has also prompted FTSE and Bursa Malaysia to launch an ESG index for the Malaysian market, called the FTSE4Good Bursa Malaysia Index, which is part of the global benchmark FTSE4Good index family. The primary objectives of the FTSE4Good Bursa Malaysia Index are to provide investors with support for ESG investing in listed issuers; to increase the visibility and visibility of organizations with leading ESG practices; to encourage best practice disclosures and attract capital allocation and investment interest for investors with concerns about ESG risks.

Improving productivity and cost optimisation

When our sustainability efforts, such as employee engagement programs or health and safety programs, go beyond basic compliance with labor standards (e.g., incorporating other benefits), YTB can expect to improve our recruitment and retention of top talent and enhance employee and supplier attractiveness and productivity. This can lead to long-term benefits such as attracting customers, improving reputation, improving operating profits and optimising capital expenditures.

Enhancing brand value and reputation

Issues such as raw material sourcing; energy and water use; and human rights have an increasing impact on YTB's brand and reputation. This can enhance confidence and trust among stakeholders, enhance brand value and reputation, and increase customer loyalty. It is widely accepted that brand and reputation create value by generating demand and ensuring future revenue for YTB.

YTB SUSTAINABILITY FRAMEWORK

VISION

To become a globally recognised company for its broad spectrum versatility and future forward thinking. A company built on turning hope into reality through tangible planning and actionable strategies.

MISSION

We are in the business of turning hope into reality. And to do so, we must begin by finding actionable and tangible ways of bringing that hope to life. Be it through, innovative strategy, advanced technology or future-forward solutions; we MAKE it happen. A belief that has already been proven to work in the fields of Arts & Culture, Wellness, Fashion, and A.I. with many more to come.



ECONOMIC

- Product safety & quality
- Delivering sustainable value
- Brand & reputation
- Procurement practises



ENVIRONMENTAL

- Land remediation, contamination or degradation
- Compliance (Environmental)
- Emission
- Water & energy efficiency
- Waste management



SOCIAL

- Product & services responsibility
- Occupational health & safety
- Labour practises
- Diversity
- Covid-19 responses
- Community engagement (CSR)



GOVERNANCE

- Business ethics, integrity & compliance
- Legal & regulatory compliance
- Data Privacy
- Group standard operation procedures (SOPs)

COMMUNICATIONS

Social Media	Annual Appraisal	Email	Feedback sessions with appointed agencies	Annual General Meeting	Corporate Website
Newsletters	Events	Site Visit	Transparent reporting and communications through annual report, quarterly results reporting and company announcements to Bursa Malaysia	Regular analyst and investor briefings	Meeting & discussions

STAKEHOLDERS

Employees, investors, customers, government & regulators, service providers

REPORTING PRACTICE AND BOUNDARY

This statement covers all YTB business segments

The Group's Sustainability Report is prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Sustainability Reporting guide for the financial year ended 30 June 2023 ("FY 2023").

INTERNATIONAL STANDARDS AND GUIDELINES

This report has been prepared in accordance with: -

- Bursa Securities' Listing Requirements;
- Bursa Securities' Sustainability Reporting Guide (2nd edition);
- Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines;
- Sustainability Accounting Standards Board ("SASB") sector specific disclosure
- FTSE4Good Bursa Malaysia Index ("FTSE4Good"); and
- United Nations Sustainable Development Goals ("UNSDGs").



GRI stakeholder inclusion, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability, and timeliness were used in identifying topics and data included in YTB Sustainability Statement 2023.

For this year's statement, we have incorporated some enhancements, including recommended improvements by these global sustainability frameworks, in our sustainability disclosures.

STATEMENT ON SUSTAINABILITY

The Group's Board and Management are committed to establish and maintain an effective Sustainability Management System which is supported by underlying, internal controls, risk management practices, clear accountability and reporting process. Take lead by the Board of Directors, Key Management and Management Risk Committee, we adopted a top-down approach to sustainability, clearly depicted roles and responsibilities for improving accountability. Board of Directors plays an active role in this governance and oversight of sustainability matters, and ongoing efforts to incorporate sustainability into the boardroom scope.

The Board evaluates the Economic, Environmental, Social and Governance ("EESG") risks and opportunities relevant to the Group during the formulation of their overall business strategy, objectives, and performance measurements. Prepared with reference to the Global Reporting Initiative ("GRI") Standards and SDGs, our Group is gradually making progress to align our EESG goals to GRI Standards and SDGs. This will help us to organise our sustainability efforts in a more focused and structured manner and aid us in bringing positive effects towards our diversified businesses range from property, tourism, healthcare sectors and soon to venture into the fashion and wellness fields.

Contribution to the Sustainable Development Goals ("SDGs")

Throughout our sustainability reporting, we remain committed to the 2030 Agenda for Sustainable Development set by the United Nations ("UN"). The following outlines the Group's efforts in support of the SDGs during the year under review:

UNSDGs	Description	Our Contribution FY2023
Goal 3: Good health and well-being	Ensure healthy lives and promote well-being for all at all ages.	Employee engagement activities to promote a healthy lifestyle. Achieved Zero Lost Time Injury Frequency Rate (LTIFR).
Goal 4: Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Total RM67,000 investment for employee development programme.
Goal 5-Gender equality	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	We embrace equal opportunity employment practices and have zero tolerance for discrimination based on age, gender, race, religion, sexual orientation, national and social origin, disability, or other determining factors.
Goal 6- Clean water & sanitation	Ensure access to clean water and proper sanitation is a necessity and should not be a privilege.	Install push taps on faucets and urinals, as well as pressure relief washers, to reduce flow in our properties and projects.
Goal 7- Affordable & Clean Energy	Adoption of renewable energy to increase energy efficiency.	Efficient lighting design to allow more natural daylight into buildings Installing/changing LED lighting progressively is part of our company's commitment to delivering sustainable buildings and improving environmental quality.
Goal 8: Decent Work and Economic Growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	100% procurement spending on local suppliers.
Goal 9: Industry, Innovation & Infrastructure	Incorporating innovative design features into all our properties and projects as well as innovative housing designs that meet the budget and aspirations of homebuyers.	Supply chain management, sustainable design, Customer Experience, Brand Reputation and Data Privacy. Substantial investment in infrastructure around our developments, including road development, drainage improvements and other amenities.

Goal 11: Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable.	Expanded green building initiatives throughout City of Hope township. Consideration for public transportation and disabled person access.
Goal 12: Responsible consumption & production	Utilised the sustainable procurement policy to engage with like-minded suppliers with regards to promoting sustainability within the local economy and minimising adverse environmental impact.	Usage of water from rainwater harvesting systems for landscaping and cleaning, to conserve and reduce unnecessary consumption of potable water.
Goal 13: Climate Action	Take urgent action to combat climate change and its impacts.	Tracking of Scope 1 and Scope 2 operational GHG emissions.
Goal 16: Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.	Corporate risk assessment for corruption conducted. Updated Procurement Policy and Procedure Sustainable Procurement Policy

FY2023 OVERVIEW OF YTB SUSTAINABILITY HIGHLIGHTS



Zero
Incidence of Customer
Data Breaches



Zero
Incidence of Corruption



Zero
Incidence of Regulatory
Non-Compliance



123 total
workforces



RM 122 Mil total
revenue generated

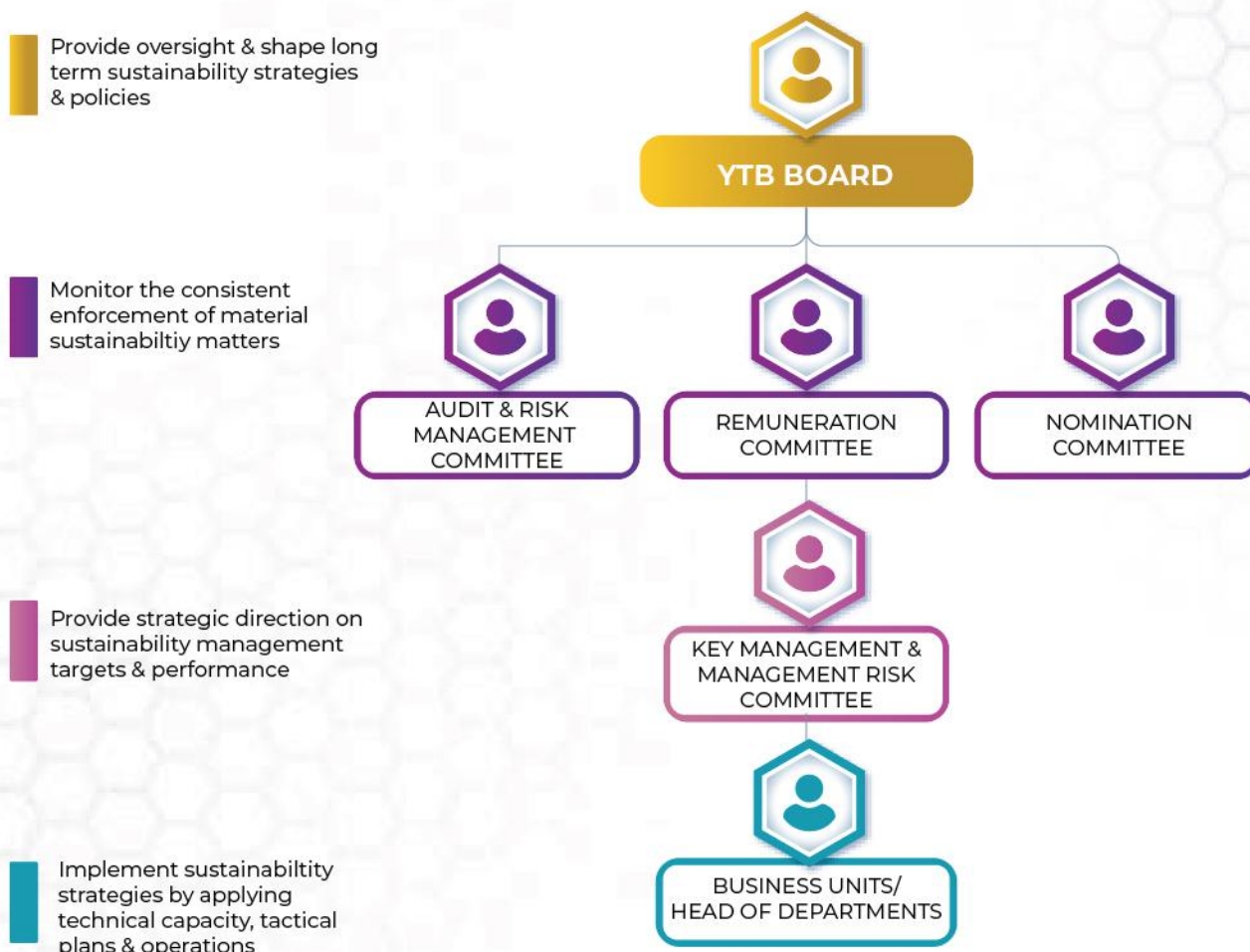


100%
procurement spent
on local vendors

The Key Management identifies the type of relevant EESG topics caused by its daily operations as part of our ongoing effort in strengthening sustainability governance for efficiency sustainability-related decision-making and implementation. Management then determines the Materiality of the EESG topics based on the level of significance of impact on, and influence on stakeholder values, and the achievement of the Group's strategic objectives. Through robust review, the Board supports and approves the identification and assessment parameters of material EESG topics.

The Audit & Risk Management Committee ("ARMC") monitors the consistent enforcement of material sustainability matters across YTB Group and reviews this on a regular basis to ensure it remains relevant to the business and operations; complies with current laws and regulations; and align to the Group's sustainability targets and goals.

On yearly basis, Management Risk Committee ("MRC") deliberates on material sustainability matters relating to EESG risks, new opportunities as well as keeps the ARMC and Board updated on these issues.



YTB has a Code of Conduct and Business Ethics (CoBE) for employees as well as the Board and Management. The CoBE details the rules and regulations for corporate conduct and the way YTB representatives engage professionally with stakeholders, in particular suppliers, contractors, business partners and others.

The Code clearly spells out conflicts of interest, rules of engagement between employees and superiors regarding corrupt or unethical conduct, and more. CoBE is available on YTB's intranet drive and company website, allowing employees to easily access information

The Board and Key Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will work towards ensuring comprehensive disclosures on the management and monitoring of our sustainability initiatives for continual improvement. We are constantly enhancing our sustainability strategy which will contribute to the enhancement of the framework over the years.

The Group firmly believes in adopting high standards of corporate governance to protect the interests of stakeholders. Under the leadership of the Board and the support of management, sustainability principles have been integrated into the Group's policies and procedures,

including our business conduct, product design development, construction and project management activities, talent management and links with community and wider society.

In support of this Code, we adhere to strong group policies that support good business ethics and maintain high standards of organizational integrity. These include the Board Charter, Term of Reference of Audit & Risk Management Committee, Term of Reference of Nomination Committee, Term of Reference of Remuneration Committee, Fit & Proper Policy, Internal Audit Charter, Conflict of Interest Policy for Directors, Director Code of Conducts & Ethics, Anti-Bribery and Corruption Policy (ABC), Policy & Procedures of Whistleblowing and Data Privacy Policy, Occupational Safety & Health Policy, Corporate Governance, Corporate Social Responsibility etc which together provide specific guidance to employees at all levels of our organization. The above policies can be viewed on our investor relations portal at www.yongtai.com.my. These policies are regularly reviewed to ensure their continued effectiveness.

This sustainability governance structure is supported by a strong set of governance frameworks and policies to manage YTB's sustainable development in four areas: economic, environmental, social and governance.



YTB MATERIALITY ASSESSMENT PROCESS

The process of materiality assessment was guided by the GRI and SDGs, widely adopted global sustainability standards for sustainability reporting, and as recommended by Bursa Securities for all listed entities.



Tone from the top

To embed sustainability effectively, accountability should be at the highest level, i.e., the Board. Board-level commitment is crucial as it is the Board that sets the strategic direction of the organisation. Such commitment is also important towards ensuring that sustainability is embedded across the organisation and adequate resources, systems and processes are in place for managing sustainability issues. This includes incorporating sustainability considerations into the organisation's existing risk management framework.

Identifying & Prioritising Material Sustainability Matters

The extent of EESG risks and opportunities ("sustainability matters") for organisations can be wide ranging. For this Guide, sustainability matters are considered material if they:

- (i) Reflect our organisation's significant EESG impacts; or
- (ii) Substantively influence the assessment and decisions of our stakeholders.

Stakeholders' Engagement

Our stakeholder network consists of those affected by our operations and those who influence our activities. Engaging with stakeholders is important in setting priorities for our strategy to create shared value. Their feedback informs our activities, reporting and disclosure approach and underpins our materiality assessment process.

Stakeholder meetings, workshops and other events help us deepen dialogue and understanding of important social issues. This interaction helps our teams build capabilities, foster collective action, and foster trust and mutual respect.

We view the following groups as fundamental to the continued success of our business: -

- Employees
- Customers
- Service providers
- Investors
- Government & regulators
- Bankers

Materiality Assessment

Factors contributing to the determination of material sustainability matters may include the business model and strategy, products and services, types of stakeholders, size of the organisation, geographical presence, and YTB's risk appetite, etc

Managing Material Sustainability Matters

We develop our position and response to each material sustainability matter once it has been reviewed and approved.

The responses take the following form: -

- Develop policies and procedures;
- Implement various initiatives, measures, or action plans;
- Set indicators, goals and objectives and timelines in line with YTB's strategic objectives and, where possible, set long-term goals (e.g., five-year targets); and
- Implement new or change existing systems to capture, report, analyse and manage data requirements related to each material sustainability issue.

The management of material sustainability issues must be fit for purpose and, where possible, consistent with existing management methods and processes and international standards where applicable.

Communicating & Providing Credibility To Our Sustainability Performance & Disclosures

When communicating our sustainability performance to the market, we must comply with our sustainability disclosure obligations set out in our Listing Requirements.

The Group's Board and Management are committed to establish and maintain an effective Sustainability Management System which is supported by underlying, internal controls, risk management practices, clear accountability, and reporting process. Take lead by the Board of Directors, Key Management and Management Risk Committee, we adopted a top-down approach to sustainability, clearly depicted roles and responsibilities for improving accountability. Board of Directors plays an active role in this governance and oversight of sustainability matters, and ongoing efforts to incorporate sustainability into the boardroom scope.

FEEDBACK

Stakeholders' feedback is important to the Group. We welcome any feedback on this Statement and any aspect of our sustainability performance to help make our future reports more relevant to our stakeholders. Please address all feedback to our Management Risk Committee at mrc@yongtai.com.my.

STAKEHOLDER ENGAGEMENT

We define stakeholders as the parties affected by our organization's business decisions and activities, and the groups (have vested interests of our company) whose actions and decisions will affect our business growth.

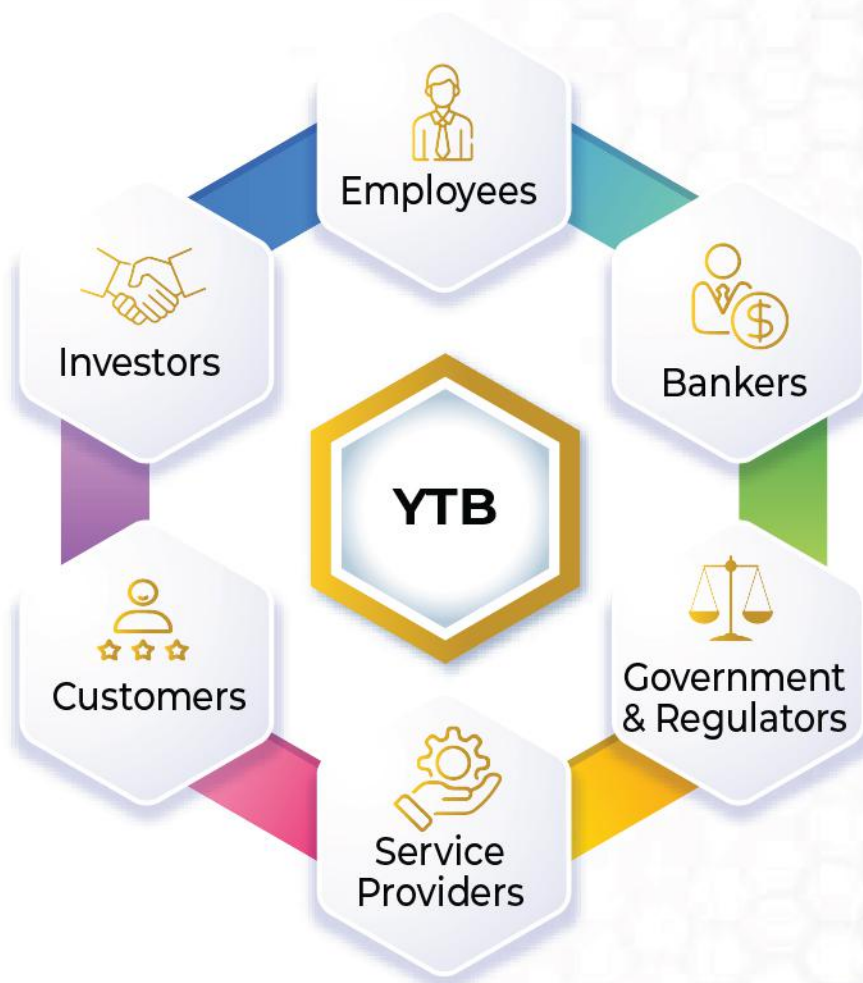
We have adopted a consistent and systematic approach towards the identification of the key stakeholders whose decisions are material to our continual and smooth operations. The key stakeholder groups are determined using assessment parameters involving quantitative and qualitative matrices.



We maintain regular engagement with our stakeholders, allowing us to identify their key priorities and concerns and align them with the organisation's business practices and strategies. We have mapped our stakeholder's

concerns and our responses to sustainability material issues, which allow us to identify any associated risks and opportunities arising from those concerns. The Group places a strong focus on achieving the expectations of our key stakeholder groups. Identifying and addressing the concerns of key stakeholders through engagement enable us to strive for continual success in value creation for all stakeholders.

As the Group continues to expand its operations, the Management is committed to review the relevance and significance of key stakeholders, on at least an annual basis. Table below is the list of our key stakeholders and their identified areas of interest as well as our response to these interests for FY 2023.

YONG TAI STAKEHOLDER ENGAGEMENT



KEY STAKEHOLDERS	KEY TOPICS OF INTEREST	ENGAGEMENT CHANNELS
 <p>Employees</p> <p>The backbone of productivity and innovation. By nurturing a diverse talent pool, we retained the knowledge and skills needed to maintain our market position.</p>	<ul style="list-style-type: none"> • Corporate direction and growth plan • Remuneration and benefits • Career development opportunities • Workplace health and safety • Work-life balance • Employee safety protocol put in place during the COVID-19 outbreak • Succession Plan • Ethics and integrity • Transparency & communication • Diversity 	<ul style="list-style-type: none"> • Orientation for new staff • Townhall meeting • Management feedback sessions • Annual performance appraisal • Regular meetings and discussions • Email blast announcement • YTB Rec Club activities • Training programs • Yearly CEO's dialogue • Festival celebrations
 <p>Government and Regulators</p> <p>Provide incentives, guidance for compliance with regulatory matters and direction of national agendas</p>	<ul style="list-style-type: none"> • Compliance • Waste management • Labour practices • Environmental management and compliance • Occupational health and safety 	<ul style="list-style-type: none"> • Compliance with regulatory requirements • Meetings and discussions • Site inspections & visits • Transparent reporting and communications through annual report, quarterly results reporting and company announcements to Bursa Malaysia • Attending seminars and training sessions
 <p>Customers</p> <p>Drive demand for our projects and identify future trends. They keep us in business.</p>	<ul style="list-style-type: none"> • Pricing • Quality and workmanship • Design and features • Product safety • Product delivery • Defects rectification • Customer service and experience • Resource efficiency and utility savings • Dispute on agreements • Personal Data Protection Act ("PDPA") compliance • Customer & data privacy • Ethical practices • Environment, Social & Governance practices & commitment 	<ul style="list-style-type: none"> • Face-to-face meetings • Corporate website/ Social media channels • Feedback sessions with appointed agencies • Newsletter • Corporate & product brochures • Direct messaging (SMS and Email/ EDM blasts)
 <p>Service providers</p> <p>Provide services/ products which meet our standards and expectations. Their resources, materials and expertise enhance our ability to achieve our value creation goals.</p>	<ul style="list-style-type: none"> • Transparent procurement practices • Payment schedules • Pricing of services • Sustainable building methods • Health, Safety, and Environment (HSE) compliance • Project completion and timely delivery • Product quality • Agents' performance and compliance management • Non-disclosure agreement • Service quality management 	<ul style="list-style-type: none"> • Tenders are conducted in accordance with the limits of authority and Standard Operating Procedure and Policies ("SOP") requirements • Senior management and service providers hold regular meetings to identify areas for improvement. • YTB's service providers and suppliers must declare and adhere to YTB's Supplier Code of Conduct and Business Ethics through the Acknowledgment Form and YTB's Due Diligence Checklist • Sustainable Procurement Policy



Investors

Provide capital support to our business continuity

- Corporate governance & transparency
- Corporate direction and growth plan
- Reporting Standards
- Interest in the Group's financial and operational performance
- Strategy and risk management
- Transparency and timely disclosure of information
- Annual General Meeting
- Transparent reporting and communications through annual report, quarterly results reporting and company announcements to Bursa Malaysia
- Meetings/Briefings
- Site visits
- Newsletter
- Regular analyst and investor briefings
- Company's website
- Conduct briefings and updates for analysts, fund managers and potential investors as and when required



Bankers

Provide financial advices and solutions for efficient flow of capital & credit and sustain long-term capital flow

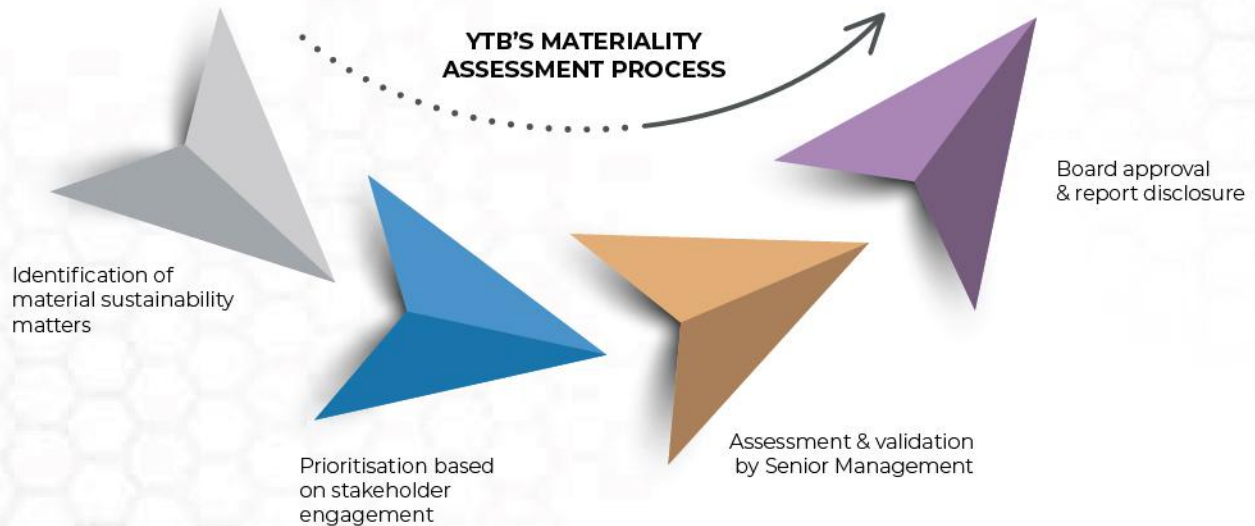
- Corporate governance & transparency
- Corporate direction and growth plan
- Financial performance
- Financial covenants
- Strategy and risk management
- Project launches
- Project Sales
- Annual General Meeting
- Transparent reporting and communications through annual report, quarterly results reporting and company announcements to Bursa Malaysia
- Meetings/ Briefings
- Site visits
- Newsletter

Throughout the year, we diligently consider feedback and comments gathered and through these encounters gain valuable input on our economic, environmental, social and governance performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

The Group develops and strengthens relationships with our primary stakeholders through frequent, transparent communication and open feedback mechanisms. Proactive engagement with employees, contractors, communities, and shareholders help us understand their expectations for performance and maintain transparency.

MATERIALITY ASSESSMENT

The Management adopts the materiality principle in identifying critical sustainability issues, risks and opportunities that could significantly impact our stakeholders and business growth. In response to changing stakeholder expectations and managing emerging challenges, and as part of the Group's effort to build capacity on sustainability, we continued the materiality assessment involving all our middle and senior Management, across businesses and functions to reassess the prioritization of our material sustainability issues identified in FY2023.



Using an average weighted impact ranking method, that is the expected impact / importance to external stakeholders, against significant / impact to the Group's business operations and reputation, the nature and impact of EESG Key Materiality Issues (Table 2) caused by its day-to-day operations were assessed and plotted onto a materiality matrix (Table 1) and then each matter was mapped to its corresponding GRI & SDGs indicator (Table 3).

We also realigned the materiality topics based on global trends, risks topics, consequences and opportunities to ensure our material matters are up-to-date and aligned with the latest economic situation and stakeholder needs. This materiality assessment was subsequently presented to the Board for approval.

At the conclusion of our materiality assessment process, we have reconfirmed our 8 material topics for FY2023. Disclosures include the potential and actual impact of these EESG topics on the Group, discussions on management approaches, the Group's performance in addressing or relating to these topics and related future.

Importantly, the materiality matrix enables YTB to gain further insight by examining how the materiality topics for FY2023 leads to risks and opportunities for the group.



ECONOMIC

- Product safety & quality
- Delivering sustainable value
- Brand & reputation
- Procurement practises



ENVIRONMENTAL

- Land remediation, contamination or degradation
- Compliance (Environmental)
- Emission
- Water & energy efficiency
- Waste management



SOCIAL

- Product & services responsibility
- Occupational health & safety
- Labour practises
- Diversity
- Covid-19 responses
- Community engagement (CSR)



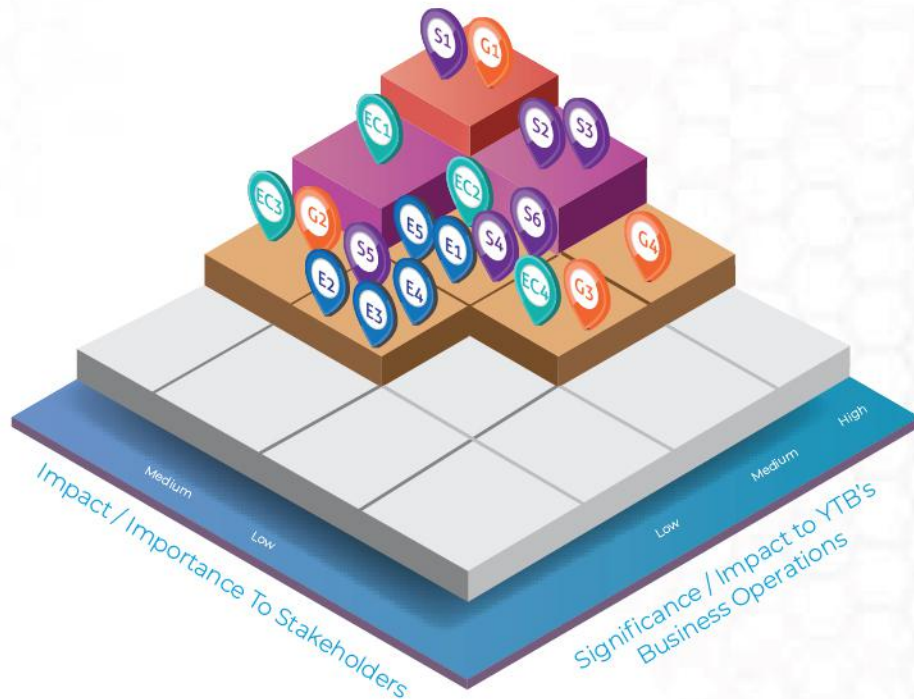
GOVERNANCE

- Business ethics, integrity & compliance
- Legal & regulatory compliance
- Data Privacy
- Group standard operation procedures (SOPs)

Materiality Matrix

Table 1: Materiality Matrix for Yong Tai
 "x" axis represented each material matter's significance to business operations
 "y" axis, its significance to stakeholders.

YONG TAI Materiality Matrix



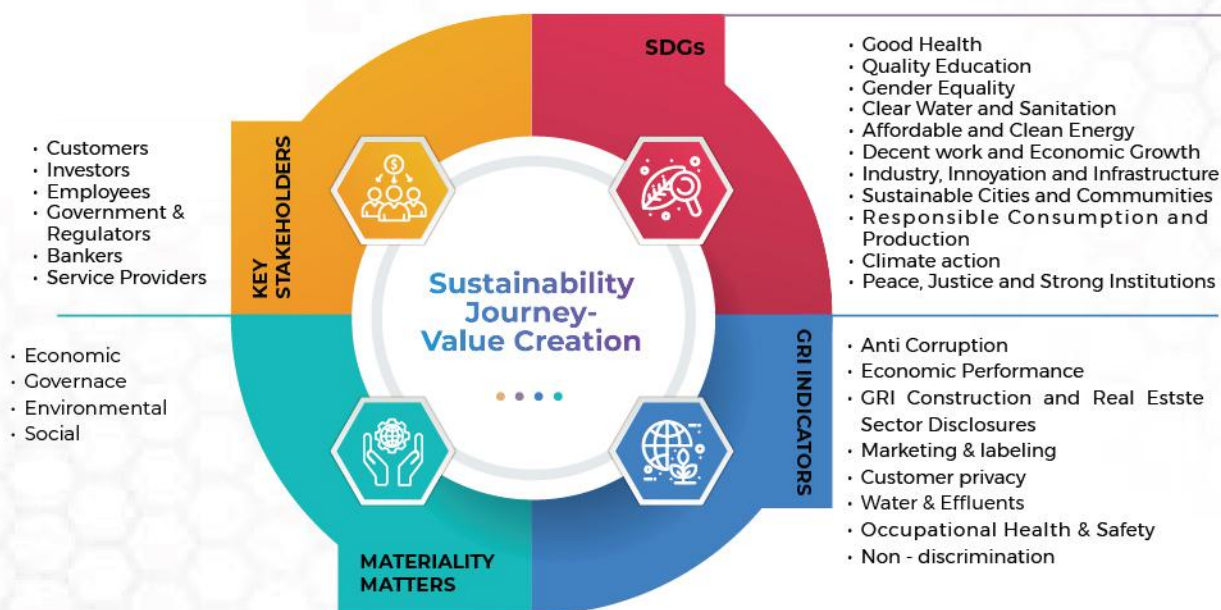
Economic	Environmental	Social	Governance
EC1 Product Safety & Quality	E1 Land Remediation, Contamination or Degradation	S1 Product & Services Responsibility	G1 Business Ethics, Integrity & Compliance
EC2 Delivering Sustainable Value	E2 Compliance (Environmental)	S2 Occupational Health & Safety	G2 Legal & Regulatory Compliance
EC3 Brand & Reputation	E3 Emission	S3 Labour Practices	G3 Data Privacy
EC4 Procurement Practices	E4 Water & Energy Efficiency	S4 Diversity	G4 Group Standard Operating Procedures (SOP)
	E5 Water Management	S5 Covid-19 Responses	
		S6 Community Engagement (CSR)	

Table 2. EESG Key Material Issues for Yong Tai

The sustainability matters identified were categorised into four (4) wider sustainability factors, based on GRI standards – Economic, Environment, Social and Governance.

SUPPORTING GRI & SDGs THROUGH OUR SUSTAINABILITY PRACTICES AND PERFORMANCE

The sustainability matters identified were categorised into four (4) wider sustainability factors, based on GRI & SDGs standards – Economic, Environment, Social and Governance.



KEY MATERIAL ISSUES AND INDICATORS FOR YONG TAI BERHAD

	Material Sustainability Matters	GRI Indicators	SDGs	Stakeholder Group(s)
Economic	<ol style="list-style-type: none"> 1. Product safety & quality 2. Delivering sustainable value 3. Brand & reputation 4. Procurement practices 	<ol style="list-style-type: none"> 1. Customer Health & Safety 2. Economic performance 3. Marketing & Labeling 4. Procurement practices 		<ol style="list-style-type: none"> 1. Employees, investors, customers, bankers 2. Employees, investors, customers, bankers 3. Employees, investors, customers, bankers 4. Service providers, investors, customers
Environment	<ol style="list-style-type: none"> 1. Land Remediation, Contamination or Degradation 2. Compliance (Environmental) 3. Emission 4. Water & energy efficiency 5. Waste management 	<ol style="list-style-type: none"> 1. Environmental Compliance 2. Energy 3. Water & Effluents 4. Emissions 5. Effluents & Waste 		<ol style="list-style-type: none"> 1. Regulators, investors, service providers, employees 2. Regulators, investors, employees 3. Regulators, investors, service providers, employees 4. Regulators, investors, service providers, employees 5. Regulators, investors, service providers, employees
Social	<ol style="list-style-type: none"> 1. Product & services responsibility 2. Occupational health & safety 3. Labour practices 4. Diversity 5. Covid-19 responses 6. Community engagement(CSR) 	<ol style="list-style-type: none"> 1. Occupational Health & Safety 2. GRI Construction and 3. Real Estate Sector Disclosures 4. Employment 5. Diversity & Equal Opportunity 6. Training & Education 7. Non-discrimination 		<ol style="list-style-type: none"> 1. Employees, investors, customers, bankers 2. Employees, regulators 3. Employees, regulators 4. Employees, regulators 5. Employees, regulators, investors, Service providers, customers 6. Communities, investors, customers
GOVERNANCE	<ol style="list-style-type: none"> 1. Business ethics, integrity & compliance 2. Legal & regulatory compliance 3. Data Privacy 4. Group Standard Operating Procedures (SOPs) 	<ol style="list-style-type: none"> 1. Anti-Corruption 2. Customer Privacy 		<ol style="list-style-type: none"> 1. Employees, investors, customers regulators, service providers, bankers 2. Customers regulators, service providers 3. Customers, regulators 4. Employees, investors, customers regulators, service providers customers

Table 3. Key Material Issues for Yong Tai (mapping with GRI & SDGs)

The identification of the material issues and definitions are summarised in the following table:

Material Sustainability Matters		DESCRIPTION
Economic	Product safety & quality	Maintaining customer satisfaction is an integral part of our success. Customers' continued demand for our products and support for our growth will ensure YTB continues to grow.
	Delivering Sustainable Value	Providing sustainable value to stakeholders is the main reason why businesses exist. Each stakeholder group is intrinsically linked to other stakeholder groups. Contributing to local communities and assisting them in improving and enhancing their socio-economic status.
	Brand & reputation	Brand and reputation are intangible assets that form the basis of trust with our key stakeholders and build our brand image and reputation. Issues such as raw material procurement; energy and water use; human rights, product and service quality; good corporate governance and business ethics; compliance with laws and regulations has an increasing impact on YTB's brand and reputation.
	Procurement Practices	YTB Sustainable Procurement Policy reflects our commitment to integrating sustainability into everything we do. From day-to-day administrative needs to the cornerstone of our growth, procurement plays an important role in what we do. Conducting our procurement function sustainably means ensuring that the products and services we purchase and their associated suppliers are environmentally and socially responsible. Sustainable sourcing must also be ethical and make good financial sense.
Environment	Land Remediation, Contamination or Degradation	In planning and developing our projects, we adhere to strict guidelines set by the Department of Environment ("DOE"). Undertaking green initiatives including those involving the environment, greenhouse gas emission and energy management, where possible. Minimising environmental impact on areas within and adjacent to our development areas.
	Compliance (Environmental)	We organise regular review meetings with contractors and consultants to monitor construction site environmental related risks and integrate sustainable design and practices into construction and operation of buildings.
	Emission	We are committed to support the national agenda to reduce the intensity of greenhouse gas emissions and are fully aware of our role in decarbonizing our business. Climate change is a continuing focus of the Group. Our medium-term ambition is to become carbon neutral by 2030 and our long-term ambition is to become a net zero organization by 2050 in line with Malaysia's commitment to reduce greenhouse gasses.
	Water & energy efficiency	YTB intends to address energy use, particularly electricity and fuel, to improve emissions management and thereby directly reduce its climate change impact. We recognize that water conservation is key to meeting our climate responsibilities. We are tracking water usage across our business units and going forward we will plan to take steps to optimize water usage and reduce water wastage.
	Waste Management	We strive to proactively reduce environmental pollution and carbon emissions from operational waste by optimizing our material consumption and reduce construction waste. We work to incorporate more environmentally friendly building components into the construction process.

Material Sustainability Matters		DESCRIPTION
Social	Product & Services Responsibility	Quality of products and services have direct impact on stakeholders, especially customers. Delivering sustainable economic growth and returns to our investors and enrich the domestic economy.
	Occupational Health & Safety	Integrate health and safety principles across our business operations and products' life cycle to ensure overall good health and wellbeing of employees are being taken care of. Providing a safe and healthy workplace for all our employees, including those directly employed by the Group as well as those who work in our premises on development and construction sites.
	Labour Practices	We integrate sustainability into our labor practices by adopting working practices that meet current long-term needs without compromising the future of our business. Sustainable labor practices enable us to meet our legal obligations to our employees.
	Diversity	We are an equal opportunity employer and have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. We are committed to provide a work environment that is free of discrimination for our employees. There is no preference for any religion, age, ethnicity, race, physical disability, or gender. Employees are required to observe and adhere all relevant Group policies and practices.
	Covid-19 Responses	As we enter the pandemic phase, the Group remains focused on ensuring the safety and well-being of its employees, customers and partners.
	Community Engagement (CSR)	As corporate players, we recognize our obligation to create value for society, contribute to local communities, and help them improve and enhance their socioeconomic status. The organization's community outreach focuses primarily on conservation and community development. YTB is excited to return to more CSR activities.
GOVERNANCE	Business Ethics, Integrity & Compliance	The organization's values, principles, standards and norms, including due diligence to safeguard human rights principles and misconduct events by third parties, prevent bribery, corruption etc. within its operations or through its relationships with stakeholders. Comply with applicable laws and regulations as well as environmental and socio-economic standards that provide us with a license to operate.
	Legal & regulatory compliance	We ensure regular communication, education, and training on compliance issues with our employees. Regulatory compliance describes our business objectives to achieve regulatory compliance.
	Data privacy	YTB conducts ongoing cybersecurity training to inform users of best practices and teach them how to adopt these practices when faced with security threats to promote a culture of awareness on cyber risk, data protection and privacy.
	Group Standard Operating Procedures (SOPs)	The key processes in the Group's management and operations have been formalised and documented in the form of Standard Operating Policies and Procedures ("SOPs"). These SOPs are subject to review and improvements, particularly through periodic reviews.

ECONOMIC TOPICS

PRODUCT SAFETY AND QUALITY

Maintaining customer satisfaction is an integral part of our success. Customers' continued demand for our products and support for our growth will ensure YTB continues to grow.

YTB places great emphasis on maintaining and continuously improving the quality of our products and services. YTB is closely monitoring contractors' performance in terms of timeliness, quality of work and health and safety practices at the site. We conduct regular inspections to identify potential issues during the construction phase and rectify any errors discovered. These assessments not only ensure that our projects are developed to high quality standards and executed in a timely manner and without unnecessary delays.

The Group conducts product quality inspections on random units on to evaluate the quality and workmanship of units before vacant possession and before handing over a property to a home buyer. Components inspected include tiles, interior paint, electrical and plumbing functionality, general cleanliness, and leak detection. Internally, assessment results are frequently disseminated and analyzed to enhance commonly identified defect works.

The statutory 24-month defects liability period allows new homeowners to raise any concerns about defects in their unit.

DELIVERING SUSTAINABLE VALUE

We have robust risk management and internal control systems in place to build our resilience, enhance our ability to meet stakeholder needs and achieve our long-term strategic goals.

Due to the impact of supply chain disruptions and oil price fluctuations, large-scale conflicts between Europe's Ukraine-Russia in fiscal 2022 have suppressed global economic conditions, and economic uncertainty remains in 2023. China has only reopened its borders since January 2023. China's zero-COVID policy has led to prolonged lockdowns in Shenzhen and Shanghai, the country's two largest manufacturing and commercial hubs. While ports in these cities remain open, lockdowns have disrupted manufacturing, trucking and logistics operations. YTB is still seeing higher sales cancellation rates. This has been worsening by banks' stricter approach to credit approvals, leaving many buyers unable to secure the required financing deposits. In response, we continue to redirect marketing budgets towards assistance packages to help buyers become homeowners (rent to own package).

We continue building meaningful and lasting relationships with our stakeholders to achieve sustainable long-term economic growth. We seek ways to have a positive impact on local economic development through various business sectors. As a sustainable-driven organization, we recognize that we have a responsibility to contribute to the growth of the local economy.

For further insights into our financials and analysis of our key operating risks and mitigation controls, please refer to the following sections of the Annual Report:

- Management Discussion and Analysis Statement (page 18 to page 21)
- Financial Statements (page 81 to page 148)
- Statement on Risk Management and Internal Control (page 36 to page 47)

BRAND & REPUTATION

Brand and reputation are intangible assets that form the basis of trust with our key stakeholders and build our brand image and reputation. Issues such as raw material procurement; energy and water use; human rights, product and service quality; good corporate governance and business ethics; compliance with laws and regulations has an increasing impact on YTB's brand and reputation. This can enhance confidence and trust among stakeholders, enhance brand value and reputation, and increase customer loyalty. It is widely accepted that brand and reputation create value by generating demand and ensuring future revenue for YTB. Consider changing market trends and customers' need, YTB must consider demand and the expectations of each stakeholder group and set clear strategies to meet these needs.

PROCUREMENT PRACTICES

The impacts of the COVID-19 pandemic are being felt across many industries, especially those that rely on global supply chains. Construction materials, labor and building fixtures are often sourced from international markets to optimize costs and meet volume requirements. To overcome this challenge, we manage procurement costs through strong contract management by maintaining product pricing and continuously monitoring resource availability to manage delivery times for the products we purchase.

YTB Sustainable Procurement Policy reflects our commitment to integrating sustainability into everything we do. From day-to-day administrative needs to the cornerstone of our growth, procurement plays an important role in what we do. Conducting our procurement function sustainably means ensuring that the products and services we purchase and their associated suppliers are environmentally and socially responsible. Sustainable sourcing must also be ethical and make good financial sense.

Sustainable Procurement Policy is made available to all employees via an intranet portal and will also be communicated to current and potential suppliers and or/ supply chain partners. This policy is also available for public viewing via the YTB corporate website www.yongtai.com.my.

ENVIRONMENTAL TOPICS

LAND REMEDIATION, CONTAMINATION OR DEGRADATION

Yong Tai has been conscious and remained committed to protecting and improving the environment surrounding the Group's operations. Our Project team plays a significant role in identifying environmental risks at an early stage to reduce any environmental impacts arising from our operations. We adhere to the stringent guidelines established by the Department of Environment ("DOE") in terms of planning and developing our projects. A key component of our effort in environmental compliance is the mandatory Environmental Impact Assessment ("EIA") to be submitted to the DOE.

An EIA is always undertaken during the planning stage of any development project to identify environmental threats and opportunities upfront, covering areas such as soil erosion, water quality, biodiversity, air quality, noise, as well as sustainable resources. The significant findings of the EIA and their cost implications, if any, are presented to the Management and Board for their deliberation and decision.

We recognize that water conservation is key to meeting our climate responsibilities. We are tracking water usage across our business units and going forward we will plan to take steps to optimize water usage and reduce water wastage.

Our projects installed with a rainwater harvesting system where the rainwater is collected and conveyed through rainwater downspouts and stored in a covert tank within the building compound. This significantly reduces water consumption as the collected rainwater can be used for general purposes such as watering plants and washing cars.

We believe that sustainability is an important factor in strengthening our company and creating value for our clients. As a result, our projects provide energy and water saving features for residential and commercial properties, as well as our townships. These features include LED lighting, building management system (BMS), efficient lighting design to allow more natural daylight into buildings, ecofriendly paint, rainwater harvesting etc. to minimise the amount of energy being used to generate a smaller carbon footprint and to achieve greater sustainability.

To help conserve our natural resources, our projects feature sanitary ware and fittings that have 3-Star Water Efficient Product Labeling Scheme ("WEPLS") by SPAN.

During land development, our Project team monitors closely to ensure development works are within the parameters of submitted EIA. We ensure our partners, and/or third parties contractors adhere to the same commitment and standard of practices towards reducing land contamination or degradation by incorporating such requirements into our tenders and contracts.

ENVIRONMENTAL COMPLIANCE

The Group's operations continue to conform to local environmental laws and regulations. Our tender process with contractors clearly states the need for compliance to Malaysia's environmental protection, safety-at-work and other required legislations. During day-to-day operations, we organise regular review sessions with contractors and consultants to monitor environmental related risks at construction sites. All employees of the Group and that of contractors and consultants are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

The environmental regulations that we comply with are listed below in Table 5.

COMPLIANCE

Environmental Quality Act 1974 (and its Amendments)

Environmental Quality (Scheduled Wastes) Regulations 2005

Environmental Quality (Sewage) Regulations 2009

Environmental Quality (Clean Air) Regulations 2014

Industrial Effluent Regulation 2009

Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015

Land Conservation Act 1960

Mineral Development Act 1994

State Mineral Enactments

Table 5. Environmental Compliance Requirements in Malaysia

The Group is committed to the safe and environmentally responsible design, construction, operation and regularly reviews any risks and potential problems related to its operating environment. Action and measures have been taken to ensure that relevant environmental factors remained within the regulatory requirements of our operations.

During the reporting period, there were no incidences of non-compliance and penalties pertaining to environmental-related issues. We track and monitor our impact on the environment through a combination of initiatives. To maintain the highest standard of environmental compliance and to prevent future occurrence of incidence, we will continue to review and improve current environmental management system and practices.

EMISSIONS

The concentration of greenhouse gases in the atmosphere continues to rise, threatening the stability of the global climate. Our planet is heating up at an accelerated rate, and the results will have devastating effects on life on Earth. By 2034, Earth's average temperature is projected to rise 3 degree Celsius above pre-industrial levels. Rising carbon dioxide concentrations lead to a variety of impacts, including rising sea levels, changing precipitation patterns, an increase in extreme weather events such as droughts and floods, and melting of glaciers and polar ice caps.

Malaysia's Nationally Determined Contribution ("NDC") to reduce greenhouse gas ("GHG") emissions is in line with the goals of the Paris Agreement on 16th November 2016. Under the plan, Malaysia increased its mitigation ambition with an unconditional target to cut carbon intensity against GDP by 45% by 2030 compared to 2005 levels. In the first NDC, the unconditional emissions reduction target was 35%, with an additional 10% being conditional on external support conditional upon receipt of climate finance, technology transfer and capacity building in developed countries. Additionally, government agencies have implemented various policies to support Malaysia's national data center.

We are committed to support the national agenda to reduce the intensity of greenhouse gas emissions and are fully aware of our role in decarbonizing our business. Climate change is a continuing focus of the Group. Our medium-term ambition is to become carbon neutral by 2030 and our long-term ambition is to become a net zero organization by 2050 in line with Malaysia's commitment to reduce greenhouse gasses. Our employees will be engaged through a series of capacity-building initiatives to enable them to embrace environmental issues. We believe YTB will be able to effectively monitor our emissions and deliver on our climate commitments through benchmarks.

GHG Emission

SCOPE 1	SCOPE 2
Direct GHG Emissions <ul style="list-style-type: none"> • Land clearing • Electricity consumption by construction sites 	Indirect GHG Emissions <ul style="list-style-type: none"> • Electricity consumption by headquarters office and properties managed by YTB
Moving forward, we aim to reduce our impact on the environment by implementing more measures to reduce emissions and improve our environmental efficiency. In FY2024, our goal is to establish a data collection process for carbon emissions and carbon reduction. We aim to include disclosures in future sustainability reports on carbon reduction initiatives.	

WATER & ENERGY EFFICIENCY

YTB intends to address energy use, particularly electricity and fuel, to improve emissions management and thereby directly reduce its climate change impact.

While the impact is likely to be small given the scale of the group's operations, this approach is seen as progressively encouraging similar applications across the entire value chain to have a significant impact on energy consumption and emissions control.

We recognize that water conservation is key to meeting our climate responsibilities. We are tracking water usage across our business units and going forward we will plan to take steps to optimize water usage and reduce water wastage.

WASTE MANAGEMENT

We strive to proactively reduce environmental pollution and carbon emissions from operational waste by optimizing our material consumption and reduce construction waste.

We work to incorporate more environmentally friendly building components into the construction process. For example, we use autoclaved aerated concrete ("AAC") blocks where applicable in some of our project. AACs are lightweight and prefabricated, allowing for precise sizing, thereby reducing the amount of waste produced.

Additionally, we recycle and reuse our aluminum formwork to reduce waste throughout the construction process and extend the life of materials. Whenever feasible, recycle options will be used throughout the construction phase our plan.

SOCIAL TOPICS

PRODUCT & SERVICES RESPONSIBILITY

We strive for excellence in all aspects of our operations. This includes consistently delivering unmatched services and product quality to our customers and taking a proactive approach to develop properties that embody the high standards of quality, functionality and workmanship. We invest in innovative projects that address the needs of the community, to improve the convenience of living and using facilities made available in Yong Tai developments.

With the concept of "Customers come first", and we place strong emphasis on ensuring our developments create value, are easily accessible, well-connected and come with convenient amenities. We ensure updated and robust IT security systems to mitigate cyber-attacks and protect data privacy. We have developed a Privacy Notice to communicate guidelines for the processing of the collection, recording, holding or storage of customer personal data. We have taken reasonable steps to protect and secure our customers' personal data. The Privacy Notice can be found on the corporate website.

We further invested in IT infrastructure and cybersecurity, as well as ongoing update on the Data & Disaster Recovery Plan.

Our customers' safety, security and overall wellbeing are paramount to the Group's success. We further ensure that products are produced in accordance with safety standards.

Collaborations with other industry players to strengthen sustainability awareness and implementation.

We ensure transparent communication of material issues and sharing of sustainability progress updates with our customers via customer care line, email, social media channels etc.

Property Development

The Group endeavor to deliver and market our products and services that meet or even exceed customers' expectations. Materials purchased go through a rigorous procurement process to ensure they are of premium quality, meet the required safety requirements and are befitting of the design and theme.

All information stated in any marketing activities are based on facts and information provided by consultants and standardized across all marketing activities. The facts and information stated in any of our project development and theatre operations is adapted through the information provided by our architects and consultants. All key Unique Selling Points ("USP") are standard and used across for all marketing collaterals. For any Out-of-Home ("OOH") advertisements, rules and regulations are set by local and federal government authorities and adhered by our agencies and ourselves and obtained approval/permits prior to advertising.

We are now focusing on marketing ongoing and completed unsold units. We offer alternate solutions to buyer, e.g., re-package our product for a more irresistible offering, explore new market segment, offering easy payment scheme for buyers. YTB has partnered with real estate agents for a wider market reach.

The Group constantly review its development plan and made changes to its development components in response to market conditions and demands.

To attract potential investors to purchase YTB's properties, the Group will target professional and elite customers with spending power, especially those from Hong Kong, China, Japan, South Korea and the Middle East. We will be able to attract and convince these target groups

to invest if we create value for their investment, with a diverse portfolio of renowned theatrical productions, iconic performing arts centers, and exceptional property development projects.

In view that the core business of the Group which primarily on tourism and property development are impacted by COVID-19 pandemic, the Group has restructured its business and ventured into fashion, health, artificial intelligence, art and culture in order to generate diversified income stream for the Group.

Encore Melaka Theatre

With the reopening of society creating unprecedented demand for face-to-face and shared experiences, the group has positioned itself strategically to capitalize on the public's return to the Encore Melaka theatre at the end of April 2022.

Working closely with several production houses featuring local and international artists and performers, the Group has been able to collaborate with multiple performers this year to produce exciting, diverse and diverse live performances at Encore Melaka Theatre. The group is also offering flexible packages to help local production companies get back on their feet after a two-year absence due to the COVID-19 pandemic.

Encore Melaka is a world-class theatre engineered using the latest technology. The performance is presented in a new genre, and innovative art production – a 360-degree rotating auditorium and 4 four unique and stunning stages, stages comprising a water & mist stage, lifting platforms, a multi-storey stage and Yarn houses and are well equipped with advanced audio and a 3D video mapping projection. The theatre gives a truly amazing experience to every audience who visits.

On top of that, the Group will also leverage its strategic location and multi-event venues such as multi-purpose halls, gardens, VIP lounges, seaside, hostel and many more that inspire and revitalize the audience with the best experiences. These venues have well-equipped infrastructure, and it is ready to gain momentum.

With the management changes under the newly appointed Managing Director and CEO, the Group is working to transform the Group's flagship project, Impression City, into a "City of Hope" that will focus on fashion, wellness, artificial intelligence, art and culture, in order to position Melaka as a "Fashion and Wellness City" in the future. The Group will cooperate with a few international performance producers to hold events or performances at Encore Melaka to maximize the use of the theater and generate additional income for the Group. As a new iconic building landmark in Melaka, it has garnered widespread acclaim and has become a symbol of the city's commitment to promoting arts, culture, and innovation on a global stage.

Encore Melaka Theatre can host a variety of events including live broadcasts, grand launches, beauty pageants, film premieres, film shoots, award ceremonies, seminars, exhibitions, conferences, and corporate events. At the same time, other venue spaces can undertake mega events such as charity runs, triathlons, competitions and festivals.

Beyond positioning itself as the venue for events, Encore Melaka will serve as a one-stop solution for all event staging needs and even cater for outdoor activities and marketing and ticketing sales. From superior audiovisual solutions, 3D-video mapping projections, outstanding stage design, and high-quality multimedia production to marketing and promotional activities and ticketing sales, local production houses can leverage the collaboration with Encore Melaka to produce engaging, entertaining live performance shows.

OCCUPATIONAL HEALTH & SAFETY ("OHS")

YTB strives to achieve excellence in Occupational Safety & Health (OSH) and welfare by providing all employees, contractors, visitors, members of the public and other stakeholders with a safe and healthy working environment as far as practicable possible.

The Group recognised the importance of safety at work place and have put in place the necessary safety precaution for all our offices and project sites. We strive to comply with relevant laws and regulations to ensure that health and safety in the workplace are not being compromised. At the same time, we ensuring employees understand and adhere to appropriate health and safety measures and encourage our employees to embrace safety as both a personal and collective responsibility.

To further ensure the health and safety of our employees, various occupational health services are provided for our employees to identify and minimize health and safety risks and to protect our workers and prevent work-related injuries and ill health.

While YTB management shall be responsible for the achievement of the OSH policy, all employees and contractors are responsible for their own safety, health, security, care for the environment as well as for contributing to OSH performance at both the individual and collective levels.



To ensure construction and operation safety at the project sites, our tender process and awarded contracts with contractors incorporates the required compliance to Malaysia's safety-at-work legislation which include the Occupational Safety and Health Act 1994 (Act 514), Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986, Construction Industry Development Board Act 520 (CIDB Act 520), Mineral Development Act 1994, State Mineral Enactments etc.

About workers employed at the construction sites, our main contractors are obligated to comply with all safety, health and welfare regulations pertaining to them with strict adherence to safe work procedures that are in line with the latest legal requirements. We consider safe working practices and all safety measures when workers are working on construction sites, and we undergo environmental audits to ensure we comply with

regulatory environmental assessment requirements.

For the financial year ended 30 June 2023, both the Loss Term Injury and Loss Time Accidents at Group level were zero. The Group strives to continue maintain its health & safety standards and drive continuous improvement in our OHS performance for all employees and safeguard public safety whilst maintaining quality construction.

The continued safety and well-being of our people remains a key priority for us. From the beginning, we guide our efforts in risk management measures to ensure the safety of our people. Safe working procedures have been implemented to maintain social distancing and stringent hygiene practices that were in line with Government's directives to curb the spread of prolonged effects of COVID-19. To reduce the risk of contracting COVID-19, we will continue to monitor developments and mitigate risks associated with the COVID-19 pandemic and its impacts on our projects, operations, supply chain and health and safety of our staff.

We ensure the entire Group maintains continuous and strict health and safety standards. Safe Work Procedures are being implemented continuously. To enhance worker safety, the Group ensure that main contractor implements daily safety toolbox briefings and organizes various health, safety and environment-related trainings throughout the year. We have a clear incident reporting process in our workplace so that corrective action can be taken immediately to eliminate any hazardous situations and/or work practices.

We managed to maintain performance in 2023 without major accidents, fatalities and non-compliance incidents by closely monitor the health and safety performance of our workplaces, especially at project sites with high health and safety risks.

LABOUR PRACTICES

We integrate sustainability into our labor practices by adopting working practices that meet current long-term needs without compromising the future of our business.

Sustainable labor practices enable us to meet our legal obligations to our employees. These obligations include fair and reasonable wages, a safe working environment and developing employees to their full potential.

Promoting Work-Life Balance & Employee Benefits

We ensure the well-being of employees through a competitive salary and benefit plan, health and wellness plan and safe workplace. We further promote a healthy work-life balance to improve the employees' well-being by providing a diverse and inclusive workplace. This can contribute towards greater productivity and performance and support creativity and innovation. Through formation of YTB REC Club, we organise a range of employee engagement and recreational activities to promote a healthy lifestyle engagement and to encourage bonding among our employees such as YTB Rec Club CSR Programs, Let's Talk Health Briefing with Pathlab's Health Screening voucher giveaway, TikTok Video Challenge Competition, Winter Solstice Get Together, YTB Staff AGM – CEO Dialogue and YTB Staff AGM Dinner, Staff Berbuka Puasa Dinner etc.

Employee Development

To encourage and support our employees to develop their fullest potential and have a fulfilling career, the Group places priority on learning and development programs. We customise and design training and development activities based on employees' training needs and work requirements to sharpen their skills, knowledge and competencies.

We will continue to provide trainings and education opportunities through comprehensive development programmes going forward and promote a conducive corporate environment where everyone could achieve their potential.

As part of a long-term sustainable growth strategy, the Group has developed a Succession Plan. The Succession Plan will be updated yearly or as and when required.

Compliance with Applicable Employment Laws and Legislations

There were no incidents of non-compliance with the applicable employment laws and legislations during the financial period under review. The applicable employment / labour laws that we comply with are in Table 4.

COMPLIANCE

Employment Act 1955

Industrial Relations Act 1967

Occupational Safety and Health Act

Children and Young Persons Act

Minimum Retirement Age Act

Table 4. Employment Compliance Requirements in Malaysia

The Group strive to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings.

In addition, the Employee Handbook provides information on employment terms and conditions in addition to general safety policy, staff welfare, leaves, training & development, insurance & medical benefits, employee property discounts, code of conduct & discipline to name a few. Also included is the Yong Tai Group Privacy Notice (Employees) on the collection and handling of personal information in accordance with the Malaysian Personal Data Protection Act 2010.

Engaged relevant regulators for discussion and forums on sustainability issues of concern such as via the webinars and forums.

DIVERSITY

Our employees are one of our most valuable assets. We build strong relationships and work with our employees and communities to achieve positive social change. Whenever new employee(s) join the group, they will be introduced to the Group's structure and work culture through a formal orientation program that promotes an informed on-boarding experience. We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents.

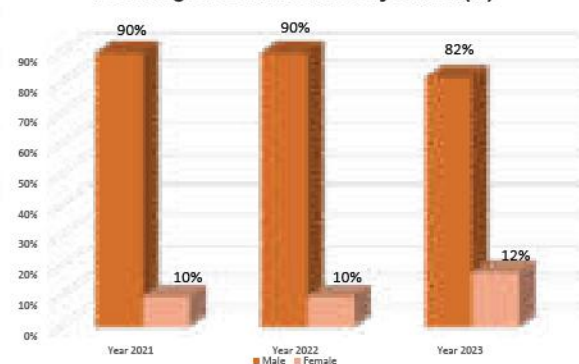
We are an equal opportunity employer and have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. We are committed to provide a work environment that is free of discrimination for our employees. There is no preference for any religion, age, ethnicity, race, physical disability, or gender. Employees are required to observe and adhere all relevant Group policies and practices. We believe in cultivating an equal opportunity workforce so we can fully tap into the potential of our employees. As at 30 June 2023, the Group has a total number of 123 employees. The staff turnover has been maintained below the target rate.

Board Of Directors' Profile

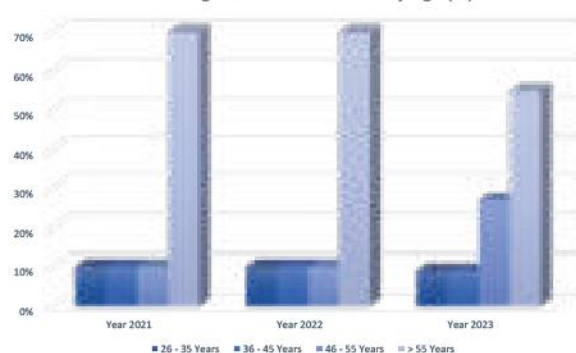
YTB is governed by a diverse Board of Directors, which oversee the Group's operational performance and ensures a culture of excellence is embedded across all business units. In 2023, our Board of Directors was 18% female and 82% male.

Board Members

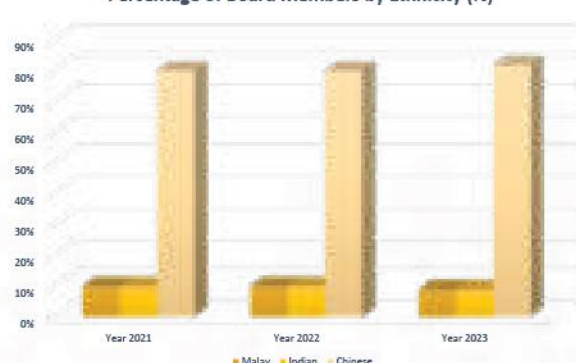
Percentage of Board Members by Gender (%)



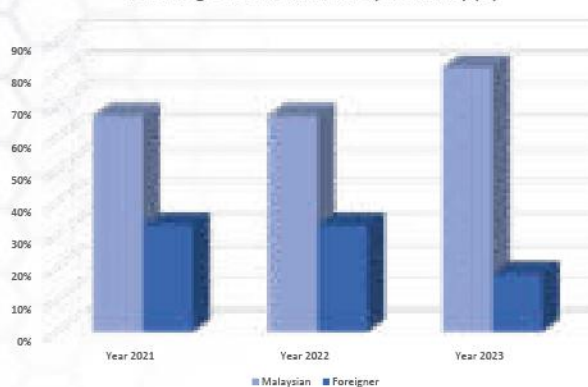
Percentage of Board Members by Age (%)



Percentage of Board Members by Ethnicity (%)

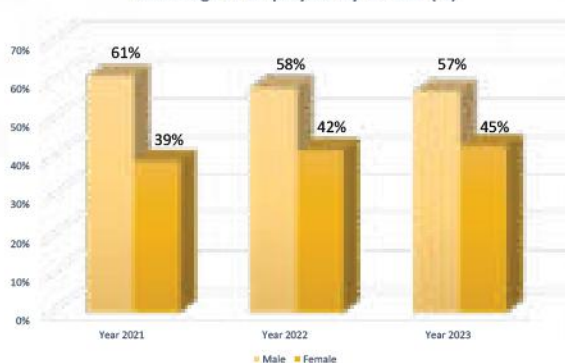


Percentage of Board Members by Nationality (%)

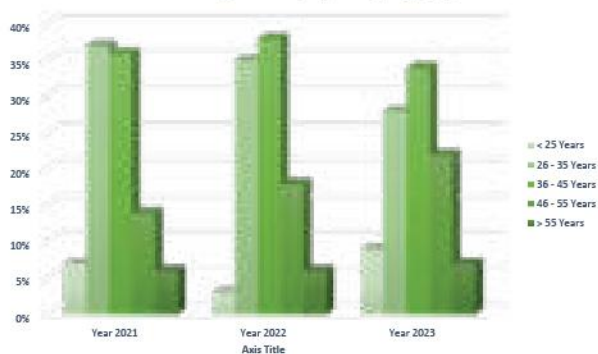


Employees

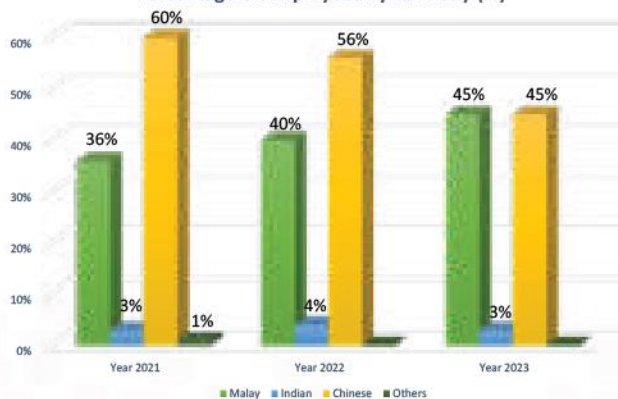
Percentage of Employees by Gender (%)



Percentage of Employees by Age (%)



Percentage of Employees by Ethnicity (%)



COVID-19 RESPONSES

The Group remains exposed to the prolonged effect of COVID-19 despite improved outlook of the pandemic globally. High vaccination rates and strict adherence to SOPs continue to be an effective mitigation strategy adopted by the Group.

As we move towards the endemic phase, the Group remains focused in ensuring the safety and wellbeing of its customers, partners, and employees, despite Malaysia eased towards the endemic phase on 1 April 2022.

The Group takes business continuity seriously and ensures it has an up-to-date Business Continuity Plan ("BCP") to deal with possible scenarios. YTB successfully responded to the COVID-19 pandemic with the successful rollout of its BCP to lower EESG risk.

COMMUNITY ENGAGEMENT (CSR)

As corporate players, we recognize our obligation to create value for society, contribute to local communities, and help them improve and enhance their socioeconomic status. The organization's community outreach focuses primarily on conservation and community development. YTB is excited to return to more CSR activities.

The CSR activities we organized including Beach & Surroundings Clean-up days, A day of giving to the Unfortunate Disabled personnel with Community Care Enrichment Programme (CCEP Foundation), provide training steps to teach children with Down syndrome how to walk and learn to balance, for the kids from Kiwanis Down Syndrome Centre and deliver the needed supplies Pusat Kanak-Kanak Terencat Akal Bahagia.

GOVERNANCE TOPICS

BUSINESS ETHICS, INTEGRITY AND COMPLIANCE

The Group believes that the integrity of our business, employees and stakeholders serve as the foundation of our growth and reputation. Promoting ethical and safe practices is driven by the Board and shared by our management and employees to reinforce sound business and forward-looking culture. Anti-Bribery and Corruption Policy ("ABC"), Conflicts of Interest Policy for Directors, Code of Conduct and Business Ethics ("CoBE"), Suppliers' CoBE, Due Diligence Checklist, Bribery Risk Assessment, Grievance Procedure, Gifts, Entertainment & Hospitality Policy and Policy and Procedures of Whistleblowing sets out the ethical behaviours that are expected from all board members and our employees, and are implemented to drive an integrity-based culture and compliance with local and international standards. Further details can be found at Company's website at www.yongtai.com.my (under Investor Relations/ Corporate Governance section).

RESPECTING ETHICAL PRINCIPLES

LEADING WITH GOOD

BOARD POLICIES	CORPORATE POLICIES
<ul style="list-style-type: none"> • Fit and Proper Policy • Terms of reference of Audit and Risk Management Committee • Terms of Reference of Nomination Committee • Terms of Reference of Remuneration Committee • Board Charter • Director Code of Conducts & Ethics • Conflicts of Interests Policy for Directors 	<ul style="list-style-type: none"> • Anti-Bribery & Corruption (ABC) Policy • Code of Conduct and Business Ethics (CoBE) • Suppliers' CoBE • Policy & Procedures of Whistleblowing • Grievance Procedures • Gifts, Entertainment & Hospitality Policy • Due Diligence Checklist • Bribery Risk Assessment

Code of Business Conduct and Ethics ("CoBE") & Anti-Bribery and Corruption Policy ("ABC")

We recognize that conflicts of interest, bribery and corruption are still threats to sustainable development. Therefore, transparency and accountability are important to build an effective organisation. All employees are required to conduct business dealings in line with our Code of Business Conduct and Ethics Policy and Anti-Bribery and Corruption Policy. These are aimed at maintaining a robust integrity and compliance culture, with zero tolerance towards all forms of bribery and corruption and to ensure all business activities are conducted with integrity, further supported by a Policy and Procedure of Whistleblowing and Gifts, Entertainment & Hospitality Policy. These policies act as a guide to our employees and business partners in dealing with bribery and corruption situation inside and outside the company. These policies and the related Standard Operating Procedures have been uploaded onto the intranet for YTB's staff references and is available at Company's website at www.yongtai.com.my.

Moving forward, we will continue to conduct business ethics and integrity awareness sessions. We further encourage declaration of conflict of interest on an annual basis as a preventive safeguard for fair dealings and transparent business relationships.

ABC was established pursuant to the introduction of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, "Guidelines on Adequate Procedures", which was made effective from June 2020. This reflects the Group's commitment in upholding and strengthening its corporate governance structure and ensuring its commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group. All employees are expected to read, familiarize themselves with and strictly comply with the Anti-Bribery and Corruption Policy in the performance of their duties. ABC will be introduced as culture building through new employee onboarding program. Every year, employees are required to attend ABC refresher training conducted internally.

Stakeholders were encouraged to report any breaches in ethical conduct via the Group's approved Whistleblowing channels such as the Whistleblowing web form which can be found at the Group's official website, direct email at wb_ytb@yongtai.com.my, manually post to YTB's Chairman (via company secretary's address), and drop in at suggestion box.

Third-Party Due Diligence process is rolled out to enable YTB to detect possible red flags of potential third parties prior to any formal engagement or during business relationships with such third parties, and to provide necessary mitigations or contractual safeguards to prevent any possible risk of legal, financial or reputational damage resulting in YTB. This ensures a viable potential defence through a series of guidelines, assessments, reporting and monitoring implemented in alignment with the Section 17A of the MACC Act.

Suppliers and contractors are required to acknowledge in writing and declare compliance with the requirements and provisions set out in the Suppliers Code of Conduct & Business Ethics. By acknowledging the Suppliers Code of Conduct & Business Ethics, it shall be deemed that suppliers have agreed and committed to comply with the principles and standards contemplated under the MACC Act 2009 (attestation on anti-bribery policy (MACC)).

YTB employees are also required to acknowledge in writing and declare compliance with the requirements and provisions set out in the YTB's Code of Conduct & Business Ethics as per MACC Act 2009 (attestation on anti-bribery policy (MACC)).

LEGAL & REGULATORY COMPLIANCE

We ensure regular communication, education, and training on compliance issues with our employees.

Regulatory compliance describes our business objectives to achieve regulatory compliance. It refers to all the steps we take to comply with laws and regulations. YTB's policies, procedures and processes help support our compliance efforts. The goal is to meet all guidelines, laws, regulations, requirements, and rules.



DATA PRIVACY

YTB conducts ongoing cybersecurity training to inform users of best practices and teach them how to adopt these practices when faced with security threats to promote a culture of awareness on cyber risk, data protection and privacy.



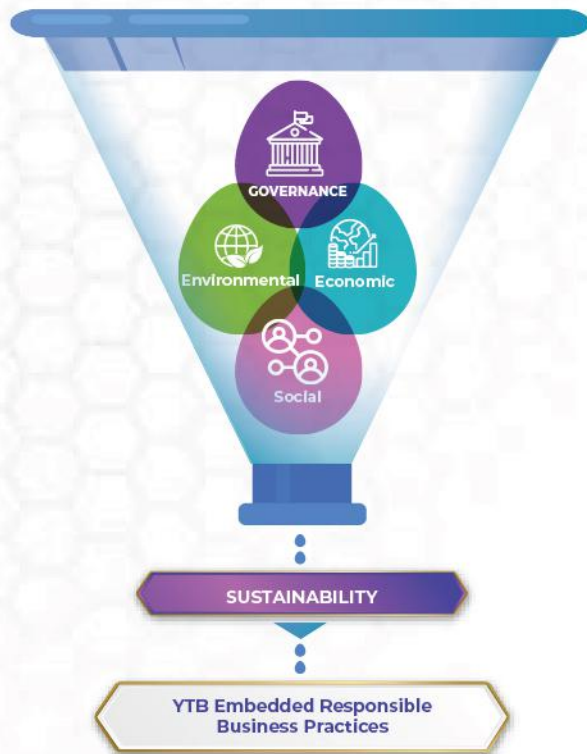
GROUP STANDARD OPERATING PROCEDURES (SOPs)

The key processes in the Group's management and operations have been formalised and documented in the form of Standard Operating Policies and Procedures ("SOPs"). These SOPs are subject to review and improvements, particularly through periodic reviews.

These SOPs provide guidance to all departments and business units to operate effectively and efficiently and proactively respond to potential business, operational, financial, compliance and other risks to achieving goals Group's goals and objectives.

TOWARDS ACHIEVING OUR SUSTAINABILITY VISION

Continuous effort is the key to achieving our sustainability vision. Continuous engagement of our stakeholders will help us develop a better understanding of future trends in the tourism related property development. Our sustainability objective is to create stakeholder value by optimising economic and social development, while minimising our environmental footprint. We focus on strategies that address our material topics, then measure the associated EESG impact. We will continuously work towards improving our economic, environmental and social risks and opportunities to strengthen our sustainability efforts.



Going forward, our leadership agrees that YTB's sustainability strategy must go beyond basic strategy. We realize that there are greater opportunities for our transformation business strategy that allows for deeper connections and collaboration with stakeholders to achieve more effective change. Proactively managing all operational challenges with a sustainability mindset also enables us to continuously improve the implementation of effective supply chain management to minimize risks and optimize cost structures of our projects.

In the near future, by actively managing operational challenges with a sustainability mindset, we expect to strengthen our resource consumption and supply chain management processes, which will improve our operational efficiency and protect us from further social and environmental risks, leveraging our EESG progress provides stakeholders with a better future, enabling us to create better value (financial and non-financial) for all stakeholders.

We would like to thank our employees, shareholders, customers, business partners and all other stakeholders who continue to demonstrate dedication and resilience during the most challenging times. Thank you for your loyalty and continued trust as we look forward for a better year in 2023. YTB's EESG agenda continues to grow in strength, ensuring the Group continues to chart a strong EESG landscape for everyone.

As we progress on our sustainability journey, we will constantly identify new areas of improvements – innovative, yet sustainable solutions – to be implemented across our on-going projects. We have made great strides in integrating a culture of sustainability into everything we do and strive to continue to create long-term value for all our stakeholders.

This Sustainability Statement was approved by the Board on 18 October 2023.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

For FY2023, YTB will align relevant disclosures with the globally recognized Task Force on Climate-related Financial Disclosures ("TCFD"). This is in line with strengthening its sustainability reporting through a best practice approach to energy, emissions and related disclosures, including risks and opportunities related to climate change.

The table below shows how YTB aligns with the 4 TCFD themes – Governance, Strategy, Risk Management, and Metrics and Targets and the disclosure recommendations accordingly. In the future, the group will gradually strengthen information disclosure in accordance with TCFD requirements.

GOVERNANCE

SPECIFIC RECOMMENDATIONS	YTB'S ADOPTION & RECOMMENDATIONS
Describe the Board's oversight of climate-related risks and opportunities.	As with all other material topics of the Group, climate change is overseen by the Board as we realize that environmental issues are closely related to human beings - protecting the environment is everyone's responsibility. The Board will also oversee the Group's performance in addressing the impacts of climate change and develop broad strategies and directives to mitigate the Group's climate change impacts. These cascade to senior management, particularly the Management Risk Committee ("MRC").
Describe management's role in assessing and managing climate-related risks and opportunities.	The MRC consists of senior managers from various operating functions and/or departments across the Group. MRC mainly oversees the implementation of sustainable development strategy, coordinate and implement group-wide sustainability activities, execute the approved sustainability strategy, and monitor operational performance.

RISK

SPECIFIC RECOMMENDATIONS	YTB'S ADOPTION & RECOMMENDATIONS
Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-related risks are identified through the Group's existing risk management. The Risk Management enables comprehensive assessment of business, operations, strategy EESG risks, including climate change risks
Describe the organisation's processes for managing climate-related risks.	Essentially, risks are assessed based on the following criteria/parameters: environmental and social impacts, regulatory compliance, financial and business considerations, supply chain, quality and quantity of raw materials and/or goods/services produced, access to financing and capital markets, and access to buyers etc.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Quantify risk factors where possible and relevant. Stakeholder perceptions and materiality assessments also help determine the strategies and priorities needed to manage climate change topics.</p> <p>The Group also takes business continuity seriously and ensures that we have an up-to-date Business Continuity Plan ("BCP") in place to respond to potentially major scenarios that may impact YTB</p>

STRATEGY

SPECIFIC RECOMMENDATIONS

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

YTB'S ADOPTION & RECOMMENDATIONS

YTB has identified the following climate change risks, broken down by physical, transition and reputational risks. The impact of these risks may affect business operations or existing operations, physical assets, access to financing or markets, and the availability and cost of inputs required for the business model

RISK	OPPORTUNITIES
Availability of land suitable for development may be affected due to changing weather patterns and lack of water sources	Increased likelihood of seeking government and regulatory support to provide incentives and other benefits to be more environmentally friendly practice.
Increased temperatures may require changes in planning and design, resulting in higher development costs.	Develop sustainable construction methods and designs to achieve long-term viability, all of which reduce overall climate impact.
on-going development may be subject to increased damage and liability from climate change-related natural disasters.	Wider acceptance of the use of environmentally friendly design, materials and features in property development.
Increased compliance costs to meet more stringent regulatory requirements.	There are opportunities to increase environmental awareness across the value chain and among customers, encouraging concerted action to have a greater cumulative impact.

Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Unpredictable weather patterns are possible seriously affect and delay the construction progress. The group is also considering alternative water sources such as rainwater harvesting ponds and other infrastructure to ensure new and existing towns or projects have enough water.

Investors, shareholders, employees and regulators want businesses to be forces for good, not just profit-based entities.

Likewise, climate change offers the group the opportunity to restructure its business model, or at least its business practices.

METRICS AND TARGETS

SPECIFIC RECOMMENDATIONS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

YTB'S ADOPTION & RECOMMENDATIONS

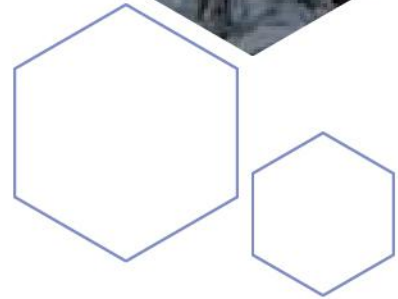
YTB intends to address energy use, particularly electricity and fuel, to improve emissions management and thereby directly reduce its climate change impact.

While the impact is likely to be small given the scale of the group's operations, this approach is seen as progressively encouraging similar applications across the entire value chain to have a significant impact on energy consumption and emissions control.

METRICS AND TARGETS

SPECIFIC RECOMMENDATIONS	YTB'S ADOPTION & RECOMMENDATIONS
<p>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>YTB's carbon emissions are primarily the result of energy consumption resulting from the direct combustion of fossil fuels such as diesel, gasoline and LPG (Scope 1), and purchased electricity (Scope 2). This is common because construction and property development are all energy-intensive industries.</p>
<p>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>YTB calculates its Scope 1 and Scope 2 emissions using the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol").</p> <p>YTB has set a target of achieving Scope 2 GHG emissions intensity reduction by 20% by 2026, compared to 2023's emission baseline.</p>

Yong Tai Berhad CSR Program



21ST OCT 2022 AND 30TH NOV 2022

Beach & Surroundings Clean-up day!

We had organised twice beach cleaning along The Straits of Malacca by our company staff. This activity help the staff to de-stress in a healthy way with a beautiful natural treasures that are here for all of us to explore and enjoy together.



6TH NOV 2022

A Positive Sunday!

Yong Tai Berhad is very fortunate to be a part of CSR programme -**A Day of Giving To The Unfortunate Disabled Personnel** with Community Care Enrichment Programme (CCEP Foundation) and a few very passionate and kind donors who worked together with us to provide living essentials, red packets and lunch to our unfortunate handicapped personnel.

We've invited 25 pax of disabled personnel to join us for lunch today. They've also shared their medical conditions and their lives experience. We were very touched by their positive living attitude, this is something that we admired and should always learn from them!

TOGETHER,

We make this world a better place

24TH JAN 2023

The Rec Club members from Yong Tai Berhad adhered to the principle of “A small act of kindness, life will be warmer” together to contribute to society

Our employees have specially made training steps for the kids from Kiwanis Down Syndrome Centre. The training steps were given to the children with Down syndrome in the centre. This training step is to teach them how to walk and learn to balance. The children in the centre also danced to a few songs for us, which were very cute and touching. We also visited Pusat Kanak-Kanak Terencat Akal Bahagia to deliver needed supplies to the centre.



Additional Compliance Requirements

Utilisation of proceeds from corporate proposals

There was no corporate proposal to raise funds during the financial year ended 30 June 2023.

Audit fees and non-audit fees

The audit fees and non-audit fees payable to the external auditors during the financial year ended were as follows:

PURPOSE	GROUP (RM)	COMPANY (RM)
Audit fees	172,763	42,000
Non audit fees	5,000	5,000
Total	177,763	47,000

Material contracts

Other than as disclosed in Note 27 to the financial statements for the financial year ended 30 June 2023, there was no material contract entered into by the Company and/or its subsidiaries, involving the interests of Directors and major shareholders.

Recurrent related party transactions of a revenue nature

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 27 to the financial statements for the financial year ended 30 June 2023.

Financial Statements

Directors'
Report

82

Statements
of Financial
Position

87

Statements
of Profit or
Loss and Other
Comprehensive
Income

89

Statements
of Changes in
Equity

90

Statements
of Cash
Flows

93

Notes to
Financial
Statements

95

Statements
by Directors
Statutory
Declaration

143

Independent
Auditors'
Report

144

DIRECTORS' REPORT

The directors hereby submit their report and audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are described in Note 9 to the financial statements.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year attributable to:		
Equity holders of the Company	(21,760,509)	(12,192,604)
Non-controlling interests	(227,223)	-
	<hr/> (21,987,732)	<hr/> (12,192,604)

In the opinion of the directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 34.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company completed and issued the following:

- (a) on 2 August 2022, the Company announced the completion of the consolidation of 5 existing shares in the Company into 1 ordinary share resulting in the reduction in the number of shares from 1,427,560,691 ordinary shares to 285,512,129 ordinary shares.
- (b) 92,000,000 new ordinary shares at an issue price of RM0.50 per share as part of debt settlement agreement with 19 creditors respectively.
- (c) conversion of 11,965,560 irredeemable convertible preference shares into 9,546,072 new ordinary shares at an issue price of RM0.80 per share.

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

There were no other changes in the issued and paid-up capital of the Company during the financial year.

The Company did not issue any new debentures during the financial year.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors who held office during the financial year until the date of this report are:

THE COMPANY

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	
Dato' Leong Sir Ley	(Appointed on 10 May 2023)
Datuk Wira Boo Kuang Loon	
See Tai Soon	(Appointed on 10 May 2023)
Leong Sir Chin	(Appointed on 7 July 2023)
Dato' Beh Hang Kong	
Leou Thiam Lai	(Appointed on 10 July 2023)
Subramaniam A/L A.V. Sankar	
Datuk Ng Bee Ken	
Anthony Ang Meng Huat	
Tang Po Yi	
Chan Wai Kit	(Retired on 22 November 2022)
Dato' Sri Lee Ee Hoe, JP	(Resigned on 24 May 2023)
Dato' Jason Chan Wa Chiang	(Appointed on 16 December 2022 and resigned on 23 June 2023)

SUBSIDIARY COMPANIES

Datuk Wira Boo Kuang Loon	
Dato' Beh Hang Kong	
Datuk Wira Lye Ek Seang	
Dato' Yau Kok Seng	
Dato' Seri Haji Abdul Rafique Bin Abdul Karim	
Johan Bin Johari	
Leong Sir Chin	(Appointed on 31 May 2023)
See Tai Soon	(Appointed on 31 May 2023)
Tan Yoong Wei	(Appointed on 31 May 2023)
Datuk Tan Eng Eng	(Resigned on 31 May 2023)
Ikhwan Moeiid Bin Hasim	(Resigned on 31 May 2023)
Lam Shuh Pow	(Resigned on 1 September 2023)

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

	At 1.7.2022	Adjustment (a)	Number of ordinary shares		At 30.6.2023
			Acquired	(Disposed)	
THE COMPANY					
Direct interest					
Datuk Wira Boo Kuang Loon	92,800,130	(74,240,104)	390,000	-	18,950,026
Dato' Beh Hang Kong	3,020,000	(2,416,000)	-	-	604,000
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	40,000	(32,000)	-	-	8,000
Indirect interest					
Dato' Leong Sir Ley	-	-	91,500,000	-	91,500,000
Datuk Wira Boo Kuang Loon	-	-	3,150,000	(3,150,000)	-

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

(a) Being adjustment on share consolidation exercise completed on 2 August 2022.

By virtue of their interests in the shares of the Company, the directors are also deemed to be interested in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the shares of the Company and of its related corporations.

Since the end of previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which the director has a substantial financial interest.

DIRECTORS' REMUNERATION

The amount of remunerations of the directors of the Company comprising remunerations received/ receivable from the Company during the financial year are as follow:

	Group RM	Company RM
Directors' fees	659,845	530,000
Directors' remuneration and other emoluments	2,538,712	-
	3,198,557	530,000

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Group and of the Company.

SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

AUDITORS' REMUNERATION

The amounts receivable by the auditors as remuneration for their services as auditors are as follow:

	Group RM	Company RM
Auditors' remuneration		
- Audit fee	172,763	42,000
- Non-audit fee	5,000	5,000
	177,763	47,000

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that the current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts and the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

DIRECTORS' REPORT

AUDITORS

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

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

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

DATUK WIRA BOO KUANG LOON

Kuala Lumpur
20 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		GROUP		COMPANY	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT ASSETS					
Property, plant and equipment	6	382,418,812	394,902,354	37,122	48,053
Right-of-use assets	7	1,819,516	2,048,423	-	-
Intangible assets	8	-	-	-	-
Investment in subsidiaries	9	-	-	23,744,346	23,744,345
Deferred tax assets	10	-	6,150,000	-	-
		384,238,328	403,100,777	23,781,468	23,792,398
CURRENT ASSETS					
Inventories	11	226,371,016	269,261,775	-	-
Contract costs	12	5,347,028	19,346,442	-	-
Contract assets	13	-	25,451,722	-	-
Trade and other receivables	14	94,551,581	90,759,046	535,051,984	551,536,795
Current tax assets		749,104	658,678	11,091	10,666
Cash and cash equivalents	15	5,131,669	2,150,721	271,142	668,192
		332,150,398	407,628,384	535,334,217	552,215,653
TOTAL ASSETS		716,388,726	810,729,161	559,115,685	576,008,051
EQUITY AND LIABILITIES					
Share capital	16	727,885,306	718,312,858	727,885,306	718,312,858
Irredeemable convertible preference shares	16	11,247,995	20,820,443	11,247,995	20,820,443
Redeemable convertible preference shares	16	-	-	-	-
Accumulated losses		(476,628,799)	(454,868,290)	(204,479,786)	(192,287,182)
		262,504,502	284,265,011	534,653,515	546,846,119
Non-controlling interests		(3,798,424)	(3,571,201)	-	-
TOTAL EQUITY		258,706,078	280,693,810	534,653,515	546,846,119

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		GROUP		COMPANY	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT LIABILITIES					
Lease liabilities	17	332,937	631,246	-	-
Loans and borrowings	18	140,081,177	148,639,322	-	-
		140,414,114	149,270,568	-	-
CURRENT LIABILITIES					
Contract liabilities	13	24,527,225	52,976,623	-	-
Trade and other payables	19	245,047,892	282,263,005	4,398,879	3,686,448
Lease liabilities	17	472,403	396,751	-	-
Loans and borrowings	18	46,941,834	44,661,110	20,063,291	25,475,484
Current tax liabilities		279,180	467,294	-	-
		317,268,534	380,764,783	24,462,170	29,161,932
TOTAL LIABILITIES		457,682,648	530,035,351	24,462,170	29,161,932
TOTAL EQUITY AND LIABILITIES		716,388,726	810,729,161	559,115,685	576,008,051

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		GROUP		COMPANY	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	20	121,869,919	71,780,071	-	-
COST OF SALES	21	(110,181,557)	(102,164,127)	-	-
GROSS PROFIT/ (LOSS)		11,688,362	(30,384,056)	-	-
OTHER INCOME		19,241,902	7,816,958	113,266	9,041
ADMINISTRATIVE EXPENSES		(9,812,124)	(7,162,255)	(1,049,360)	(2,682,543)
DISTRIBUTION EXPENSES		(1,273,779)	(573,002)	-	-
OTHER OPERATING EXPENSES		(21,726,571)	(316,434,153)	(9,840,361)	(147,948,121)
LOSS FROM OPERATIONS		(1,882,210)	(346,736,508)	(10,776,455)	(150,621,623)
FINANCE COSTS	22	(13,991,444)	(5,671,485)	(1,416,149)	(1,453,568)
LOSS BEFORE TAXATION	23	(15,873,654)	(352,407,993)	(12,192,604)	(152,075,191)
TAXATION	24	(6,114,078)	1,923,695	-	-
LOSS FOR THE FINANCIAL YEAR		(21,987,732)	(350,484,298)	(12,192,604)	(152,075,191)
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(21,987,732)	(350,484,298)	(12,192,604)	(152,075,191)

	Note	GROUP	
		2023 RM	2022 RM
LOSS ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		(21,760,509)	(346,631,950)
NON-CONTROLLING INTEREST		(227,223)	(3,852,348)
		(21,987,732)	(350,484,298)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		(21,760,509)	(346,631,950)
NON-CONTROLLING INTEREST		(227,223)	(3,852,348)
		(21,987,732)	(350,484,298)
LOSS PER ORDINARY SHARE (SEN)	25		
BASIC		(6.00)	(25.38)
DILUTED		N/A	N/A

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

GROUP	Notes	Attributable to equity holders of the Group ----->					----->Distributable		
		Share capital RM	Irredeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM	
Balance as at 1 July 2021		665,538,717	20,944,584	-	(108,236,340)	578,246,961	281,147	578,528,108	
Loss/ Total comprehensive expense for the financial year		-	-	-	(346,631,950)	(346,631,950)	(3,852,348)	(350,484,298)	
Issuance of shares via conversion of irredeemable convertible preference shares	16	124,141	(124,141)	-	-	-	-	-	
Issuance of redeemable convertible preference shares	16	-	-	7,000,000	-	7,000,000	-	7,000,000	
Share issuance expenses	16	-	-	(350,000)	-	(350,000)	-	(350,000)	
Issuance of shares via conversion of redeemable convertible preference shares	16	6,650,000	-	(6,650,000)	-	-	-	-	
Capitalisation of subsidiaries' creditors	16	46,000,000	-	-	-	46,000,000	-	46,000,000	
Balance as at 30 June 2022		718,312,858	20,820,443	-	(454,868,290)	284,265,011	(3,571,201)	280,693,810	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

GROUP	Notes	<----- Attributable to equity holders of the Group ----->					Total equity RM
		Share capital RM	Irredeemable convertible preference shares RM	Accumulated losses RM	Total RM	Non-controlling interests RM	
Balance as at 1 July 2022		718,312,858	20,820,443	(454,868,290)	284,265,011	(3,571,201)	280,693,810
Loss/ Total comprehensive expense for the financial year		-	-	(21,760,509)	(21,760,509)	(227,223)	(21,987,732)
Issuance of shares via conversion of irredeemable convertible preference shares	16	9,572,448	(9,572,448)	-	-	-	-
Balance as at 30 June 2023		727,885,306	11,247,995	(476,628,799)	262,504,502	(3,798,424)	258,706,078

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

COMPANY	Notes	<----- Non-distributable ----->			Distributable		Total equity RM
		Share capital RM	Irredeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM		
Balance as at 1 July 2021		665,538,717	20,944,584	-	(40,211,991)		646,271,310
Loss/Total comprehensive expense for the financial year		-	-	-	(152,075,191)		(152,075,191)
Issuance of shares via conversion of irredeemable convertible preference shares	16	124,141	(124,141)	-	-		-
Issuance of redeemable convertible preference shares	16	-	-	7,000,000	-		7,000,000
Share issuance expenses	16	-	-	(350,000)	-		(350,000)
Issuance of shares via conversion of redeemable convertible preference shares	16	6,650,000	-	(6,650,000)	-		-
Capitalisation of subsidiaries' creditors	16	46,000,000	-	-	-		46,000,000
Balance as at 30 June 2022/1 July 2022		718,312,858	20,820,443	-	(192,287,182)		546,846,119
Loss/Total comprehensive expense for the financial year		-	-	-	(12,192,604)		(12,192,604)
Issuance of shares via conversion of irredeemable convertible preference shares	16	9,572,448	(9,572,448)	-	-		-
Balance as at 30 June 2023		727,885,306	11,247,995	-	(204,479,786)		534,653,515

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(15,873,654)	(352,407,993)	(12,192,604)	(152,075,191)
Adjustments for :-				
Amortisation of intangible assets	-	6,687,535	-	-
Depreciation of property, plant and equipment	7,342,010	6,226,089	10,931	54,974
Depreciation of right-of-use assets	496,724	425,812	-	-
Gain on disposal of property, plant and equipment	(5,351)	(941)	-	-
Loss on disposal of right-of-use assets	-	71,380	-	-
Impairment loss on other receivables	16,129,738	20,793,138	9,802,570	147,948,121
Impairment loss on intangible assets	-	140,967,539	-	-
Impairment loss on property, plant and equipment	-	118,216,950	-	-
Interest expense	13,945,287	5,671,485	1,416,149	1,453,568
Interest income	(81,858)	(11,628)	(29)	(13)
Inventories written off	571,342	34,538,894	-	-
Property, plant and equipment written off	507,523	-	-	-
Reversal on the fair value adjustment on property, plant and equipment	-	(2,880,000)	-	-
Unrealised loss on foreign exchange	806,838	154,540	39,769	154,540
Operating gain/ (loss) before working capital changes	23,838,599	(21,547,200)	(923,214)	(2,464,001)
Decrease/ (Increase) in inventories	42,319,417	(18,775,369)	-	-
Decrease in contract costs	13,999,414	5,192,618	-	-
Decrease/ (Increase) in contract assets	25,451,722	(21,552,141)	-	-
(Increase)/ Decrease in trade and other receivables	(19,964,793)	10,458,161	6,639,721	(45,457,041)
(Decrease)/ Increase in contract liabilities	(28,449,398)	12,997,180	-	-
(Decrease)/ Increase in trade and other payables	(32,333,377)	41,927,136	712,430	2,129,172
Cash generated from/ (used in) operations	24,861,584	8,700,385	6,428,937	(45,791,870)
Interest paid	(13,945,287)	(5,671,485)	(1,416,149)	(1,453,568)
Interest received	81,858	11,628	29	13
Tax paid	(242,618)	(189,364)	(425)	(1,210)
Tax refunded	-	762,516	-	17,055
Net cash generated from/ (used in) operating activities	10,755,537	3,613,680	5,012,392	(47,229,580)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in investment in subsidiaries	-	-	-	(10)
Acquisition of a subsidiary, net of cash acquired	-	(1,999,953)	-	(2,000,000)
Purchase of property, plant and equipment	(1,023,090)	(51,825,859)	-	-
Proceeds from disposal of property, plant and equipment	15,484	2,539	-	-
Net cash used in investing activities	(1,007,606)	(53,823,273)	-	(2,000,010)
CASH FLOW FROM FINANCING ACTIVITIES				
Net proceeds from issuance of ordinary shares	-	52,650,000	-	52,650,000
Drawdown of term loans	12,072,461	11,038,420	-	-
Repayment of term loans	(16,495,921)	(12,364,370)	(3,550,000)	(2,500,000)
Repayment of lease liabilities	(490,474)	(505,879)	-	-
Net cash (used in)/generated from financing activities	(4,913,934)	50,818,171	(3,550,000)	50,150,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,833,997	608,578	1,462,392	920,410
EFFECT OF FOREIGN EXCHANGE DIFFERENCE	912	(154,540)	2,751	(154,540)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(20,374,900)	(20,828,938)	(11,807,292)	(12,573,162)
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 15)	(15,539,991)	(20,374,900)	(10,342,149)	(11,807,292)

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are described in Note 9 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

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

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

3.2 Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Yong Tai Berhad and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

The non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss, and consolidated statement of comprehensive income.

Total comprehensive income (i.e. profit or loss and each component of other comprehensive income) is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments excludes transaction costs.

(ii) Joint arrangement

A joint arrangement (i.e. either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Group is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In a joint operation, the parties with joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. Therefore, the Group recognises its share of the operation's assets, liabilities, income and expenses that are combined line by line with similar items in the Group's financial statements.

In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The Group's interests in joint ventures are recognised using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

(iii) Business combinations

The Group applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by MFRS 3 *Business Combinations*).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by MFRS.

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by the Group in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Other changes resulting from events after the acquisition date are adjusted at each reporting date, only when the contingent consideration is classified as an asset or a liability, and the adjustment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Basis of consolidation (Cont'd)

(iii) Business combinations (Cont'd)

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

(iv) Transactions eliminated on consolidation

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

3.3 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of **materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying cash flow** hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

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.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic lives.

The principal annual depreciation rates used are as follows:

Leasehold land	99 years
Furniture and equipment	5% - 25%
Motor vehicles	20%
Mining equipment	10%
Renovation and fittings	10%
Theatre building	2%
Hotel building	2%

Freehold land is not depreciated. Capital work-in-progress and hotel building are not depreciated until the assets are ready for their intended use.

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.4 Leases

(a) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. **If the supplier has a substantive substitution right, then the asset is not identified;**
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition and initial measurement

(i) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

(b) Recognition and initial measurement (Cont'd)

(i) As a lessee (Cont'd)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

(c) Subsequent measurement

(i) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) As a lessor

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of "revenue".

3.5 Intangible assets

(i) Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets (Cont'd)

(ii) Separately acquired intangible assets

On initial recognition, intangible assets acquired separately are measured at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life and amortisation method are revised at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(iii) Amortisation

For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over its useful economic life from the date they are available for use as follow:

Licences and performance production costs	25 years
---	----------

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3.6 Impairment of non-financial assets

Impairment of property, plant and equipment and of intangible assets with finite useful lives

The carrying amounts of such assets are reviewed at each reporting date for indications of impairment and where **an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount.** Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not **generate cash inflows that are largely independent of those from other assets or groups of assets.** If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

3.7 Inventories

Property development costs and completed properties

Property development costs are stated at the lower of costs and net realisable value. The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as **expense in the profit or loss for property under development are carried in the statement of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.**

Property development cost of unsold unit is transferred to completed properties once the development is completed.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments

(i) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Group and the Company become a party to the contractual provisions of the instruments.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables) are measured at fair value plus or minus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial assets, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(iii) Financial assets

For the purpose of subsequent measurement, the Group and the Company classify financial assets into three measurement categories, namely:

- (i) financial assets at amortised cost ("AC");
- (ii) financial assets at fair value through other comprehensive income ("FVOCI"); and
- (iii) financial assets at fair value through profit or loss ("FVPL").

The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets as financial assets at AC. A financial asset is measured at AC if:

- (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

Typically, trade and other receivables (excluding prepayments) and cash and cash equivalents are classified as financial assets at AC.

For the financial year ended on 30 June 2023, the Group and the Company did not carry any financial assets classified as FVOCI and FVPL.

Financial assets are subject to review for impairment in accordance with Note 3.8(vi).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (Cont'd)

(iv) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.
- (iii) Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

(v) Recognition of gains and losses

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(vi) Impairment of financial assets

The Group and the Company apply the expected credit loss ("ECL") model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12-month ECL requirement to recognise only lifetime ECLs.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications:

- (a) a 12-month ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and
- (b) credit risk is considered to have increase significantly if payments are more than 60 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions.

The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (Cont'd)

(vi) Impairment of financial assets (Cont'd)

For trade receivable, the lifetime ECL is determined at the end of each reporting period using a provision matrix. **For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables.** Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. **In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.**

3.9 Contract costs

Incremental cost of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised as assets if the Group expects to recover those costs.

These contract costs 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 costs exceed the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract costs does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.**

3.10 Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development, contract asset is the excess of cumulative revenue earned over the billings to date. In the case of **performance project ticket sales, contract asset is recognised when the entity has performed under the contract but has not yet billed the customer.** Contract asset is stated at cost less accumulated impairment loss, if any.

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 *Financial Instruments* (see Note 3.8(vi)).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of property development, contract liability is the excess of the billings to date over the cumulative revenue earned. In the case of performance project ticket sales, contract liability is recognised when the entity has not yet performed under the contract but has received advanced payments from the customer. Contract liabilities also include down payments received from customers and tickets sold for performance project before services are provided to the customers.

Contract assets are transferred to receivables when the rights to consideration become unconditional. **Contract liabilities are recognised as revenue as the Group performs under the contract.**

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, on demand deposits and other short term highly liquid investments **that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.**

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Foreign currencies transactions and balances

Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss (except when deferred in other comprehensive income as qualifying cash flow hedges).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Translation differences on non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

3.13 Equity

Equity instruments are contracts that give a residual interest in the net assets of the Group and the Company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction.

3.14 Provisions

Where, at reporting date, the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that the Group and the Company will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

3.15 Employees benefits

(i) Short-term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absence such as paid annual leaves are recognised when services are rendered by employees and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employee render their services. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3.16 Revenue from contracts with customers

The Group's revenue comprises property development and investment, development and operation of a tourism stage performance, sales of merchandise and event tickets and commission from sales of consignment merchandise.

(i) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue from contracts with customers (Cont'd)

(i) Revenue from property development (Cont'd)

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

When the outcome of property development contract cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(ii) Revenue from sale of tourism stage performance tickets and vouchers

The Group measures revenue from a sale of goods or a service transaction at the amount of transaction price that is allocated to the performance obligation, which is usually the invoice price, net of a trade discounts and volume rebates given to the customer. If the transaction price includes variable considerations, the Group uses the expected value method by estimating the sum of probability-weighted amounts in a range of possible consideration amounts, or the most likely outcome method, depending on which method the Group expects to better predict the amount of consideration to which it is entitled.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

3.17 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transactions costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Interest bearing loans and borrowings (Cont'd)

Interest relating to financial liabilities is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income from temporary investment of the borrowing.

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

3.18 Income tax

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

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

Deferred tax assets are recognised only to the extent that the Group and the Company consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's and the Company's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

3.19 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group and the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and the Company at the end of the reporting period during which the change occurred.

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

4.1 Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2022:

- Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concession beyond 30 June 2021*
- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Property, Plant and Equipment—Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts—Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

4 ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONT'D)

4.2 Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 *Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned amendments will be adopted by the Group and the Company when they become effective from the annual period beginning on 1 July 2023 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and the Company.

4.3 MFRSs and Amendments to MFRSs not applicable

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Financial Instruments – Comparative Information* are not expected to be applicable to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure it incorporates all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Loss allowances of financial assets

The Group recognises impairment losses for trade receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Group's financial positions and results.

Carrying amount of trade receivables are as disclosed in Note 14.

(b) Revenue and cost recognition from property development activities

The Group recognises property development revenue and costs in the profit or loss by using the percentage of completion method. The percentage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialists.

Revenue and cost of sales from property development activities are as disclosed in Notes 20 and 21 respectively.

(c) Property development activities under joint arrangement agreement

The Group has entered into a joint venture arrangement with a third party who is the registered developer and beneficiary owner of a piece of land. Under this agreement, the Group has been assigned the rights to develop and construct a residential project and both parties are entitled for a profit sharing of fifty percent on the basis of sales proceeds less beneficiary owner of a piece of land entitlements for land contribution, all costs and expenses in relation to the development incurred by the registered developer and/or the Group and all payable taxes which imposed on the development.

In applying judgment, the Group assesses and concludes that it has power to govern the financial and operating policy decisions of the joint venture arrangement and assumed the risks and rewards of the development project. Accordingly, the Group take up the full results of the development project and the sharing to the joint venture is recognises as expenses in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Income tax and deferred tax estimation

Management's judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be different from the initial estimate.

The Group and the Company recognise tax assets and liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

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

Income tax expenses and deferred tax assets are as disclosed in Notes 24 and 10 respectively.

(e) Depreciation of property, plant and equipment and right-of-use assets

The cost of an item of property, plant and equipment and right-of-use assets is depreciated on a straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and right-of-use assets may differ from the estimates applied.

Depreciation of property, plant and equipment and right-of-use assets are as disclosed in Notes 6 and 7 respectively.

(f) Impairment of non-financial assets

The Group and the Company assess impairment of property, plant and equipment ("PPE") and investment in subsidiaries when the events or changes in circumstances indicate that the carrying amounts of the cash generating units ("CGU") may not be recoverable. In assessing such impairment, the recoverable amount of the CGU is estimated using the higher of value in use and the fair value less costs to sell.

Carrying amount of property, plant and equipment are as disclosed in Note 6.

(g) Impairment of intangible assets

The Group determines whether the intangible assets are impaired on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the intangible assets are being allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit.

Carrying amount of intangible assets are as disclosed in Note 8.

(h) Measurement of lease liabilities and right-of-use assets

The measurement of a lease liability and the corresponding right-of-use asset includes in-substance fixed payments, variable lease payments linked to an inflation-related index or rate, estimates of lease term, option to purchase, payments under residual value guarantee and penalties for early termination. The actual payments may not coincide with these estimates. The Group reassesses the lease liability for any change in the estimates and a corresponding adjustment is made to the right-of-use asset.

Carrying amount of lease liabilities and right-of-use assets are as disclosed in Notes 17 and 7 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Theatre building RM	Hotel building RM	Furniture and equipment RM	Motor vehicles RM	Mining equipment RM	Renovation and fittings RM	Capital work-in-progress RM	Total RM
Cost										
At 1 July 2021	8,477,238	35,150,822	261,345,615	-	3,926,994	700,412	-	114,695	178,693,077	488,408,853
Additions	-	-	-	-	63,224	16,000	700,000	-	51,046,635	51,825,859
Adjustment	-	-	(1,362,920)	-	-	-	-	-	-	(1,362,920)
Reclassification	-	-	-	229,739,712	-	-	-	-	(229,739,712)	-
Disposals	-	-	-	-	(2,539)	-	-	-	-	(2,539)
At 30 June 2022/ 1 July 2022	8,477,238	35,150,822	259,982,695	229,739,712	3,987,679	716,412	700,000	114,695	-	538,869,253
Additions	-	-	-	-	1,023,090	-	-	-	-	1,023,090
Adjustment	-	-	(596,728)	(5,050,238)	-	-	-	-	-	(5,646,966)
Written off	-	-	-	-	(6,985)	-	(700,000)	(28,035)	-	(735,020)
Disposals	-	-	-	-	-	(16,000)	-	-	-	(16,000)
At 30 June 2023	8,477,238	35,150,822	259,385,967	224,689,474	5,003,784	700,412	-	86,660	-	533,494,357
Accumulated depreciation										
At 1 July 2021	-	1,249,014	15,680,737	-	1,875,593	665,191	-	54,266	-	19,524,801
Charge for the financial year	-	356,861	5,117,879	-	635,850	36,826	70,000	8,673	-	6,226,089
Disposals	-	-	-	-	(941)	-	-	-	-	(941)
At 30 June 2022/ 1 July 2022	-	1,605,875	20,798,616	-	2,510,502	702,017	70,000	62,939	-	25,749,949
Charge for the financial year	-	356,861	5,139,981	1,105,834	598,356	3,972	128,333	8,673	-	7,342,010
Disposals	-	-	-	-	-	(5,867)	-	-	-	(5,867)
Written off	-	-	-	-	(29,164)	-	(198,333)	-	-	(227,497)
At 30 June 2023	-	1,962,736	25,938,597	1,105,834	3,079,694	700,122	-	71,612	-	32,858,595
Accumulated impairment loss										
At 1 July 2021	-	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	118,216,950	-	-	-	-	-	118,216,950
At 30 June 2022/ 1 July 2022/ 30 June 2023	-	-	-	118,216,950	-	-	-	-	-	118,216,950
Net carrying amount										
At 1 July 2021	8,477,238	33,901,808	245,664,878	-	2,051,401	35,221	-	60,429	178,693,077	468,884,052
At 30 June 2022	8,477,238	33,544,947	239,184,079	111,522,762	1,477,177	14,395	630,000	51,756	-	394,902,354
At 30 June 2023	8,477,238	33,188,086	233,447,370	105,366,690	1,924,090	290	-	15,048	-	382,418,812

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Furniture and equipment RM	Motor vehicles RM	Renovation and fittings RM	Total RM
Cost				
At 1 July 2021/ 30 June 2022/ 1 July 2022/ 30 June 2023	374,872	4,264	22,700	401,836
Accumulated depreciation				
At 1 July 2021	285,305	3,447	10,057	298,809
Charge for the financial year	51,881	816	2,277	54,974
At 30 June 2022/ 1 July 2022	337,186	4,263	12,334	353,783
Charge for the financial year	8,654	-	2,277	10,931
At 30 June 2023	345,840	4,263	14,611	364,714
Net carrying amount				
At 1 July 2021	89,567	817	12,643	103,027
At 30 June 2022	37,686	1	10,366	48,053
At 30 June 2023	29,032	1	8,089	37,122

- (a) Included in the property, plant and equipment of the Group are net carrying amount of theatre building of RM233,447,370 (2022: RM239,184,079), leasehold land of RM33,188,086 (2022: RM33,544,947) and freehold land of RM8,477,238 (2022: RM8,477,238) pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 18.
- (b) In previous financial years, included in the property, plant and equipment of the Group is interest expense of RM5,828,406 capitalised into capital work-in-progress in current financial year as disclosed in Note 22.
- (c) Included in the property, plant and equipment of the Group is freehold land with cost of RM8,477,238 (2022: RM8,477,238) in which land title was held under the name of joint venture party.
- (d) In previous financial year, the Group conducted impairment review and recognised impairment loss on hotel building of RM118,216,950 in view that the recoverable amount is below the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

7. RIGHT-OF-USE ASSETS

GROUP	Theatre system and equipment RM	Motor vehicles RM	Office buildings RM	Total RM
Cost				
At 1 July 2021	1,402,722	1,203,354	741,770	3,347,846
Addition	-	253,838	335,665	589,503
Derecognition	-	-	(495,875)	(495,875)
Disposal	-	(295,359)	-	(295,359)
At 30 June 2022/1 July 2022	1,402,722	1,161,833	581,560	3,146,115
Additions	-	-	267,817	267,817
At 30 June 2023	1,402,722	1,161,833	849,377	3,413,932
Accumulated depreciation				
At 1 July 2021	84,163	826,658	480,913	1,391,734
Charge for the financial year	28,054	203,905	193,853	425,812
Derecognition	-	-	(495,875)	(495,875)
Disposal	-	(223,979)	-	(223,979)
At 30 June 2022/1 July 2022	112,217	806,584	178,891	1,097,692
Charge for the financial year	28,055	167,409	301,260	496,724
At 30 June 2023	140,272	973,993	480,151	1,594,416
Net carrying amount				
At 1 July 2021	1,318,559	376,696	260,857	1,956,112
At 30 June 2022	1,290,505	355,249	402,669	2,048,423
At 30 June 2023	1,262,450	187,840	369,226	1,819,516

- (a) The Group leases theatre system and equipment, motor vehicles and office buildings.
- (b) The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

8. INTANGIBLE ASSETS

GROUP	License fee RM	Performance production cost RM	Goodwill on consolidation RM	Total RM
Cost				
At 1 July 2021	19,830,000	147,358,382	245,748	167,434,130
Acquisition through business combination	-	-	283,549	283,549
At 30 June 2022/1 July 2022/ 30 June 2023	19,830,000	147,358,382	529,297	167,717,679
Accumulated amortisation				
At 1 July 2021	2,379,600	17,683,005	-	20,062,605
Amortisation	793,200	5,894,335	-	6,687,535
At 30 June 2022/1 July 2022/ 30 June 2023	3,172,800	23,577,340	-	26,750,140
Accumulated impairment loss				
At 1 July 2021	-	-	-	-
Impairment loss	16,657,200	123,781,042	529,297	140,967,539
At 30 June 2022/1 July 2022/ 30 June 2023	16,657,200	123,781,042	529,297	140,967,539
Net carrying amount				
At 1 July 2021	17,450,400	129,675,377	245,748	147,371,525
At 30 June 2022	-	-	-	-
At 30 June 2023	-	-	-	-

(a) License fee

The Group entered into an Intellectual Property Licensing Agreement ("IPLA") with a foreign third party in July 2013 for a right to use the intellectual property ("IP") in relation to the creation and production of a performance project known as "Encore Melaka" in Melaka, Malaysia. This would allow the Group the rights to use the IP exclusively in five Southeast Asia Countries, including Melaka for a period of thirty years commencing from the date of the agreement.

(b) Performance production cost

In order to facilitate the successful implementation of "Encore Melaka", the Group has entered into various Production Service Agreement with third parties to provide production services pertaining to "Encore Melaka" performance project including, but not limited to the following services:

- production management services
- procurement services
- stage mechanical engineering
- lighting engineering
- sound engineering
- image production
- stage art production
- music and programme production

The license fee and performance production cost has commenced amortisation as the Group had commenced business on performance project known as "Encore Melaka" in financial year 2019.

Due to pro-longed Covid-19 pandemic where the property and tourism industry are amongst the worst-hit sectors, the Group has shifted its strategy from its previous focus on the Encore Melaka show towards a broader range of live entertainment, art and cultural shows through collaboration with external production houses. The theatre will also serve as a one-stop solution for all event staging needs and cater for outdoor activities, marketing and ticketing sales. This has resulted to the impairment loss on license fee of RM16,657,200 and performance production cost of RM123,781,042.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

8. INTANGIBLE ASSETS (CONT'D)

(c) Goodwill

Goodwill of the Group is associated with the acquisition of Apple 99 Development Sdn. Bhd and YTB Capital Berhad. (the "cash generating units" or "CGUs").

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the cash flows projection based on the financial budgets approved by the management.

In previous financial year, the Group recognised impairment loss on goodwill of RM529,297.

9. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	24,700,191	24,700,190
Accumulated impairment losses	(955,845)	(955,845)
	<hr/> 23,744,346	<hr/> 23,744,345

The details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2023 %	2022 %
YTB Land Sdn. Bhd. (A)	Malaysia	Mining operation	100	100
YTB Apple Sdn. Bhd. (A)	Malaysia	Dormant	100	100
YTB Development Sdn. Bhd. (A)	Malaysia	Property development	100	100
YTB Impression Sdn. Bhd. (A)	Malaysia	Property development	100	100
PTS Impression Sdn. Bhd. (A)	Malaysia	Development and operation of tourism stage performance and investment holding	100	100
YTB Project Management Services Sdn. Bhd. (A)	Malaysia	Project management	100	100
Apple 99 Development Sdn. Bhd. (A)	Malaysia	Property investment and development	100	100
Impression Wonders Arts (M) Sdn. Bhd. (B)(A)	Malaysia	Merchandise sales	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2023 %	2022 %
YTB RE Sdn. Bhd. (A)	Malaysia	Dormant	75	75
YTB Makmur Sdn. Bhd. (A)	Malaysia	Dormant	80	80
YTB Healthcare Sdn. Bhd. (A)	Malaysia	Product registration holder, wholesale, distribution and dealings with pharmaceutical products	70	70
YTB Capital Berhad (A)	Malaysia	Management of interest scheme	100	100
YTB (Singapore) Pte. Ltd. (A)	Singapore	Dormant	100	100
YTB Lifestyle Mall Sdn. Bhd. ¹ (A)	Malaysia	Property investment and development	100	-

¹ On 7 November 2022, the Company had incorporated a wholly owned subsidiary known as YTB Lifestyle Mall Sdn. Bhd. with an issued and paid-up share capital of 1 ordinary share at RM1 per ordinary share.

(#) Interest held by PTS Impression Sdn. Bhd.

(A) Subsidiaries audited by RSM Malaysia PLT

(@) Subsidiary not audited by RSM Malaysia PLT

10. DEFERRED TAX ASSETS

	GROUP	
	2023 RM	2022 RM
Balance as at beginning of the year	6,150,000	1,720,000
Recognised in profit or loss (Note 24)	(6,150,000)	1,550,000
Reversal on the fair value adjustment on property, plant and equipment	-	2,880,000
Balance as at end of the year	-	6,150,000

Represented as:

Deferred tax assets	-	6,150,000
---------------------	---	-----------

The components of the deferred tax assets during the financial year comprise tax effects of:

	2023 RM	2022 RM
Unutilised tax losses	-	6,150,000
	-	6,150,000

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

11. INVENTORIES

	GROUP	
	2023 RM	2022 RM
At cost:		
Property development costs (a)	212,575,648	209,427,859
Completed properties	13,756,298	59,833,916
Property investment	39,070	-
	226,371,016	269,261,775

(a) Property development costs

	GROUP	
	2023 RM	2022 RM
Freehold land, at cost		
Balance as at 1 July	6,838,458	6,838,458
Adjustment of completed properties	(6,838,458)	-
Balance as at 30 June	-	6,838,458
Leasehold land, at cost		
Balance as at 1 July/ 30 June	18,810,017	18,810,017
Adjustment of completed properties	(11,468,426)	-
Balance as at 30 June	7,341,591	18,810,017
Development expenditure		
Balance as at 1 July	577,537,448	529,933,874
Incurred during the financial year	39,881,106	82,142,468
Written off	(571,342)	(34,538,894)
Adjustment of completed properties	(342,925,017)	-
Balance as at 30 June	273,922,195	577,537,448
	281,263,786	603,185,923
Accumulated costs charged to the profit or loss		
Balance as at 1 July	(393,758,064)	(270,557,049)
Costs charged to profit or loss for the financial year (Note 21)	(28,327,916)	(63,367,099)
Unsold completed properties transferred to inventories	(7,834,059)	(59,833,916)
Adjustment of completed properties	361,231,901	-
Balance as at 30 June	(68,688,138)	(393,758,064)
	212,575,648	209,427,859

- (i) The freehold and leasehold land with a total carrying value of RM6,838,458 (2022: RM25,648,475) and its related property development costs have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 18.
- (ii) Certain land held for property development were held under the name of joint venture partner, in which the Group has been assigned the rights to develop and construct development projects.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

12. CONTRACT COSTS

	GROUP	
	2023 RM	2022 RM
Costs to obtain sale of property contracts	5,347,028	19,346,442

Costs to obtain sale of property contracts represent sales commission paid to intermediaries which are amortised to cost of sales when the related revenues are recognised.

During the financial year, RM14,134,479 (2022: RM7,119,023) was amortised to cost of sales as disclosed in Note 21.

13. CONTRACT ASSETS/ (LIABILITIES)

	GROUP	
	2023 RM	2022 RM
Contract assets		
Property development	-	25,451,722
Contract liabilities		
Property development	24,316,375	52,642,897
Tickets sold for performance project	210,850	333,726
	24,527,225	52,976,623

(a) Contract assets and contract liabilities from property development:

	2023 RM	2022 RM
Contract assets	-	25,451,722
Contract liabilities	(24,316,375)	(52,642,897)
	(24,316,375)	(27,191,175)

The movement of contract assets and liabilities from property development is as follows:

	2023 RM	2022 RM
Balance as at beginning of the year	(27,191,175)	(35,813,801)
Downpayments received from customers	7,544,692	8,366,320
Revenue recognised during the financial year	115,093,794	71,470,641
Progress billings issued during the financial year	(119,763,686)	(71,214,335)
Balance as at end of the year	(24,316,375)	(27,191,175)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

13. CONTRACT ASSETS/ (LIABILITIES) (CONT'D)

(a) Contract assets and contract liabilities from property development: (cont'd)

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

	2023 RM	2022 RM
Sale of development properties under construction	109,236,761	206,476,255

The remaining performance obligations are expected to be recognised within 1 – 4 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

(b) Contract liabilities from tickets sold for performance project:

	2023 RM	2022 RM
Contract liabilities	210,850	333,726

The movement of contract liabilities from tickets sold for performance project is as follows:

	2023 RM	2022 RM
Balance as at beginning of the year	333,726	266,065
Cash received from customers, excluding amounts recognised as revenue during the financial year	210,850	333,726
Transferred from contract liabilities recognised at beginning of the financial year to revenue	(333,726)	(266,065)
Balance as at end of the year	210,850	333,726

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

14. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade				
Third parties	15,314,064	21,235,411	-	-
Non-trade				
Sundry receivables	51,775,404	13,662,514	530,306	1,424,328
Advance payment	42,057,395	52,938,737	-	-
Deposits	1,829,185	2,198,847	349,150	349,150
Prepayment	7,671	1,615,676	-	870,000
Amount due from subsidiaries	-	-	691,635,880	697,143,838
	95,669,655	70,415,774	692,515,336	699,787,316
Less: Impairment loss	(16,432,138)	(892,139)	(157,463,352)	(148,250,521)
	94,551,581	90,759,046	535,051,984	551,536,795

- (a) Included in sundry receivables of the Group and of the Company are amount of RM5,595,883 and RM2,775 (2022: RM11,195,498 and RM18,806) respectively due from companies in which certain directors of the Company have interest. This amount is unsecured, interest free and repayable upon demand.
- (b) The amount due from subsidiaries represent non-trade transactions and advances which are unsecured, interest free and repayable upon demand.
- (c) Included in the advance payment of the Group is an amount of RM35,191,068 (2022: RM35,191,068) paid to a third party who is the registered owner of a piece of land which a joint development agreement had been entered with.

15. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	5,131,669	2,150,721	271,142	668,192
Less: Bank overdrafts (Note 18)	(20,671,660)	(22,525,621)	(10,613,291)	(12,475,484)
As reported in statements of cash flows	(15,539,991)	(20,374,900)	(10,342,149)	(11,807,292)

- (a) Included in the Group's cash and bank balances is amount of RM181,059 (2022: RM203,196) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. The utilisation of these balances is restricted, before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash could be withdrawn from such account for the purpose of completing the particular projects concerned.
- (b) Included in the Group's cash and bank balances is amount of RM137,048 (2022: RM115,169) pledged to licensed bank for banking facilities granted to the Group as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

16. SHARE CAPITAL

	GROUP/ COMPANY			
	2023		2022	
	Number	RM	Number	RM
Issued and fully paid shares classify as equity instruments				
Ordinary shares:				
At beginning of the year	1,418,619,491	718,312,858	1,348,464,314	665,538,717
Issuance of shares via:				
- capitalisation of subsidiaries' creditors	92,000,000	-	-	46,000,000
- conversion of irredeemable convertible preference shares	9,546,072	9,572,448	155,177	124,141
- conversion of redeemable convertible preference shares	-	-	70,000,000	6,650,000
Share consolidation	(1,142,048,562)	-	-	-
At end of the year	378,117,001	727,885,306	1,418,619,491	718,312,858
Irredeemable convertible preference shares:				
At beginning of the year	26,025,553	20,820,443	26,180,730	20,944,584
Conversion of irredeemable convertible preference shares	(11,965,560)	(9,572,448)	(155,177)	(124,141)
At end of the year	14,059,993	11,247,995	26,025,553	20,820,443
Redeemable convertible preference shares:				
At beginning of the year	-	-	-	-
Issuance of redeemable convertible preference shares	-	-	7,000,000	7,000,000
Share issuance expenses	-	-	-	(350,000)
Conversion of redeemable convertible preference shares	-	-	(7,000,000)	(6,650,000)
At end of the year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

16. SHARE CAPITAL (CONT'D)

On 2 August 2022, the Company announced the completion of the consolidation of 5 existing shares in the Company into 1 ordinary share resulting in the reduction in the number of shares from 1,427,560,691 ordinary shares to 285,512,129 ordinary shares.

During the financial year, the Company issued:

- (a) 92,000,000 new ordinary shares at an issue price of RM0.50 per share as part of debt settlement agreement with 19 creditors respectively.
- (b) 11,965,560 irredeemable convertible preference shares at an issue price of RM0.80 per share has been converted to **new ordinary shares during the financial year.**

All the new ordinary shares that were issued rank pari-passu in all respects with the existing shares of the Company.

Ordinary shares

The holders of ordinary shares are entitled to receive dividend as declared from time to time, and entitled to one vote per share at meetings of the Company.

Irredeemable convertible preference shares ("ICPS")

The Company has the sole discretion to decide whether to declare any non-cumulative dividend to the holders of ICPS. They do not have the right to participate in any additional distributions declared for ordinary shareholders. The ICPS holders do not carry the right to vote at any general meeting of the Company except for variation of holders' rights to the class of shares.

Redeemable convertible preference shares ("RCPS")

The RCPS shall entitle the holder thereof to the right to receive out of profits of the Company a cumulative preferential dividend at the rate of 2.0% per annum calculated based on the aggregate subscription price of the number of outstanding RCPS. The rights to receive dividend shall cease once the RCPS are converted into ordinary shares or redeem by the Company. There were no outstanding RCPS at the end of financial year subsequent to the exercise of the conversion rights by the subscriber.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

17. LEASE LIABILITIES

	GROUP	
	2023 RM	2022 RM
Future lease payment payable:		
- not later than one year	496,297	430,909
- later than one year and not later than five years	339,828	653,245
	836,125	1,084,154
Less: Future interest charges	(30,785)	(56,157)
Present value of lease liabilities	805,340	1,027,997
Repayable as follows:		
Current		
- not later than one year	472,403	396,751
Non-current		
- later than one year and not later than five years	332,937	631,246
	805,340	1,027,997

(i) Cash outflow for leases as a lessee

	GROUP	
	2023 RM	2022 RM
Included in net cash used in operating activities:		
- Interest paid for lease liabilities	46,157	42,595
- Payment relating to short-term lease	18,000	17,300
	64,157	59,895
Included in net cash generated from financing activities		
- Payment of lease liabilities	490,474	505,879
Total cash outflow for leases	554,631	565,774

(ii) Reconciliation of liabilities arising from financing activities:

	GROUP	
	2023 RM	2022 RM
Balance as at beginning of the year	1,027,997	944,373
Cash flows:		
Addition of lease liabilities	267,817	589,503
Payment of rental expense	(536,631)	(548,474)
Interest paid	46,157	42,595
Balance as at end of the year	805,340	1,027,997

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

18. LOANS AND BORROWINGS

	Note	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current					
<u>Secured</u>					
- term loans	(a)	140,081,177	148,639,322	-	-
Current					
<u>Secured</u>					
- term loans	(a)	16,820,174	9,135,489	-	-
- revolving credit	(c)	9,450,000	13,000,000	9,450,000	13,000,000
		26,270,174	22,135,489	9,450,000	13,000,000
<u>Unsecured</u>					
- bank overdraft	(d)	20,671,660	22,525,621	10,613,291	12,475,484
Total current portion		46,941,834	44,661,110	20,063,291	25,475,484
		187,023,011	193,300,432	20,063,291	25,475,484

(a) The term loans of the Group comprise the followings:

	GROUP	
	2023 RM	2022 RM
Term loan I repayable by monthly instalments ranging from RM550,000 to RM1,800,000 commencing March 2023	65,000,000	65,000,000
Term loan IV repayable by 60 months instalments of RM9,466 each commencing March 2018	-	30,132
Term loan VI repayable by monthly instalments ranging from RM800,000 to RM1,440,000 commencing Jan 2023	87,734,684	88,139,322
Bridging loan I repayable by 24 months instalments of RM 1,054,312 each commencing on September 2022	-	1,605,357
Term loan VII repayable by 18 months instalments of RM196,667 each commencing July 2022	-	3,000,000
Term loan VIII repayable by 24 months instalments of RM258,333 each commencing March 2023	4,166,667	-
	156,901,351	157,774,811

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

18. LOANS AND BORROWINGS (CONT'D)

(b) The range of interest rates at the end of the financial year was as follows:

	GROUP	
	2023 %	2022 %
Term loan	8.15% - 12.00	3.99 - 12.00
Bridging loan	-	3.99

(c) Revolving credit

The tenure of the revolving credit ranges from 90 days to 60 months and repayable on demand, subject to review by the bank. The revolving credit bears interest rates of 4.95% - 5.12% (2022: 4.20% - 4.22%) per annum.

(d) Bank overdraft

The bank overdraft facilities are repayable on demand and bear interest ranging from 6.64% - 7.65% (2022: 5.89% - 6.95%) per annum.

(e) The banking facilities of the Group and of the Company are secured by mean of:

- (i) fixed charge over theatre building, leasehold land and freehold land of the Group as disclosed in Note 6;
- (ii) fixed charge over certain freehold land, leasehold land and property development costs of the Group as disclosed in Note 11;
- (iii) assignment of Housing Development Account and project account as referred to in Note 15;
- (iv) fixed and floating charges over the present and future assets of a subsidiary for RM100 million;
- (v) guarantee by certain directors of the Company and subsidiaries jointly and severally; and
- (vi) corporate guarantee by the Company.

Reconciliation of liabilities arising from financing activities:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance as at beginning of the year	193,300,432	195,710,044	25,475,484	29,115,002
<i>Cash flows:</i>				
Drawdown of loans	12,072,461	11,038,420	-	-
Repayment of loans	(16,495,921)	(12,364,370)	(3,550,000)	(2,500,000)
	188,876,972	194,384,094	21,925,484	26,615,002
<i>Non cash changes:</i>				
Bank overdraft	(1,853,961)	(1,083,662)	(1,862,193)	(1,139,518)
	(1,853,961)	(1,083,662)	(1,862,193)	(1,139,518)
Balance as at end of the year	187,023,011	193,300,432	20,063,291	25,475,484

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
Third parties	70,224,160	55,934,901	-	-
Retention sum	13,116,674	18,909,689	-	-
Amount due to joint venture partner	3,793,889	4,499,571	-	-
	87,134,723	79,344,161	-	-
Other payables				
Sundry payables	13,802,409	10,978,445	467,283	751,393
Deferred revenue	34,646,774	33,368,537	-	-
Accruals	92,702,604	136,513,756	1,542,214	941,688
Asset payables	11,722,984	15,779,201	-	-
Deposit received	5,038,398	6,278,905	-	-
Amount due to subsidiaries	-	-	2,389,382	1,993,367
	157,913,169	202,918,844	4,398,879	3,686,448
	245,047,892	282,263,005	4,398,879	3,686,448

- (a) Included in sundry payables and deposit received of the Group are amount of RM27,683 and RM1,885,000 (2022: RM211,186 and RM NIL) respectively due to companies in which certain directors of the Company have interest. The amount is unsecured, interest free and repayable upon demand.
- (b) The amount due to subsidiaries represent non-trade transactions and advances which are unsecured, interest free and repayable upon demand.

20. REVENUE

	GROUP	
	2023 RM	2022 RM
Revenue from contracts with customers		
- property development	115,093,794	71,470,641
- sales of healthcare goods	-	73,595
- ticketing sales of performance project	170,949	235,835
- property investment	4,240,528	-
- rental income	1,847,525	-
- others	517,123	-
	121,869,919	71,780,071
Timing of revenue		
- at a point in time	2,018,474	309,430
- over time	119,851,445	71,470,641
	121,869,919	71,780,071

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

21. COST OF SALES

	GROUP	
	2023 RM	2022 RM
Property development cost	23,610,327	63,367,099
Completed properties	53,911,677	-
Discount allowed	1,077,973	171,949
Amortisation of contract costs (Note 12)	14,134,479	7,119,023
	92,734,456	70,658,071
Merchandise goods sold	-	86,591
Performance project service rendered	3,810,942	2,582,098
Amortisation of intangible assets	-	6,687,535
Depreciation of right-of-use assets	28,055	28,054
Depreciation of theatre building	5,139,981	5,117,879
Property fit-out and holding costs	(3,352,028)	9,203,847
Mining operation	2,427,869	7,800,052
Property investment	6,944,825	-
Others	2,447,457	-
	17,447,101	31,506,056
	110,181,557	102,164,127

22. FINANCE COSTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Finance costs charged by:				
- bank overdraft	1,557,147	1,503,175	882,340	915,872
- lease liabilities	46,157	42,595	-	-
- medium term notes	-	14,959	-	14,959
- term loan	11,854,331	9,416,425	-	-
- revolving credit	533,809	522,737	533,809	522,737
Total finance costs	13,991,444	11,499,891	1,416,149	1,453,568
Less interest capitalised in:				
- property, plant and equipment (Note 6)	-	(5,828,406)	-	-
Net finance costs	13,991,444	5,671,485	1,416,149	1,453,568

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

23. LOSS BEFORE TAXATION

Loss before taxation is stated at after charging/(crediting):

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- current year				
- RSM Malaysia PLT	165,000	141,000	42,000	35,000
- other auditors	7,763	-	-	-
- non-audit fees	5,000	27,000	5,000	27,000
Amortisation of intangible assets	-	6,687,535	-	-
Depreciation of property, plant and equipment	7,342,010	6,226,089	10,931	54,974
Depreciation of right-of-use assets	496,724	425,812	-	-
Forfeiture income	(1,889,510)	(5,162,434)	-	-
Gain on disposal of property, plant and equipment	(5,351)	(941)	-	-
Loss on disposal of right-of-use assets	-	71,380	-	-
Impairment loss on other receivables	16,129,738	20,793,138	9,802,570	147,948,121
Impairment loss on property, plant and equipment	-	118,216,950	-	-
Impairment loss on intangible assets	-	140,967,539	-	-
Interest income	(81,858)	(11,628)	(29)	(13)
Inventories written off	571,342	34,538,894	-	-
Realised (gain)/ loss on foreign exchange	(64,591)	48,086	(127,174)	(95,208)
Rental income	(1,886,125)	(471,938)	-	-
Reversal on the fair value adjustment	-	(2,880,000)	-	-
Staff costs (exclude directors' remuneration)				
- salaries and other benefits (Note 26)	11,523,335	8,812,322	-	-
Unrealised loss on foreign exchange	806,838	154,540	39,769	154,540

24. TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax expense				
- current financial year	176,809	400,705	-	-
- over provision in prior financial year	(212,731)	(774,400)	-	-
	(35,922)	(373,695)	-	-
Deferred taxation				
- current financial year	5,832,208	(1,550,000)	-	-
- under provision in prior financial year	317,792	-	-	-
	6,140,078	(1,923,695)	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

24. TAXATION (CONT'D)

A reconciliation of income tax expense on the loss before taxation with the applicable statutory income tax rate is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before taxation	(15,873,654)	(352,407,993)	(12,192,604)	(152,075,191)
Income tax at the Malaysian statutory tax rate of 24% (2022: 24%)	(3,809,677)	(84,577,918)	(2,926,225)	(36,498,046)
Tax effects in respect of:				
Depreciation of non-qualifying property, plant and equipment	1,432,530	3,054,721	646	1,145
Non-allowable expenses	5,354,852	76,394,868	2,924,764	36,486,006
Deferred tax assets not recognised	3,031,312	3,979,034	815	10,895
Current financial year tax expense	6,009,017	(1,149,295)	-	-
(Over)/Under provision in prior financial year				
- tax expense	(212,731)	(774,400)	-	-
- deferred taxation	317,792	-	-	-
	6,114,078	(1,923,695)	-	-

As at 30 June 2023, the Group and the Company have the following deferred tax assets which are not recognised in the financial statements because it is not probable that future taxable income will be available to allow the deferred tax assets to be utilised:

	2023 RM	2022 RM
Excess of net carrying amount over tax written down value of property, plant and equipment	(206,968)	(187,890)
Unutilised tax losses	19,019,660	16,203,902
Unabsorbed capital and investment tax allowances	783,753	549,121
	19,596,445	16,565,133

The unabsorbed tax losses are available indefinitely for offset against future taxable profits except for the tax losses which will expire in the following financial years:

	Group	
	2023 RM	2022 RM
Year of assessments		
2028	2,540,108	2,540,108
2029	19,623,301	19,623,301
2030	16,632,869	16,632,869
2031	7,818,994	7,818,994
2032	20,900,986	20,900,986
2033	11,732,327	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

25. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

The calculation of basic loss per ordinary share as at 30 June 2023 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	GROUP	
	2023	2022
Continuing operations		
Loss attributable to ordinary equity holders of the Company (RM)	(21,760,509)	(346,631,950)
Weighted average number of ordinary shares at beginning of the year	1,418,619,491	1,348,464,314
Effect of preference shares conversion	9,481,585	67,916
Effect of issuance of redeemable preference shares	-	17,500,000
Effect of share issuance for debt settlement	76,666,667	-
Effect of share consolidation	(1,142,048,562)	-
Weighted average number of ordinary shares at end of the year	362,719,181	1,366,032,230
Basic loss per ordinary share (sen)	(6.00)	(25.38)

(b) Diluted loss per ordinary share

The diluted loss per share of the Group for the financial year ended 30 June 2023 and 30 June 2022 was not presented in the financial statements as the effect of assumed subscriptions for new ordinary shares is anti-dilutive.

26. STAFF COSTS

	GROUP	
	2023 RM	2022 RM
Salaries, allowances and bonus	8,841,353	7,427,200
Contributions to defined contribution plan	1,164,076	971,060
Other personnel costs	1,517,906	414,062
	11,523,335	8,812,322

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

27. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company have the ability, directly or indirectly, to 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 or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and the Company, and certain members of senior management of the Group and the Company.

The Group and the Company have related party relationship with its subsidiaries, significant investors, directors, joint operator, companies in which directors of the Group and the Company have interest and key management personnel.

(b) Significant related party transactions

The significant related party transactions of the Group and the Company are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income	700,000	-	-	-
Key management personnel compensation:				
- directors' fees	659,845	714,000	530,000	714,000
- directors' remuneration and other emoluments	2,538,712	2,076,303	-	-

28. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which offer different products and services. For each of the business segments, the Chief Executive Officer reviews the internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Property development – Development of residential and commercial properties
- (ii) Property investment – Buildings held for rental income and ticketing income

Other operating segment comprises services rendered and investment.

Performance is measured based on revenue and operating profit as the management believes that such information is the most relevant in evaluating the results of the operation.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

28. OPERATING SEGMENTS (CONT'D)

Segments assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segments liabilities

Segment liabilities information is also included in the internal management reports provided to the Chief Executive Officer.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

	Property development RM	Property investment RM	Others RM	Elimination RM	Total RM
GROUP					
2023					
<u>Revenue</u>					
External customers	115,610,917	6,331,524	-	(72,522)	121,869,919
Inter-segment	-	-	12,660,000	(12,660,000)	-
	115,610,917	6,331,524	12,660,000	(12,732,522)	121,869,919
<u>Results</u>					
Segment results	16,420,092	(13,678,230)	(14,426,642)	9,802,570	(1,882,210)
Finance costs					(13,991,444)
Tax expense					(6,114,078)
Net loss for the financial year					(21,987,732)
<u>Other information</u>					
Segments assets	356,554,876	356,892,720	2,192,026	-	715,639,622
Unallocated corporate assets					749,104
Consolidated total assets					716,388,726
Segment liabilities	233,369,865	199,027,257	25,006,346	-	457,403,468
Unallocated corporate liabilities					279,180
Consolidated total liabilities					457,682,648
Capital expenditure	-	987,562	35,528	-	1,023,090
Depreciation and amortisation	357,932	6,933,728	547,074	-	7,838,734

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

28. OPERATING SEGMENTS (CONT'D)

GROUP	Property development RM	Property investment RM	Others RM	Elimination RM	Total RM
2022					
<u>Revenue</u>					
External customers	71,470,641	235,835	73,595	-	71,780,071
Inter-segment	-	-	9,754,928	(9,754,928)	-
	71,470,641	235,835	9,828,523	(9,754,928)	71,780,071
<u>Results</u>					
Segment results	(164,655,022)	(155,593,483)	(17,095,583)	(9,392,420)	(346,736,508)
Finance costs					(5,671,485)
Tax expense					1,923,695
Net loss for the financial year					(350,484,298)
<u>Other information</u>					
Segments assets	560,531,538	239,142,290	4,246,655	-	803,920,483
Unallocated corporate assets					6,808,678
Consolidated total assets					810,729,161
Segment liabilities	297,902,612	203,140,994	28,524,451	-	529,568,057
Unallocated corporate liabilities					467,294
Consolidated total liabilities					530,035,351
Capital expenditure	-	51,062,955	762,904	-	51,825,859
Depreciation and amortisation	390,042	12,563,037	386,357	-	13,339,436

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

29. FINANCIAL INSTRUMENTS

Categories of financial instruments are as follows:

	GROUP	
	2023 RM	2022 RM
Financial assets at amortised cost:		
- contract assets	-	25,451,722
- trade and other receivables (exclude advance payment and prepayment)	52,486,515	36,204,633
- cash and cash equivalents	5,131,669	2,150,720
	57,618,184	63,807,075
Financial liabilities at amortised cost:		
- trade and other payables (exclude deposit received)	240,009,494	275,984,099
- loans and borrowings	187,023,011	193,300,432
- lease liabilities	805,340	1,027,997
	427,837,845	470,312,528
	COMPANY	
	2023 RM	2022 RM
Financial assets at amortised cost:		
- trade and other receivables	535,051,984	551,536,795
- cash and cash equivalents	271,142	668,192
	535,323,126	552,204,987
Financial liabilities at amortised cost:		
- trade and other payables	4,398,879	3,686,448
- loans and borrowings	20,063,291	25,475,484
	24,462,170	29,161,932

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT

The Group and the Company have exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity and cash flow risk
- (iii) Market risk

(i) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

Credit risk arising from property development

Significant credit risk arising from the property development activities as services and products are predominantly rendered and sold to a large number of property purchasers without end financing facilities. Approximately 30% (2022: 47%) of total property purchasers are purchaser without end financing facilities.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. Credit risk with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

The Group do not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end-financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group do not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

Concentration of credit risk

The Group assesses concentrations of credit risk by exposure to single-large customers, industry sectors and overseas jurisdictions.

None of the customers concentrated in contract assets balances. There was no other significant exposure to single customers or to industry groups.

Credit risk arising from other activities of the Group

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of trade receivables fall within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collections losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (cont'd)

Credit risk arising from other activities of the Group (cont'd)

(a) the ageing analysis of trade receivables as at the end of the reporting date was:

	GROUP	
	2023 RM	2022 RM
Neither past due nor impaired	2,387,843	164,258
Past due but not impaired:		
1 to 30 days past due	382,344	672,550
31 to 60 days past due	2,159,710	4,276
61 to 90 days past due	378,600	1,962,233
91 to 120 days past due	-	6,247
121 to 150 days past due	66,550	23,241
More than 150 days past due	9,939,017	18,402,606
	12,926,221	21,071,153
	15,314,064	21,235,411

There is no allowance made for impairment losses of trade receivable for the Group during the financial year.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As at 30 June 2023, trade receivables for the Group of RM12,926,221 (2022: RM21,071,153) were past due but not impaired. Trade receivables comprise substantially outstanding amounts of RM10,192,782 (2022: RM15,824,831) representing approximately 79% (2022: 75%) of total trade receivables due from property purchaser without end financing facilities. In respect of property purchaser without end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amounts due from property purchaser are not impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (cont'd)

Receivables that are past due but not impaired (cont'd)

(a) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM156,901,351 (2022: RM157,774,811) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

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

Credit risk arising from inter-company balances

The Company provides unsecured advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries.

(ii) Liquidity risk and cash flow risk

Liquidity and cash flow risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company are actively managing their operating cash flow and banking facilities deemed adequate by the management to suit their debt maturity profile so as to ensure all commitments, refinancing, repayment and funding needs are met.

As part of its overall liquidity management, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position and it is the Group's and the Company's policy to ensure continuity in servicing its cash obligations in the future by forecasting its cash commitments and maintaining sufficient levels of cash and cash equivalents to meet its working capital requirements. As far as possible, the Group and the Company raise committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk and cash flow risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

GROUP	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	2 - 5 years	More than 5 years
2023	RM	%	RM	RM	RM	RM
Non-derivative financial liabilities						
Trade and other payables	240,009,494	-	240,009,494	240,009,494	-	-
Bank overdraft	20,671,660	6.64% - 7.65%	20,671,660	20,671,660	-	-
Term loans	156,901,351	8.15% - 12.00%	198,610,610	28,294,005	138,633,507	31,683,098
Revolving credit	9,450,000	4.95% - 5.12%	9,450,000	9,450,000	-	-
Lease liabilities	805,340	2.39% - 4.60%	836,125	496,297	339,828	-
	427,837,845		469,577,889	298,921,456	138,973,335	31,683,098
2022						
Non-derivative financial liabilities						
Trade and other payables	282,263,005	-	282,263,005	282,263,005	-	-
Bank overdraft	22,525,621	5.89% - 6.95%	22,525,621	22,525,621	-	-
Term loans	157,774,811	3.99% - 12.00%	204,866,570	17,548,204	130,525,898	56,792,468
Revolving credit	13,000,000	4.20% - 4.22%	13,000,000	13,000,000	-	-
Lease liabilities	1,027,997	2.39% - 4.60%	1,084,153	430,908	653,245	-
	476,591,434		523,739,349	335,767,738	131,179,143	56,792,468

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk and cash flow risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (cont'd)

COMPANY	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	2 - 5 years	More than 5 years
2023	RM	%	RM	RM	RM	RM
Non-derivative financial liabilities						
Trade and other payables	4,398,879	-	4,398,879	4,398,879	-	-
Bank overdraft	10,613,291	6.64% - 7.65%	10,613,291	10,613,291	-	-
Revolving credit	9,450,000	4.95% - 5.12%	9,450,000	9,450,000	-	-
	24,462,170		24,462,170	24,462,170	-	-
2022						
Non-derivative financial liabilities						
Trade and other payables	3,686,448	-	3,686,448	3,686,448	-	-
Bank overdraft	12,475,484	5.89% - 6.95%	12,475,484	12,475,484	-	-
Revolving credit	13,000,000	4.20% - 4.22%	13,000,000	13,000,000	-	-
	29,161,932		29,161,932	29,161,932	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Group's and the Company's financial position or cash flows.

(a) Interest rate risk

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

The Group and the Company managed interest rate risk through effective use of its floating and fixed rate debts.

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

	GROUP	
	2023 RM	2022 RM
Fixed rate instruments		
Financial liabilities	(805,340)	(1,027,997)
Floating rate instruments		
Financial liabilities	(187,023,011)	(193,300,432)
	COMPANY	
	2023 RM	2022 RM
Fixed rate instruments		
Financial liabilities	-	-
Floating rate instruments		
Financial liabilities	(20,063,291)	(25,475,484)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would result in the profit or loss before tax of the Group and the Company to be higher/(lower) by RM1,870,000 (2022: RM1,933,000) and RM201,000 (2022: RM255,000) respectively. This analysis assumes that all other variables remain constant. The assumed movement in basis point for interest rate sensitivity analysis is based on current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of the non-current portion of loans and borrowings that carry floating interest rates approximate their fair value as they are re-priced to market interest rates on or near the reporting date. The carrying amount of long-term hire purchase payables and medium-term notes that carry fixed interest rates approximate their fair values as the impact of discounting is not material.

Fair value hierarchy

Fair value hierarchy has not been presented as there are no financial instruments carried at fair values as at the end of the reporting period.

32. CAPITAL MANAGEMENT

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

The debt-to-equity ratio of the Group and the Company at the end of the reporting period is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Lease liabilities	805,340	1,027,997	-	-
Loans and borrowings	187,023,011	193,300,432	20,063,291	25,475,484
Less: Cash and bank balances	(5,131,669)	(2,150,721)	(271,142)	(668,192)
Net debt	182,696,682	192,177,708	19,792,149	24,807,292
Total equity	258,706,078	280,693,810	534,653,515	546,846,119
Debt-to-equity ratio	0.71	0.68	0.04	0.05

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are subject to certain externally imposed requirements in the form of loan covenants. The Group and the Company monitor debt-to-equity ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group and the Company have complied with loan covenants during and as at the end of financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

33. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Contracted but not provided for				
Commitment for acquisition of a development land and its related costs	9,000,000	-	-	-

34. EVENTS AFTER THE REPORTING PERIOD

- (a) On 12 July 2023, the Company had disposed 8 ordinary shares of YTB Makmur Sdn. Bhd. representing 80% equity interest for a total cash consideration of RM8.
- (b) On 3 July 2023, the Company had disposed 1 ordinary shares of YTB (Singapore) Pte. Ltd. representing 100% equity interest for a total cash consideration of RM3.

35. OTHER INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.
- (b) The registered office of the Company is situated at:
- B-25-2, Block B, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan
- (c) The principal place of business is situated at:
- No. 3, Jalan KSB - Impression 8
Impression City @ Kota Syahbandar
75200 Melaka
- (d) The financial statements are expressed in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 October 2023.

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of YONG TAI BERHAD (Registration No. 199401025505 (311186-T)) do hereby state that, in the opinion of the directors, the financial statements set out on pages 87 to 142 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

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

**DATO' INDERA SYED NORULZAMAN
BIN SYED KAMARULZAMAN**

DATUK WIRA BOO KUANG LOON

Kuala Lumpur
20 October 2023

STATUTORY DECLARATION

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

I, **DATUK WIRA BOO KUANG LOON**, being the director primarily responsible for the financial management of YONG TAI BERHAD (Registration No. 199401025505 (311186-T)) do solemnly and sincerely declare that the financial statements set out on pages 87 to 142 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

DATUK WIRA BOO KUANG LOON
Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory on 20 October 2023

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YONG TAI BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Yong Tai Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and 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 87 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 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 Auditor's 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.

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined that there are no key audit matters to be communicated in respect of the audit of the separate financial statements of the Group and of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YONG TAI BERHAD (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>Liquidity position of the Group and the Company</p> <p>Refer to Note 30(ii) – Liquidity and Cash Flow Risk to the financial statements.</p> <p>In assessing the liquidity position of the Group, management has considered the repayment obligations for borrowings, other liabilities and cost overheads which are due in the next 12 months, taking into consideration the following:</p> <p>a) Unutilised financing facilities available to the Group; b) Availability of cash flows over the next 12 months; and c) Utilisation of proceeds from any corporate proposals.</p> <p>We considered this as an area of audit focus due to the significant degree of judgements and estimates used by management in arriving at the cash flow forecast.</p>	<p>The details of our work performed are as follows:</p> <ul style="list-style-type: none"> - We have inquired management as to its knowledge of events or conditions beyond the period of management's going concern assessment; - We evaluated management's going concern assessment that covers twelve months from the date of financial statements through review of the cash flow forecast; - We assessed the reasonableness of the management's judgements exercised and key assumptions used on its cash flow forecast; - We assessed the availability of unutilised financing facilities and reviewed the covenants associated with these financing facilities; - We performed sensitivity test for a range of reasonable possible scenarios; and - We considered the completeness and accuracy of disclosure in the financial statements.
<p>Recognition of revenue and cost of sales from property development activities</p> <p>Refer to Note 3.16(i) – Significant Accounting Policies, Note 5(b) – Significant Accounting Estimates and Judgements, Note 20 – Revenue and Note 21 – Cost of Sales</p> <p>For the financial year ended 30 June 2023, revenue of RM115,610,917 and cost of sales of RM95,181,913 from property development activities accounted for approximately 94.9% and 86.4% of the Group's total revenue and cost of sales respectively. The Group uses percentage of completion method to account for the recognition of revenue and cost of sales from property development activities.</p> <p>We identified this area as area requires audit focus due to the involvement of significant management's judgement and estimates in the estimation of budgeted property development costs (which is used to determine the percentage of completion and gross profit margin of property development activities of the Group). Estimation of budgeted property development costs requires management to exercise significant judgement in considering the completeness and accuracy of forecast costs to complete, including obligations to contract variations and cost contingencies.</p>	<p>The details of our work performed are as follows:</p> <ul style="list-style-type: none"> - We evaluated the reasonableness of the management's key judgements used in the estimation of budgeted property development costs by examining documentation such as letter of awards issued to contractors; - We verified the gross development value by examining the signed sales and purchase agreement and intended selling price of the unsold units to the latest transacted selling price; - We performed re-computation on the calculation of percentage of completion to ascertain there is no mathematical error which may render in the over/understatement of profit recognition; - We reviewed the stage of completion of all on-going development projects to determine if there is any exposure to the late ascertained damages and ascertain the adequacy of provision for late ascertained damages, if any; and - We reviewed the recognition of revenue and cost from property development activities whether in accordance with MFRS 15 Revenue from Contracts with Customers.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YONG TAI BERHAD (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment on financial resources to complete property development projects</u></p> <p>All property development projects developed by the Group are high rise property projects located at Melaka and Klang Valley which have high Gross Development Costs.</p> <p>Development of such property projects would require significant financial resources, especially at the early stage of the projects to cater for the foundation works while the progress billings are to be issued to the buyers at more advance stages of the development to generate sufficient cash inflows to turn around.</p> <p>Response from the market and property purchaser without end financing facilities would also be other critical factor for consideration because in the event of low demand during the construction period and long outstanding from property purchaser without end financing facilities, the Group will have to source for other means of financial resources in order to ensure completion of the projects.</p>	<p>The details of our work performed are as follows:</p> <ul style="list-style-type: none"> - We reviewed the cash flow projections prepared by the management, where the reasonableness of key assumptions used by the management (including the forecasted revenue and future costs to complete the projects) have been evaluated and challenged; and - We held discussion with the management to understand the current take up rates and obtain updates on the progress/ status of the projects.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Group and of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control 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 Directors' Report 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 YONG TAI BERHAD (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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 scepticism throughout the audit. We also:

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

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.

RSM Malaysia PLT
202306000002 (LLP0030276-LCA) & AF 0768
Chartered Accountants

Kuala Lumpur
20 October 2023

Lou Hoe Yin
03120/04/2024J
Chartered Accountant

List of Material Properties

As at 30 June 2023

Project Name	Description	Land Area/ (Build-up area)	Tenure	Net Book Value(RM'000)	Year of acquisition
Encore Melaka Theatre	Land and Building	62,959 sq m/ (42,145 sq m)	Leasehold (Expiring: Year 2116)	266,625	2018
Courtyard by Marriott Melaka Hotel	Land and Building	11,654 sq m/ (12,727 sq m)	Freehold	113,844	2022

ANALYSIS OF SHAREHOLDINGS**29 SEPTEMBER 2023**

Total number of Issued Share : 378,117,001
 Class of Shares : Ordinary shares
 No. of Shareholders : 12,911
 Voting Right : One vote per ordinary share on a poll

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	Percentage
Less than 100	666	25,913	0.01
100 – 1,000	3,061	1,739,373	0.46
1,001 – 10,000	6,483	28,352,914	7.50
10,001 – 100,000	2,375	73,340,130	19.40
100,001 and below 5% of issued shares	324	155,794,471	41.20
5% and above of issued shares	2	118,864,200	31.43
Total	12,911	378,117,001	100.0

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Indirect / Deemed Interest	
	No.	%	No.	%
1. Domain Capital Sdn Bhd	91,500,000	24.20	-	-
2. Full Winning Developments Limited	27,364,200	7.24	-	-
3. Datuk Wira Boo Kuang Loon	18,950,026	5.01	-	-

DIRECTORS' SHAREHOLDINGS

Name of Shareholders	Direct Interest		Indirect Interest	
	No.	%	No.	%
1. Datuk Wira Boo Kuang Loon	18,950,026	5.01	-	-
2. Dato' Leong Sir Ley	-	-	91,500,000 ¹	24.20
3. See Tai Soon	-	-	-	-
4. Leong Sir Chin	-	-	-	-
5. Dato' Beh Hang Kong	604,000	0.16	-	-
6. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	8,000	< 0.01	-	-
7. Subramaniam A/L A.V. Sankar	-	-	-	-
8. Datuk Ng Bee Ken	-	-	-	-
9. Anthony Ang Meng Huat	-	-	-	-
10. Tang Po Yi	-	-	-	-
11. Leou Thiam Lai	-	-	-	-

¹ Deemed interest of Dato' Leong Sir Ley from Domain Capital Sdn Bhd. Dato' Leong is a sole Director and shareholder of Domain Capital Sdn Bhd.

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Domain Capital Sdn. Bhd.	91,500,000	24.20
2.	Affin Hwang Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An For Phillip Securities (Hong Kong) Ltd (Clients' Account)	27,364,200	7.24
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Boo Kuang Loon	18,411,826	4.87
4.	Winning Strength Sdn. Bhd.	10,800,000	2.86
5.	Lee Ee Hoe	6,532,780	1.73
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: RHB Trustees Berhad for Areca Strategic Income Fund 7.0 (426600)	5,000,000	1.32
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yau Kok Seng (001)	3,880,000	1.03
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for TNTT Realty Sdn Bhd	3,365,060	0.89
9.	Siti Munajat Binti Md Ghazali	3,000,000	0.79
10.	HLIB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yap Kok Weng	2,745,000	0.73
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lee Yih Bin	2,002,000	0.53
12.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Khor Jan Yeow (8083119)	2,000,000	0.53
13.	Euro Gain International Limited	1,800,000	0.48
14.	Kenanga Investment Bank Berhad Beneficiary: IVT (EDSP-PTP Local)	1,700,000	0.45
15.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lye Ek Seang	1,500,000	0.40
16.	Wee Ka Keng	1,333,100	0.35
17.	Tee Shong Pen	1,306,520	0.35
18.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Ong Yoong Nyock	1,300,000	0.34
19.	Wong Hoe Seak	1,258,600	0.33
20.	Choong Mei Ling	1,240,000	0.33
21.	Public Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Tan Kien Wi (E-JCL/ KPT)	1,200,000	0.32

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
22.	Lim Kuan Ping	1,170,000	0.31
23.	RHB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lai Yee Voon	1,051,400	0.28
24.	Lin Fook Sing	1,000,000	0.26
25.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Azizan Bin Osman	1,000,000	0.26
26.	Amsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Panneer Selvam A/L Narayanan	991,000	0.26
27.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Soo Fook Poy	850,000	0.22
28.	Lai Yee Ling	847,040	0.22
29.	TA Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Phang Miow Sin	823,600	0.22
30.	Ng Boo Kean @ Ng Beh Kian	800,000	0.21

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS) HOLDINGS

AS AT 29 SEPTEMBER 2023

Total number of Issued ICPS	:	14,059,993
No. of ICPS holders	:	1,560
Voting Rights	:	ICPS Holders shall not have the right to vote at any general meeting, except with regards to: <ol style="list-style-type: none"> when the dividend or part of the dividend payable on the ICPS is in arrears for more than six (6) months; on any proposal to wind-up the Company or during the winding-up of the Company; on any proposal that affects the rights and privileges attached to the ICPS; on any proposal to reduce the share capital of the Company; on any proposal for the disposal of the whole or a substantial part of the property, business and undertaking of the Company.

ANALYSIS BY SIZE OF ICPS SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of ICPS	Percentage
Less than 100	119	4,346	0.03
100 - 1,000	901	340,844	2.42
1,001 - 10,000	336	1,633,853	11.62
10,001 - 100,000	171	5,732,130	40.77
100,001 to less than 5% of issued ICPS	33	6,348,820	45.16
5% and above of issued ICPS	-	-	-
Total	1,560	14,059,493	100.00

SUBSTANTIAL ICPS HOLDERS

Name of ICPS holders	Direct Interest		Indirect Interest	
	No.	%	No.	%
-	-	-	-	-

DIRECTORS' ICPS HOLDINGS

Name of ICPS holders	Direct Interest		Indirect Interest	
	No.	%	No.	%
1. Datuk Wira Boo Kuang Loon	-	-	-	-
2. Dato' Leong Sir Ley	-	-	-	-
3. See Tai Soon	-	-	-	-
4. Leong Sir Chin	-	-	-	-
5. Dato' Beh Hang Kong	-	-	-	-
6. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
7. Subramaniam A/L A.V. Sankar	-	-	-	-
8. Datuk Ng Bee Ken	-	-	-	-
9. Anthony Ang Meng Huat	-	-	-	-
10. Tang Po Yi	-	-	-	-
11. Leou Thiam Lai	-	-	-	-

LIST OF THIRTY LARGEST ICPS HOLDERS

No.	Name	Shareholdings	%
1.	Su Ming Yaw	500,000	3.56
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Exempt An For OCBC Securities Private Limited (Client A/ C-RES)	390,000	2.77
3.	Chang Choon Kiat	365,600	2.60
4.	Lee Shyi Seng	331,600	2.36
5.	Lim Siew Kok	300,000	2.13
6.	Tay Sim Kim	300,000	2.13
7.	Lim Yeik Mei	298,000	2.12
8.	Indar Kaur A/ P Dan Singh	244,000	1.74
9.	Goh Soh Cheng	220,000	1.56
10.	Fong Kah Ken	216,000	1.54
11.	Aw Soon Loy	204,520	1.45
12.	Fong Loong Foon	200,000	1.42
13.	Tan Ah Kow	200,000	1.42
14.	Public Nominees (Asing) Sdn. Bhd. Beneficiary: Pledged Securities Account for Wong Su-Ni (E-JBU)	195,000	1.39
15.	Maybank Securities Nominees (Asing) Sdn. Bhd. Beneficiary: Maybank Securities Pte Ltd for Lim Chuan Seng	160,000	1.14
16.	HLB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yeo Siew Hee	150,000	1.07
17.	Lor Kwang Hui	150,000	1.07
18.	Lew Mei See	147,700	1.05
19.	Goh Poh Choo	140,000	1.00
20.	Lou Swee Chen	135,400	0.96
21.	Hiew Kat Kee	130,000	0.92
22.	Liow Hock Siew	125,000	0.89
23.	Wong Yee Xuan	125,000	0.89
24.	Yau Yik Lian	123,800	0.88

LIST OF THIRTY LARGEST ICPS HOLDERS (CONT'D)

No.	Name	Shareholdings	%
25.	Ng Chun Wee	120,500	0.86
26.	Heng Lee Mui	116,700	0.83
27.	HLIB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Soo Li Sze (CTS)	110,000	0.78
28.	Law Kee Ming	110,000	0.78
29.	Wee Kay Chin	110,000	0.78
30.	Wee Kim Chuan	110,000	0.78

ANALYSIS OF WARRANT B HOLDINGS**AS AT 29 SEPTEMBER 2023**

Total number of Issued Warrant	:	71,523,013	
No. of Warrant holders	:	11,622	
Voting Rights	:	The Warrant Holders whose names appear in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Warrant (whether conferred or imposed by the Act or the Deed Poll).	

ANALYSIS BY SIZE OF WARRANT B HOLDINGS

Size of Holdings	No. of Holders	No. of Warrant	Percentage
Less than 100	2,212	89,231	0.12
100 - 1,000	5,896	2,766,734	3.87
1,001 - 10,000	2,891	9,709,509	13.58
10,001 - 100,000	554	16,373,063	22.89
100,001 to less than 5% of issued Warrant	66	20,205,870	28.25
5% and above of issued Warrant	3	22,378,606	31.29
Total	11,622	71,523,013	100.00

SUBSTANTIAL WARRANT B HOLDERS

Name of Warrant holders	Direct Interest		Indirect Interest	
	No.	%	No.	%
1. Yap Kok Weng	10,934,600	15.29	-	-
2. Full Winning Developments Limited	6,841,050	9.56	-	-
3. Datuk Wira Boo Kuang Loon	4,640,006	6.49	-	-

DIRECTORS' WARRANT B HOLDINGS

Name of Warrant holders	Direct Interest		Indirect Interest	
	No.	%	No.	%
1. Datuk Wira Boo Kuang Loon	4,640,006	6.49	-	-
2. Dato' Leong Sir Ley	-	-	-	-
3. See Tai Soon	-	-	-	-
4. Leong Sir Chin	-	-	-	-
5. Dato' Beh Hang Kong	151,000	0.21	-	-
6. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	2,000	< 0.01	-	-
7. Subramaniam A/L A.V. Sankar	-	-	-	-
8. Datuk Ng Bee Ken	-	-	-	-
9. Anthony Ang Meng Huat	-	-	-	-
10. Tang Po Yi	-	-	-	-
11. Leou Thiam Lai	-	-	-	-

LIST OF THIRTY LARGEST WARRANT B HOLDERS

No.	Name	Shareholdings	%
1.	HLIB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yap Kok Weng	10,934,600	15.29
2.	Affin Hwang Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for Philip Securities (Hong Kong) Ltd (Clients' Account)	6,841,050	9.56
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Boo Kuang Loon	4,602,956	6.44
4.	Lim Khai Chiea	1,850,000	2.59
5.	Lee Ee Hoe	1,633,195	2.28
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: RHB Trustees Berhad for Areca Strategic Income Fund 7.0 (426600)	1,250,000	1.75
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yau Kok Seng (001)	1,073,300	1.50
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for TNTT Realty Sdn. Bhd.	841,265	1.18
9.	Siti Munajat Binti Md Ghazali	750,000	1.05
10.	Soh Eng Soeng	700,000	0.98
11.	Woon Jing Yu	510,000	0.71
12.	Euro Gain International Limited	450,000	0.63
13.	Kang Choon Leu @ Kang Chee Sim	450,000	0.63
14.	Kenanga Investment Bank Berhad Beneficiary: IVT (EDSP-PTP Local)	425,000	0.59
15.	Tee Shong Pen	374,930	0.52
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Tan Swee Boon	343,150	0.48
17.	Chang Chu Shien	325,000	0.45
18.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lai Yee Ling	325,000	0.45

LIST OF THIRTY LARGEST WARRANT B HOLDERS (CONT'D)

No.	Name	Shareholdings	%
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Ong Yoong Nyock	325,000	0.45
20.	Affin Hwang Investment Bank Berhad Beneficiary: IVT (YMT)	308,300	0.43
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Maybank Private Wealth Management for Lye Ek Seang (12020521) (429964)	300,000	0.42
22.	Chia Swee Yuen	290,000	0.41
23.	Woi Pei Hooi	263,100	0.37
24.	Choong Mei Ling	260,000	0.36
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Loh Kah Eng	260,000	0.36
26.	Piong Yon Wee	225,000	0.31
27.	Public Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Kok Kah Hoong (E-SJA)	217,025	0.30
28.	Soh Wan Ru	210,660	0.29
29.	Amsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Panneer Selvam A/L Narayanan	208,500	0.29
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lee Yih Bin	200,000	0.28

YONG TAI BERHAD

Registration No. 199401025505 (311186-T)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of the Company will be held at Encore Melaka - Admiral Hall, No. 3, Jalan KSB - Impression 8, Impression City @ Kota Syahbandar, 75200 Melaka on Wednesday, 22 November 2023 at 10.00 a.m. to transact the following:

AGENDA

- | | |
|--|--------------------------|
| 1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2023 together with the Auditors' Report thereon. | [Please refer to Note A] |
| 2. To approve the payment of Directors' Fees amounting to RM665,000 and benefits of RM6,100 in respect of the financial year ended 30 June 2023. | Resolution 1 |
| 3. To approve the payment of Directors' Fees and benefits up to an amount not exceeding RM900,000 for the financial year ending 30 June 2024 and up to the date of the next Annual General Meeting of the Company. | Resolution 2 |
| 4. To re-elect the following Directors, who shall retire by rotation in accordance with Clause 81 of the Company's Constitution and being eligible, offer themselves for re-election: | |
| i. Mr. Subramaniam A/L A.V. Sankar | Resolution 3 |
| ii. Datuk Ng Bee Ken | Resolution 4 |
| 5. To re-elect the following Directors, who shall retire by rotation in accordance with Clause 86 of the Company's Constitution and being eligible, offer themselves for re-election: | |
| i. Dato' Leong Sir Ley | Resolution 5 |
| ii. Mr. See Tai Soon | Resolution 6 |
| iii. Mr. Leong Sir Chin | Resolution 7 |
| iv. Mr. Leou Thiam Lai | Resolution 8 |
| 6. To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Board of Directors to fix their remuneration. | Resolution 9 |

As Special Business**7. Ordinary Resolution****Authority to Allot and Issue Shares Pursuant to Sections 75 & 76 of The Companies Act, 2016**

Resolution 10

"THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Section 75 & 76 of the Companies Act, 2016 to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as **the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.**

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clauses 5 and 50 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered **new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016."**

8. Ordinary Resolution

Resolution 11

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to enter into and to give effect to the specified Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set in Circular to Shareholders dated 24 October 2023 which are necessary for its day-to-day operations, to be entered into by the Company on the basis that these transactions are entered into on transaction prices and terms which are not more favorable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed Shareholders' Mandate is subject to annual renewal. AND THAT any authority conferred by the Proposed Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or**
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or**
- (iii) revoked or varied by resolution passed by the Company in general meeting;**

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

9. Ordinary Resolution**Proposed Continuation in Office of Mr. Subramaniam A/L A.V. Sankar as Independent Non-Executive Director**

"THAT authority be and is hereby given to Mr. Subramaniam A/L A.V. Sankar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years , to continue to act as Independent Non-Executive Director of the Company."

10. To transact any other business for which due notice has been given.

By Order of the Board

WONG YOUN KIM (f) (MAICSA 7018778) (SSM PC No.: 201908000410)

LEE CHIN WEN (f) (MAICSA 7061168) (SSM PC No.: 202008001901)

Company Secretaries

Selangor Darul Ehsan

24 October 2023

Notes:

- Depositors whose names appear in the Record of Depositors as at 14 November 2023 shall be regarded as **members of the Company entitled to attend, speak and vote at the Annual General Meeting.**
- A member of the Company entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not be a member of the Company.
- Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/ her holdings to be represented by each proxy.**
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.**
- The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing **or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.**

6. The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than Forty-Eight (48) hours before the time for holding the Meeting or any adjournment thereof.
7. Pursuant to Clause 66 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes:

i. Note A - Audited Financial Statement for the financial year ended 30 June 2023

The Agenda No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence this agenda item is not put forward for voting.

ii. Resolution 10

Ordinary Resolution - Authority to Allot and Issue Shares Pursuant to Sections 75 & 76 of The Companies Act, 2016

The proposed Ordinary Resolution 10, if passed, will give the Directors of the Company, from the date of this **Annual General Meeting, authority to allot and issue not more than ten per centum (10%) of the total issued share capital of the Company pursuant to Sections 75 and 76 of the Companies Act, 2016. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The Company did not issue any shares pursuant to the mandate granted last year. Nevertheless, the renewal of the mandate is sought to avoid any delay and cost involved in convening a general meeting to approve such issue of shares.**

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clauses 5 and 50 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders **of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.**

iii. Resolution 11

Ordinary Resolution - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 11 if passed, will empower the Company and its subsidiaries ("the Group") to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favorable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company.

Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions is set out in the Circular to Shareholders of the Company dated 24 October 2023.

iv. Resolution 12

Ordinary Resolution - Proposed Continuation in Office of Mr. Subramaniam A/L A.V. Sankar as Independent Non-Executive Director

In line with the Malaysian Code on Corporate Governance, the Board of Directors has assessed the independence of Mr. Subramaniam A/L A.V. Sankar, who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and the Board has recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- (i) Mr. Subramaniam A/L A.V. Sankar has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and hence, he would be able to provide an element of objectivity, independent judgement and balance to the Board;
- (ii) His length of services on the Board of more than nine (9) years does not in any way interfere with his exercise of objective judgement or their ability to act in the best interests of the Company and Group. In fact, Mr. Subramaniam A/L A.V. Sankar, has been with the Company for more than nine (9) years, is familiar with the Group's business operations and have devoted sufficient time and commitment to his role and responsibilities as an Independent Director for informed and balance decision making; and
- (iii) He has exercised due care during his tenures as Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The Directors, who are standing for re-election at the Twenty-Ninth Annual General Meeting in accordance with Clause 81 of the Company's Constitution are as follows:
 - i. Mr. Subramaniam A/L A.V. Sankar
 - ii. Datuk Ng Bee Ken

2. The Directors, who are standing for re-election at the Twenty-Ninth Annual General Meeting in accordance with Clause 86 of the Company's Constitution are as follows:
 - i. Dato' Leong Sir Ley
 - ii. Mr. See Tai Soon
 - iii. Mr. Leong Sir Chin
 - iv. Mr. Leou Thiam Lai

3. The details of the Directors standing for re-election are set out in Profile of the Directors on pages 8 to 14 of the Annual Report.

**YONG TAI**

永大集团

YONG TAI BERHADRegistration No. 199401025505 (311186-T)
(Incorporated in Malaysia)**PROXY FORM**

*I/ *WeNRIC/CompanyNo:.....
(Full Name in Block Letters)

of
(Full Address)

Email Address: MobileNo.:.....

being member/ members of **YONG TAI BERHAD** hereby appoint:

1) Name of proxy:NRIC No:.....
(Full Name in Block Letters)

Address: No. of shares represented:.....
(Full Address)

Email Address: MobileNo.:.....

2) Name of proxy:NRIC No:.....
(Full Name in Block Letters)

Address: No. of shares represented:.....
(Full Address)

Email Address: MobileNo.:.....

or, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Twenty-Ninth Annual General Meeting of the Company to be held at Encore Melaka - Admiral Hall, No. 3, Jalan KSB - Impression 8, Impression City @ Kota Syahbandar, 75200 Melaka on Wednesday, 22 November 2023 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

	Resolution	For	Against
1.	To approve the payment of Directors' fees and benefits for the financial year ended 30 June 2023		
2.	To approve the payment of Directors' Fees and benefits for the financial year ending 30 June 2023 and up to the date of the next Annual General Meeting of the Company		
3.	To re-elect Mr. Subramaniam A/L A.V. Sankar as Director		
4.	To re-elect Datuk Ng Bee Ken as Director		
5.	To re-elect Dato' Leong Sir Ley as Director		
6.	To re-elect Mr. See Tai Soon as Director		
7.	To re-elect Mr. Leong Sir Chin as Director		
8.	To re-elect Mr. Leou Thiam Lai as Director		
9.	To re-appoint Messrs. RSM Malaysia PLT as Auditors of the Company		
10.	Special Business - To approve the Authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016		
11.	Special Business - To approve proposed shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
12.	Special Business -Authority to continuing in office as Independent Non-Executive Director - Mr. Subramaniam A/L A.V. Sankar		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting at his/ her discretion.

Signed this day of 2023

Signature of member(s)

No. of Shares held

CDS Account No.

Notes:

- (A) The Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.
1. Depositors whose names appear in the Record of Depositors as at 14 November 2023 shall be regarded as members of the **Company entitled to attend, speak and vote at the Annual General Meeting.**
 2. A member of the Company entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend and vote at the Meeting. A proxy may but need not be a member of the Company.
 3. **Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.**
 4. **Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.**
 5. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
 6. **The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than Forty-Eight (48) hours before the time for holding the Meeting or any adjournment thereof.**
 7. Pursuant to Clause 66 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

Please fold here to seal

STAMP

THE SECRETARIES
YONG TAI BERHAD
Registration No. 199401025505 (311186-T)

B-25-2, BLOCK B, JAYA ONE,
NO. 72A, JALAN PROF DIRAJA UNGKU AZIZ,
46200 PETALING JAYA,
SELANGOR DARUL EHSAN.

Please fold here to seal

www.yongtai.com.my

YONG TAI BERHAD

Registration No. 199401025605 (311195-T)
(Incorporated in Malaysia)

Headquarters & Sales Gallery (Melaka)
No. 3, Jalan KSB - Impression 8,
Impression City @ Kota Syahbandar,
75200 Melaka.

Tel : +606 270 7799

Fax : +606 270 7788

Kuala Lumpur Office

A-7-01, Block A, Oasis Damansara,
No 2, Jalan PJU 1A/7A, Ara Damansara,
47301 Petaling Jaya, Selangor.

Tel : +603 7859 8855/8856

Fax : +603 7859 8864

