KTI

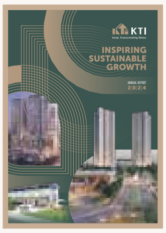
Keep Transcending Ideas

# INSPIRING SUSTAINABLE GROWTH

ANNUAL REPORT

2|0|2|4

## Cover Rationale




The cover embodies KTI's commitment to **inspiring sustainable growth** across Sabah and beyond. The design reflects the company's evolution from a trusted builder into a transformative force in property development and Construction related activities The clean, modern aesthetic signifies innovation, while the grounded tones echo KTI's strong roots in the community. Just as KTI turns blueprints into thriving neighbourhoods, this cover illustrates a vision that is purpose-driven, resilient, and future-ready to deliver lasting value for generations to come.

## 2025 Annual General Meeting

Date
**29-05-2025**

Time
**10:00 AM**

Location
**Hilton Kota Kinabalu**
Ballroom 1, Level 2, Hilton Hotel Kota Kinabalu, Jalan Tunku Abdul Rahman, Asia City, 88000 Kota Kinabalu, Sabah, Malaysia

## Online Annual Report

Read the online version of KTI Landmark Berhad's Annual Report 2024 at **https://ktilandmark.com/investor-relations/**

# INSIDE THIS CONTENT

## CORPORATE OVERVIEW



## OUR LEADERSHIP



## KEY MESSAGES



## CORPORATE GOVERNANCE



## FINANCIAL STATEMENTS



## AGM NOTICE AND OTHER INFORMATION

# ABOUT KTI

*KTI Landmark Berhad ("KTI"), a listed corporation based in Sabah, Malaysia, brings its forte in property development, construction, and project management to the commitment of building quality homes. Since its inception in 1984*, the Group has remained steadfast in its dedication, cementing its reputation as an esteemed property developer.*

KTI's commitment to quality is showcased through its involvement in numerous government projects valued at over RM825 million, along with private ventures exceeding RM2.1 billion across the nation.

The company also takes great pride in spearheading groundbreaking advancements, such as the introduction of the revolutionary Industrialised Building System (IBS) technology to Sabah.

KTI's celebrated portfolio encompasses a myriad of acclaimed housing and mixed development projects, such as Taman Nelly, Taman La Gloxinia, Taman Seri Lemawang, The Logg, Residensi Seri Akasia, Taman Bukit Alamanda, and more. The corporation's reputation also extends to government contracts including the Kluang Prison Complex, Penang Police Headquarters, Polytechnic Kota Kinabalu, and numerous others.

Moving forward, KTI continues to transcend ideas and transform dreams into reality – converting mere structures into cherished homes that exceed expectations.

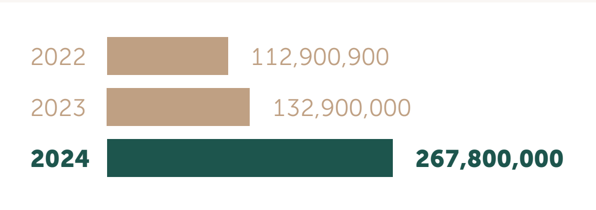
## Company Highlight

Total GDV
**RM2,128,813,316**

Unbilled Sales
**RM294,367,000**

Total Sales
**RM267,800,000**

**Highest Sales Recorded**




* *Date of incorporation:-*
*KTI Landmark Berhad - 10.03.2016*
*KTI Sdn Bhd - 27.08.1984*

## Sold Out Project

Residensi Seri Akasia – GDV
**RM91,542,400**

Taman Seri Lemawang – GDV
**RM240,771,000**

Plaza Lemawang – GDV
**RM11,360,000**

Plaza Lemawang 2 - GDV
**RM118,974,400**

Taman Seraya Phase 1,2,3 – GDV
**RM106,711,900**

Taman Bukit Alamanda – GDV
**RM35,716,000**

# BRAND PROMISE AND VALUES

## Brand Promise

*CREATING COMMUNITY-ORIENTATED AND URBAN DEVELOPMENTS OF LASTING VALUE*

KTI has remained true to its ethos of always transcending ideas in creating developments that benefit the people. All projects undergo detailed planning, fortified by a deep understanding of the market's needs.

This translates into modern and practical projects that bear great value and quality, standing out not only in the present, but also enduring into the future.

## Core Values

### Esteemed Corporation

As a listed and respected developer in Sabah, KTI is highly regarded by peers, competitors, and the market. Everything that the company upholds is realised through the traits of honesty, trustworthiness, efficiency, punctuality, and sincerity.

### All-Round Diversification

Equipped with knowledge and skills that have been honed by time and experience, KTI achieves its various successes through a diverse portfolio of visionary projects across Sabah, as well as the entirety of Malaysia.

### People Connection

KTI always gives its all into thoroughly understanding the needs, preferences, and concerns of the community in constructing its projects. Furthermore, the company also looks after the welfare of its employees, ensuring a career that transcends aspirations.

### Limitless Aspiration

KTI lives and breathes innovation, always pushing boundaries and challenging limitations. This is rooted in KTI's ethos to always transcend ideas, leading to the corporation being a symbol of continuous progress.

# CELEBRATING 40 YEARS OF BUILDING DREAMS


## KTI Landmark Berhad's Milestone Anniversary

In 2024, the Group proudly commemorated its 40th anniversary, marking four decades of unwavering commitment to delivering quality and affordable homes across Malaysia. From its humble beginnings in 1984, undertaking general building construction projects for the public sector, KTI has evolved into a multifaceted property developer, renowned for its innovative approach and dedication to community-centric developments.

A significant highlight of this milestone year was KTI's successful listing on the ACE Market of Bursa Malaysia on June 19, 2024. The initial public offering (IPO) was met with overwhelming enthusiasm, being oversubscribed by 8.14 times and raising RM48 million. These funds are strategically allocated to support the company's flagship mixed-use development, The Logg in Luyang, Sabah, and to expand its landbank for future projects in Alamesra, Kota Kinabalu.

KTI's journey is marked by a series of pioneering achievements, including being the first in Sabah to introduce pitched roofs in 1984, and later, adopting the Industrialised Building System (IBS) for government construction projects in 1997. The company's commitment to innovation continued with the development of townships using IBS in 2010 and achieving Sabah's highest IBS score in 2023.

As KTI looks to the future, plans are underway to venture into township developments beyond Sabah, aiming to replicate its success in Peninsular Malaysia and potentially in Southeast Asia. With a robust portfolio of ongoing and upcoming projects valued at RM2.2 billion, KTI remains steadfast in its mission to make homeownership accessible to all, embodying the ethos that "everyone can own a home."

This 40th anniversary not only celebrates past accomplishments but also sets the stage for KTI Landmark Berhad's continued growth and contribution to Malaysia's housing landscape.

# PIONEERING CONSTRUCTION SECTOR

## KTI Landmark Berhad: Pioneering Construction Excellence with IBS Integration

Since its establishment, KTI Landmark Berhad has evolved into a leading integrated property developer in Sabah, Malaysia. With a diverse portfolio encompassing residential, commercial, and infrastructure projects, KTI has consistently demonstrated a commitment to quality, innovation, and timely delivery. Notable projects include Taman Nelly, Taman Seri Lemawang, Taman Bukit Alamanda and the award-winning mixed-use development, The Logg in Luyang, Kota Kinabalu.

A significant milestone in KTI's journey was the early adoption of the Industrialised Building System (IBS). In 2004, K.T.I. Sdn Bhd ("KTISB"), a wholly-owned subsidiary of the company, became the first company in Sabah to be certified by the Construction Industry Development Board (CIDB) as a premier IBS manufacturer. IBS involves the prefabrication of building components in controlled environments, which are then transported and assembled on-site. This method enhances construction efficiency, reduces waste, and improves overall quality.

KTI's integration of IBS has not only streamlined its construction processes but also contributed to its reputation for delivering high-quality developments. The company's commitment to innovation and excellence positions it as a forward-thinking leader in Malaysia's construction industry.

## Structural Design Compliance and Endorsement

During the reporting period, the Group continued to uphold its commitment to safety, quality, and regulatory compliance in all development activities. In line with this, an established civil and structural engineering consultancy formally confirmed the structural adequacy and integrity of the Group's project as designed and submitted.

This independent verification reinforces the Group's dedication to excellence in engineering and construction standards. The confirmation ensures that the structural design complies with all regulatory requirements and adheres to the highest levels of professional engineering practice.

Such endorsements by accredited consultants reflect the Group's continuous efforts to deliver developments that are not only aesthetically impressive but also structurally sound and future ready.

# KEY MILESTONES

**1984**

Datuk Dr Gordon Loke and Datin Chin Mee Leen establish KTI.


**1986**

Envisioning everyone to own a home, KTI garners overwhelming response in "Taman Nelly", an affordable landed residential with the first pitched roof, single-storey terrace, and split-level layout design.

**1999**

New ideas continue to make a mark in the market, such as "Taman Orkid, Kudat", the first housing development using aerated concrete for 420-unit landed homes.

**2004**

KTI designs and constructs the Prison Complex in Kluang, Johor. Seeing the need to reduce cost while maintaining quality and affordability, this becomes the Group's first government construction project to use IBS panels.

**2007**

"Taman Lavender" is introduced to the market with the first semi-open wet kitchen layout design.

**2009**

KTI sets to make an impression with "Taman Nelly Studio PH8D", the first 242-272 sq.ft. sized single or double occupant home layout design.

**2012**

Pioneers IBS in Sabah with "La Gloxinia, Kinarut", the first township development build using IBS.

**2013**

KTI obtains its IBS Status Manufacturer Licence from CIDB.

# KEY MILESTONES

## 2017

KTI builds Sabah's first Perumahan Penjawat Awam Malaysia (PPAM), offering 1,296 units of affordable homes using IBS to government civil servants.

## 2019

KTI builds its second township using IBS for the development on 168 acres in "Seri Lemawang", Tuaran.

## 2021

KTI captures the market with "The Logg", Luyang's first mixed development.

Wins CIDB's Kontraktor Cemerlang for "Taman Seri Lemawang" in Tuaran, KTI's 168-acre township, achieving Sabah's highest IBS score of 85%.

## 2022

KTI achieves a significant milestone of completed projects valued up to RM2.5 billion across Malaysia in both private and government sectors, and successfully fulfilled key handovers to 8,000 property owners.

## 2023

Obtained 4-star rating in QLASSIC for Taman Seri Lemawang with an assessment score of 77%, and SHAREDA EXCELLENCE AWARD 2023, for the Tuaran and Kinarut township developments.


## 2024

First to introduce a placemaking development in Kota Kinabalu with "Ayuria Place".

## MAY 2024

QLASSIC scores of 83% for Taman Seri Lemawang.

## JUNE 2024

KTI Landmark Berhad debuted on the ACE Market of the Bursa Malaysia Securities Berhad on 19 June 2024.

# KTI IN THE NEWS

NEW STRAITS TIMES

## KTI Landmark remains bullish on Sabah property market

KUALA LUMPUR: Sabah-based integrated property developer KTI Landmark Bhd is bullish about the state's property market, with more residential project launches planned.

Executive director Wilson Loke told a press conference after the company's listing on Bursa Malaysia's ACE Market that a rebound in tourism also drove Sabah's growing property market.

KTI Landmark made a flat debut at 30 sen on the ACE Market of Bursa Malaysia today with 7.6 million shares traded at the opening gong.

Commenting on the flat share price during the debut, Loke said it would not affect the company as it was performing well for the past few years.

"We look at the market for the long run... we understand the property industry is a very challenging sector but the company has remained resilient for the past years, so we would remain steadfast," he said.

The company said in a statement that it had raised RM48 million from its initial public offering exercise to partly fund its acquisition of land for development amounting to RM18 million.

Of the proceeds, RM20.7 million will be allocated as working capital for project development and RM0.3 million to upgrade software and systems.

"A sum of RM2.2 million will be used to upgrade and expand its existing casting yard or industrialised building system (IBS) facility, followed by RM3 million for repayment of bank borrowings and the remaining RM3.8 million for its listing expenses," it said.

The property developer is poised to launch two residential projects with a combined gross development value (GDV) of RM599.6 million by 2028.

Group managing director and chief executive officer Dr Gordon Loke said these upcoming launches encompass a diverse range of offerings including three phases of affordable landed homes in Sandakan, and a mixed development at Ayuria Place, Alamesra in Kota Kinabalu.

He said the three phases of affordable landed homes in Sandakan, a design and build construction project with the Sabah Housing and Town Development Authority, comprises 310 double-storey terrace houses with an estimated GDV of RM107.9 million.

"The remaining RM491.7 million GDV mixed development, Ayuria Place, Alamesra would feature three blocks of 39-storey of 1,269 apartment units between 650 square feet (sq ft) and 1,000 sq ft," he said in a statement.

THE EDGE MALAYSIA

## KTI Landmark wins RM50m sub-contract in Labuan

KUALA LUMPUR (Nov 11): Newly listed KTI Landmark Bhd (KL:KTI) said it has won a sub-contract under the Armed Forces Family Housing (RKAT) construction project at the Labuan Air Base, worth RM49.99 million.

In a bourse filing, KTI said the sub-contract was awarded to Jawat Johan Sdn Bhd, and its tenure is 14 months, starting from Nov 25.

This marks the second award received by KTI as the industrialised building system specialist sub-contractor for the RKAT project.

With this new award, KTI said the total contract sum secured by the company for the year 2024 stands at RM214.37 million.

The previous award was for the RKAT Kem Lok Kawi project and was awarded by Jawala Corporation in February 2024.

KTI said the new sub-contract is expected to contribute positively to its revenue and earnings during the contract period.

Shares of KTI closed unchanged at 31 sen on Monday, giving the company a market capitalisation of RM248 million. The stock has risen 3.3% from its listing price of 30 sen on June 19.

BUSINESSTODAY

## KTI Accepts Land Swap Deal With Sabah To Jointly Develop A Culture Complex

KTI Landmark announced that it had accepted a Letter of Intent from the Ministry of Tourism, Culture and Environment of Sabah for a joint development of Sabah Cultural Complex through a Public-Private Partnership.

The group said the total estimated construction value of the development will be finalised upon the signing of the contractual agreement.

Under the agreement KTI is required to outline the construction works, which will include mechanical, electrical, interior design and other related works within six months from the date of acceptance of the LOI. The condition of the deal is for the financing through a land swap.

KIT said the project's risks include regulatory changes, supply chain disruptions and weather events.

# KTI IN THE NEWS

東方日報
Oriental Daily News

## 沙巴上市公司凤毛麟角 KTI Landmark 获准挂牌添亮点

（吉隆坡8日讯）沙巴综合产业发展商——KTI Landmark 公司的首次公开售股（IPO）计划申请获得大马交易所批准，即将登陆马股创业板。

自1984年成立以来，KTI Landmark 公司的主要业务是建筑设计服务和产业发展。

该公司开发的住宅、商业和综合产业项目均位于沙巴本土。

KTI Landmark 也为沙巴政府旗下的城市与房屋发展局（LPPB）提供建筑设计服务，参与城市发展项目以及开发可负担房屋和公务员住房。 除了参与政府工程项目外，该公司也积极参与私人领域的建筑项目。

另外，KTI Landmark 是沙巴首家获得大马建筑工业发展局（CIDB）认证的工地工业化建筑系统（IBS）制造商，已有长达24年的IBS施工技术应用经验。

据新闻稿透露，KTI Landmark 公司的首次公开售股计划包括发行1亿6000万股新股（占扩大后股本的20%）；现有股东将献售4500万股（占扩大后股本的5.6%）。1亿6000万股新股中的4000万股将开发予公众申请认购；4000万保留给符合资格的公司董事、员工及对公司有贡献的人士；剩馀的8000万股则通过私下配售给获得投资、贸易及工业部（MITI）批准的土著投资者。

此外，现有股东献售的4500万股中，2000万股将私下配售给获得投资、贸易及工业部批准的土著投资者申请；剩馀的2500万股分配给特定投资者。

KTI Landmark 集团董事经理兼首席执行员骆天发博士表示，此次IPO获得当局的批准是迈向上市的重要里程碑。

“我们将通过IPO活动筹集资金，推动产业发展和建筑业务到下一个阶段的成长计划。”

---

中國報
CHINA PRESS

## KTI置地 获近5000万合约

（吉隆坡11日讯）KTI置地（KTI，0308，创业板房产）获 Jawat Johan 私人有限公司颁发纳闽空军基地国防卫队家庭房屋计划（RKAT）建筑合约，价值4999万令吉。

该公司向马证交所报备，这份合约为期14个月，从今年11月25日开始，2026年1月25日。

KTI置地指出，这是该公司获得的第二份RKAT合约。加上此合约，今年获得的合约总值将达约2亿1437万令吉。

该公司预计，此合约将在期限内，积极贡献营业额和盈利。

BH
BeritaHarian

## KTI Landmark dapat ‘lampu hijau’ penyenaraian di Bursa Malaysia

KUALA LUMPUR: Pemaju hartanah bersepadu yang berpangkalan di Sabah, KTI Landmark Bhd mendapat kelulusan daripada Bursa Malaysia untuk tawaran awam permulaan (IPO) disenaraikan di Pasaran ACE.

Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif KTI Landmark, Gordon Loke, berkata IPO itu akan membolehkan kumpulan memanfaatkan pasaran modal ekuiti untuk penjanaan dana pada masa depan dan memberikan fleksibiliti kewangan untuk mengejar peluang pertumbuhan pada masa depan.

“Kelulusan penyenaraian itu merupakan satu pencapaian penting dalam perjalanan syarikat untuk menjadi entiti tersenarai. Ia akan membolehkan KTI memulakan fasa pertumbuhan seterusnya dalam industri pembangunan hartanah dan pembinaan,” katanya dalam kenyataan hari ini.

IPO ini akan membabitkan penerbitan 160 juta saham baharu dan tawaran untuk jualan sebanyak 45 juta saham sedia ada, masing-masing mewakili 20 peratus dan 5.6 peratus daripada modal saham yang diperbesarkan KTI.

Daripada 160 juta saham baharu, sebanyak 40 juta saham baharu akan ditawarkan kepada orang awam Malaysia secara undian, sebanyak 40 juta saham baharu untuk pengarah, kakitangan dan orang perseorangan berkelayakan yang telah menyumbang kepada kejayaan KTI Group di bawah peruntukan borang merah jambu manakala baki 80 juta saham baharu dikhaskan untuk penempatan persendirian kepada pelabur Bumiputera yang diluluskan oleh Kementerian Pelaburan, Perdagangan dan Industri (MITI).

Bagi bahagian tawaran untuk jualan pula, 20 juta saham dikhaskan untuk penempatan persendirian kepada pelabur bumiputera yang diluluskan oleh MITI manakala baki 25 juta saham akan diperuntukkan secara persendirian kepada pelabur terpilih.

Ditubuhkan pada 1984, KTI Landmark terlibat terutamanya dalam penyediaan perkhidmatan pembinaan reka bentuk dan binaan serta pembangunan hartanah, dengan projek terdiri daripada hartanah kediaman, hartanah komersial dan pembangunan bercampur terletak di Sabah.

Ia menyediakan perkhidmatan pembinaan reka bentuk dan binaan terutamanya kepada Lembaga Pembangunan Perumahan dan Bandar (LPPB), pihak berkuasa negeri di Sabah, untuk membina rumah mampu milik untuk projek perumahan awam dan kakitangan awam serta perkhidmatan pembinaan bangunan am kepada sektor swasta dan awam.

M&A Securities Sdn Bhd merupakan penasihat, penaja, penaja jamin dan ejen penempatan untuk pelaksanaan IPO.

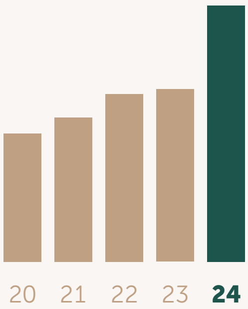
# FINANCIAL HIGHLIGHTS

| Financial Year Ended 31 Dec 2024 | FYE 2020 | FYE 2021 | FYE 2022 | FYE 2023 | FYE 2024 |
|---|---|---|---|---|---|
| **Operating Results (RM'000)** | | | | | |
| Revenue | 90,193 | 98,518 | 112,880 | 120,167 | **175,357** |
| Gross Profit ("GP") | 28,224 | 29,121 | 30,807 | 35,587 | **42,251** |
| Earnings Before Interests, Tax, Depreciation & Amortization ("EBITDA") | 18,418 | 22,629 | 17,147 | 20,790 | **18,667** |
| Profit Before Taxation ("PBT") | 15,516 | 19,396 | 13,986 | 17,301 | **8,458** |
| Profit After Taxation ("PAT") | 12,595 | 15,620 | 10,482 | 13,822 | **8,519** |
| Profit Attributable to Owners of Company | 12,595 | 15,620 | 10,482 | 13,822 | **8,519** |
| **Key Financial Position Data (RM'000)** | | | | | |
| Total Assets | 192,175 | 233,387 | 250,156 | 376,829 | **677,621** |
| Total Borrowings | 37,722 | 63,526 | 49,510 | 166,062 | **353,397** |
| Shareholders' Equity | 111,681 | 127,301 | 137,784 | 136,607 | **176,166** |
| **Financial Ratios** | | | | | |
| GP Margin (%) | 31.3 | 29.6 | 27.3 | 29.6 | **24.1** |
| PBT Margin (%) | 17.2 | 19.7 | 12.4 | 14.4 | **4.9** |
| PAT Margin (%) | 14.0 | 15.9 | 9.3 | 11.5 | **4.9** |
| Effective Tax Rate (%) | 18.8 | 19.5 | 25.1 | 20.1 | **(0.7)** |
| Basic Earnings Per Share ("EPS") (sen) | 1.6 | 2.0 | 1.3 | 1.7 | **1.2** |

# FINANCIAL HIGHLIGHTS

Revenue (RM'000)

**RM 175,357**




2020
**RM 90,193**

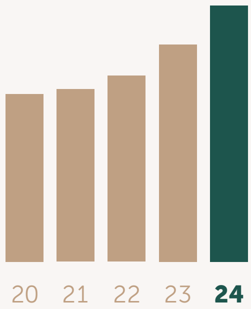
2021
**RM 98,518**

2022
**RM 112,880**

2023
**RM 120,167**

Gross Profit (RM'000)

**RM 42,251**




2020
**RM 28,224**

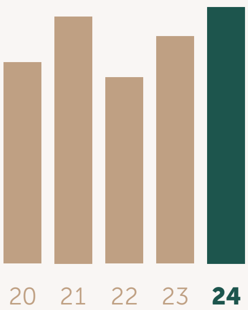
2021
**RM 29,121**

2022
**RM 30,807**

2023
**RM 35,587**

EBITDA (RM'000)

**RM 18,667**




2020
**RM 18,418**

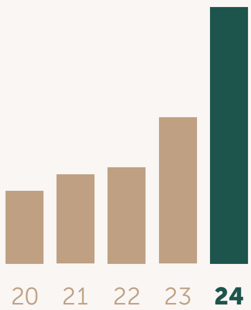
2021
**RM 22,629**

2022
**RM 17,147**

2023
**RM 18,666**

Total Assets (RM'000)

**RM 677,621**




2020
**RM 192,175**

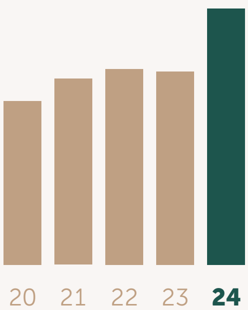
2021
**RM 233,387**

2022
**RM 250,156**

2023
**RM 376,829**

Shareholders' Equity (RM'000)

**RM 176,166**




2020
**RM 111,681**

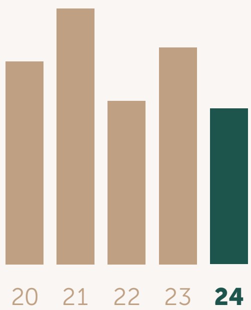
2021
**RM 127,301**

2022
**RM 137,784**

2023
**RM 136,607**

Basic EPS (sen)

**1.20 sen**




2020
**1.6 sen**

2021
**2.0 sen**

2022
**1.3 sen**

2023
**1.7 sen**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Independent Non-Executive Chairman
**Dato' Haji Hamzah Bin Haji Ghazalli**

Group Managing Director/ Group Chief Executive Officer
**Datuk Dr Gordon Loke Theen Fatt**

Group Executive Director
**Stella Loke Pei Wen**
**Wilson Loke Choon Syn**

Independent Non-Executive Director
**Datuk Tan Kok Liang**
**Lim Guik Moi**
**Chua Chai Hua**

## KEY SENIOR MANAGEMENT

Director of Management
**Loke Pei Lee**

Chief Operating Officer
**Ts Abdullah Azlan Bin Khalid**

Chief Financial Officer
**Harjeet Singh A/L Daya Singh**

## AUDIT AND RISK MANAGEMENT COMMITTEE

| | |
|---|---|
| **Lim Guik Moi** | Chairperson |
| **Datuk Tan Kok Liang** | Member |
| **Chua Chai Hua** | Member |

## NOMINATING AND REMUNERATION COMMITTEE

| | |
|---|---|
| **Datuk Tan Kok Liang** | Chairperson |
| **Lim Guik Moi** | Member |
| **Chua Chai Hua** | Member |

## REGISTERED OFFICE

Lot 221 & 222, Taman Nelly 9
Phase 4 Shoplot, Lorong Nelly
Plaza, Jalan Nountun, Kolombong,
88844 Kota Kinabalu, Sabah
Tel : 6088-431 366
Fax : 6088-426 306
E-mail : hello@kti.com.my

## HEAD OFFICE

Lot 220 (Ground Floor), 221
(Ground Floor and 1st Floor)
and 222 (Ground Floor to 3rd
Floor), Taman Nelly 9, Phase 4
Shoplot, Lorong Nelly Plaza
Jalan Nountun, Kolombong,
88844 Kota Kinabalu, Sabah
Tel : 6088-431 366
Website : www.ktilandmark.com

## COMPANY SECRETARIES

**Nur Shahfaiza Binti MD Yusoff**
MAICSA 7052006
SSM Practising Certificate No.:
202008000953

**Foo Jia Yee**
MAICSA 7071771
SSM Practicing Certificate No.:
202108000268

## SPONSOR

**M & A Securities Sdn Bhd**
(Registration No. 197301001503
(15017-H))
45 & 47, Levels 3 and 7
The Boulevard, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2284 2911

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**
(Registration No. 197101000970
(11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue
3, Bangsar South, No. 8, Jalan
Kerinchi, 59200 Kuala Lumpur
Wilayah Persekutuan
Tel : 603-2783 9299
Fax: 603-2783 9222
Email : is.enquiry@vistra.com

## AUDITORS

**Moore Stephens Associates PLT**
(LLP0000963-LCA & AF002096)
Unit 3.3A, 3rd Floor, Surian Tower
No 1, Jalan PJU 7/3, Mutiara
Damansara, 47810 Petaling Jaya
Selangor
Tel : 603-7724 1800

## PRINCIPAL BANKERS

Malayan Banking Berhad
Maybank Islamic Berhad
CIMB Islamic Bank Berhad
Hong Leong Islamic Bank Berhad
Hong Leong Bank Berhad
MBSB Bank Berhad
Bank Muamalat Malaysia Berhad
United Overseas Bank (Malaysia) Bhd
Sabah Development Bank Berhad
SME Bank Malaysia Berhad

## STOCK EXCHANGE LISTING

ACE Market of Bursa Securities
Stock Name : KTI
Stock Code : 0308

# CORPORATE STRUCTURE

Keep Transcending Ideas

**KTI Landmark Berhad**
201601008159
(1179087-X)

100%

**K.T.I. Sdn Bhd**
198401013371
(125931-U)

100%
**K.T.I. Industrial Sdn Bhd**
199301017923
(272661-P)

100%
**Dataran Jayamakmur Sdn Bhd**
200201007977
(575640-T)

100%

**K.T.I Development Sdn Bhd**
199401000292
(285970-K)

100%
**Landmark Property Sdn Bhd**
198101012707
(78837-V)

100%
**KTI Hotel & Resort Sdn Bhd**
201601023531
(1194470-V)

# ACCREDITATIONS AND AWARDS

## AWARDS

CIDB Malaysia

**Anugerah Khas Kontraktor Cemerlang 2021 with IBS Score of 85%**

Perumahan Category

The Malaysian Construction Industry

**MCIEA Excellence Awards 2016**

Taman La Gloxinia Entry

SHAREDA

**SHAREDA Excellence Awards 2024**

Integrated Development Excellence Award - The Logg

## CERTIFICATIONS

CIDB Malaysia

**Licensing and Certification**

G7 Contractor & Certified IBS Manufacturer

CIDB Malaysia

**The Achievement of Excellence**

2016

QLASSIC

**83% Scores (2024)**

Taman Seri Lemawang Entry

# PROFILE OF BOARD OF DIRECTORS

## Dato' Haji Hamzah Bin Haji Ghazalli

Independent Non-Executive Chairman

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **76** | **Male** | **1 Aug 2022** |

Board Committee Membership(s)
**N/A**

Meeting Joined
**5/5**

Dato' Haji Hamzah Bin Haji Ghazalli, a Malaysian male, aged 76, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 August 2022.

In 1969, he obtained his Sijil Tinggi Pelajaran Malaysia from King George V School, Negeri Sembilan. In 1973, he graduated with a Bachelor of Arts from University of Malaya. He pursued further studies and obtained his Master of Arts from University of Ohio, USA in 1982.

In 1973, he was appointed as Administrative and Diplomatic Service Officer of the Government of Malaysia. During his 32 years of career, he held the following positions:

- In 1973, he held the position of Assistant Director of the Ministry of Culture, Youth and Sports Malaysia where he assisted in general administration, human resource and finance functions of the ministry.
- In 1977, he was promoted to Principal Assistant Director where he was involved in the finance functions and development of public amenities such as multipurpose complexes, sports facilities and training institutions.
- In 1978, he was transferred to the Department of Survey and Mapping as Principal Assistant Director, and was subsequently transferred to the Public Services Department as Principal Assistant Director in 1980. During this period, he was responsible for carrying out tasks pertaining to finance, human resource and administration. In 1981, he took a study break to pursue further studies in the University of Ohio, USA, where he completed his studies in 1982 and returned to Malaysia to resume his duties.
- In 1988, he was appointed as Deputy President of the Seremban Municipal Council, where he was involved in managing and overseeing the overall development, operations and administrative functions of the council.
- In 1992, he was redesignated as District Officer of Jelebu District Office and President of Jelebu District Council, Negeri Sembilan. During his tenure, he was involved in managing the development and allocation of resources (i.e. land and financial) in relation to the infrastructure development of the district as well as district administrative functions and local government functions.
- In 1996, he was appointed as Deputy Director General of the Federal Land and Mines Department as well as Commissioner of Land and Mines of the Ministry of Land and Cooperative Department. During his tenure, he was in charge of implementing the computerisation of the land registration system across Malaysia, as well as overseeing the development and administrative functions of federal lands.
- In 2003, he was appointed as State Secretary of the Negeri Sembilan State Secretary's Office where he was involved in managing and monitoring the implementation of state policies and overseeing state administrative functions. In 2005, he retired from serving with the Government.

After his retirement in 2005, he has held directorships in several public listed companies in Malaysia. Between 2005 and 2008, he was a Non-Independent Non-Executive Director of Putera Capital Berhad (a company previously listed on Main Market of Bursa Securities and delisted on 12 June 2009). Between 2005 and 2010, he was an Independent Non-Executive Director of Halifax Capital Berhad (formerly known as Setron (Malaysia) Berhad, a company previously listed on Main Market of Bursa Securities and delisted on 25 July 2008). Between 2007 and 2012, he was an Independent Non-Executive Director of Zecon Berhad (formerly known as Zecon Engineering Berhad, a company listed on Main Market of Bursa Securities).

# PROFILE OF BOARD OF DIRECTORS

## Datuk Dr Gordon Loke Theen Fatt

Group Managing Director/ Group Chief Executive Officer

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **66** | **Male** | **10 Mar 2016** |

Board Committee Membership(s)
**N/A**

Meeting Joined
**5/5**

Datuk Dr Gordon Loke Theen Fatt, a Malaysian male, aged 66, is our Group Managing Director/ Group Chief Executive Officer. He was appointed to our Board on 10 March 2016. He is responsible for the overall day-to-day management and formulation of our Group' business plans and strategies, overseeing project development activities, providing strategic guidance and direction on the operations of our Group.

He completed his Sijil Pelajaran Malaysia in Sekolah Menengah Datuk Mansor, Negeri Sembilan in 1976. With the working experience that he had accumulated over the years, he pursued further studies on a part-time basis and obtained a Doctor of Philosophy in Management (not currently accredited by Malaysia Qualification Agency) from The National Australian Institute of Science and Technology, Australia in 2001.

In 1978, he began his career at a property development company in Bahau, Negeri Sembilan where he was involved in supervising site construction works. In 1979, he was transferred to Sabah as Site Manager where he was responsible for carrying out the appointment of contractors and supervising construction progress. In the same year, he was promoted to Office Manager and was subsequently appointed as Executive Director where he was involved in business development activities such as identifying suitable land for acquisition, overseeing project development, and sales and marketing. In 1982, he left the company.

In 1982, he joined Future City Development (Sabah) Sdn Bhd, a company previously involved in property development activities that co-founded by Loke Theen Fatt (25.0% upon incorporation, Lim Chong Lock (25.0% upon incorporation), Lim Soon Chye (25.0% upon incorporation) and Liew Nam Fatt (25.0% upon incorporation) in 1979. He was holding a non-executive role until he was appointed as Manager. During his tenure, he was involved in financial and administrative matters of the company as well as business development such as sourcing of prospective land for development, overseeing project development activities, sales and marketing, as well as overseeing construction activities.

He left Future City Development (Sabah) Sdn Bhd and joined our Group, through KTISB, as Manager in 1984. In the early years, he was primarily involved in business development, and sales and marketing as our Group was involved in the provision of construction services. Over the years, he managed and led the expansion of the business into property development whereby he was involved in the sourcing of prospective land for development in Sabah, managing project development activities and application for approvals from local authorities, coordinating and supervising construction works and managing sales and marketing activities. He also led the collaboration with Lembaga Pembangunan Perumahan Dan Bandar (LPPB) since 2010 to provide design and build construction services to develop residential projects in Sabah. In 1990, he was appointed as Chief Executive Officer where he assumed his current responsibilities and subsequently in February 2013, he became our Group's shareholder when he acquired 11.3% equity interest in KTISB from Lok Kau Lin (non-related party).

On 1 August 2022, he was redesignated as Managing Director / Chief Executive Officer.

Subsequently, on 22 November 2024, he was further redesignated as Group Managing Director/ Group Chief Executive Officer.

# PROFILE OF BOARD OF DIRECTORS

## Stella Loke Pei Wen

Group Executive Director

Nationality **Malaysian**

Age **39**

Gender **Female**

Appointed **1 Aug 2022**

Board Committee Membership(s) **N/A**

Meeting Joined **5/5**

Stella Loke Pei Wen, a Malaysian female, aged 39, is our Group Executive Director. She was appointed to our Board on 1 August 2022. She is responsible for overseeing sales and marketing for our Group including setting sales targets for the sales team, monitoring sales performance and customer retention, implementing sales and marketing strategies, project branding and keeping abreast with market supply and demand.

She graduated with a Bachelor of Commerce (Accounting) from The University of Adelaide, Australia in 2008.

In 2010, she began her career as Junior Auditor at KPMG Kota Kinabalu where she was involved in audit works.

She left KPMG Kota Kinabalu and joined our Group as Accounts Executive in 2011 where she was involved in accounting matters, focusing on tasks pertaining to accounts payable.

In 2013, she was promoted to Assistant Sales Manager where she assisted in sales activities, managing sales team allocations in accordance to project requirements.

In 2014, she was promoted as Director of Sales and Marketing where she assumed her current responsibilities.

## Wilson Loke Choon Syn

Group Executive Director

Nationality **Malaysian**

Age **36**

Gender **Male**

Appointed **1 Aug 2022**

Board Committee Membership(s) **N/A**

Meeting Joined **5/5**

Wilson Loke Choon Syn, a Malaysian male, aged 36, is our Group Executive Director. He was appointed to our Board on 1 August 2022. He is responsible for sourcing of prospective land for development, carrying out market feasibility studies, overseeing project concept development and budgeting, project management as well as overseeing the IBS operations of our Group.

He graduated with a Bachelor of Applied Finance from the University of South Australia, Australia in 2011.

In 2012, he joined our Group as Assistant Project Manager where he assisted in overseeing project development activities and coordinating construction works, assisted in managing the IBS operations of our Group and supervising the adoption of IBS construction technique at project sites.

In 2014, he was promoted to Director of Projects where he assumed his current responsibilities. He also initiated the refurbishment and replacement of existing machinery in our casting yards in Kinarut and Tuaran, as well as the set up of a batching plant in both casting yards to enhance operational efficiencies. He is also actively involved in managing our Group's venture into the hotel industry where he is presently managing the development concept and construction of our Group's hotel namely Avani Luyang @ The Logg, leading plannings with the hotel operator that has been engaged to manage the hotel upon commencement of operations, as well as sales and marketing activities related to the hotel.

# PROFILE OF BOARD OF DIRECTORS

## Datuk Tan Kok Liang

Independent Non-Executive Director

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **63** | **Male** | **1 Aug 2022** |

Board Committee Membership(s)
- **Nominating and Remuneration Committee (Chairperson)**
- **Audit and Risk Management Committee (Member)**

Meeting Joined
**5/5**

Datuk Tan Kok Liang, a Malaysian male, aged 63, is our Independent Non-Executive Director. He was appointed to our Board on 1 August 2022.

In 1989, he obtained his Examination Certificate from the Malaysian Association of Certified Public Accountants. He has been a Member of the Malaysian Association of Certified Public Accountants (now known as the Malaysian Institute of Certified Public Accountants) since 1990; a Member of the Malaysian Institute of Taxation (now known as the Chartered Tax Institute of Malaysia) since 1994 and a Fellow since 2000; a Member of the Malaysian Institute of Accountants since 1991 and subsequently a Chartered Accountant since 2001; and a Professional Member of the Institute of Internal Auditors Malaysia since 2015.

In 2016, he obtained his Master in Tourism Management from the University Toulouse - Jean JaurÉs, France. Further, he obtained his Certificate as a Certified Hotel Administrator from American Hotel and Lodging Association, USA in 2018. In 2017, he was appointed as President of the Malaysian Association of Tour and Travel Agents, and he completed his tenure in 2023. He is currently the Deputy Chairman of the Sabah Tourism Board (since February 2024) and is also the President of the Malaysia Tourism Federation (since August 2023).

In 1982, he began his career with Coopers & Lybrand (now known as PricewaterhouseCoopers) as an Audit Trainee. While attached to Coopers & Lybrand, he pursued his professional certification with the Malaysian Association of Certified Public Accountants, in which he completed his examination and obtained his qualification in 1989. During his tenure with Coopers & Lybrand, he was involved in business assurance assignments and related tasks. He was Audit Senior when he left the firm in 1988.

In 1988, he joined Ernst & Whinney (now known as Ernst & Young) as Audit Assistant where he was involved in business assurance assignments and related tasks. He was a Senior when he left Ernst & Whinney in 1990.

In 1990, he joined Discovery Tours (Sabah) Sdn Bhd in Sabah as Senior Manager, where he was involved in managing the accounting, finance, human resource and administrative operations of the company.

In 1993, he started his own practice when he set up Tan & Associates, an audit firm, to provide business assurance, audit and accounting services where he remains presently involved as Partner.

In 1998, he incorporated Tan & Associates Tax Services Sdn Bhd, to provide tax advisory and tax management services where he remains presently involved as Director.

In 2005, he set up McMillian Woods Koa & Tan, an audit firm, to provide business assurance, audit, accounting and consulting services where he remains presently involved as Partner.

# PROFILE OF BOARD OF DIRECTORS

## Chua Chai Hua

Independent Non-Executive Director

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **68** | **Male** | **1 Aug 2022** |

Board Committee Membership(s)
- **Audit and Risk Management Committee (Member)**
- **Nominating and Remuneration Committee (Member)**

Meeting Joined
**5/5**

Chua Chai Hua, a Malaysian male, aged 68, is our Independent Non-Executive Director. He was appointed to our Board on 1 August 2022.

He graduated with a Polytechnic Diploma in Accountancy from Newcastle Upon Tyne Polytechnic (now known as Northumbria University), United Kingdom in 1978. In 1981, he obtained his Diploma in Management Studies from Derby Lonsdale College of Higher Education (now known as University of Derby), United Kingdom. In 1982, he obtained his Master of Business Administration from The University of Aston, United Kingdom.

In 1982, he began his career with Hoanbing (M) Sdn Bhd as Accountant where he was responsible for performing accounting, financial planning and tax management tasks of the company.

In 1984, he left Hoanbing (M) Sdn Bhd and joined Malaysia Borneo Finance Corporation (M) Berhad as Management Trainee where he was placed on a 6-month training programme to familiarise with the credit management functions of the company. Upon completing his management trainee program, he was assigned as Credit Officer where he was responsible for preparing loan proposals for the company's branch offices in Malacca, Negeri Sembilan and Sarawak. In 1985, he was posted to the branch office in Kuching and was promoted to Officer-In-Charge and subsequently to Branch Manager where he was involved in the assessment and approval of various types of loans products, as well as to oversee the management and business performance of the branch office.

In 1991, he left Malaysia Borneo Finance Corporation (M) Berhad and joined Oriental Bank Berhad as Branch Manager where he was based at the Kota Kinabalu branch office. He was responsible for overseeing the overall operation and management, including managing the business performance and approval of loans of the branch office. In 1995, he was appointed as Area Manager where he was overseeing the management and business performance of all branch offices in Sabah. In 1999, he was transferred to Johor Bahru branch office as Area Manager where he oversaw the management and business performance of all branch offices in Johor and Malacca.

In 1999, he left Oriental Bank Berhad and joined Overseas Union Bank (Malaysia) Berhad (now known as United Overseas Bank (Malaysia) Berhad) as Vice President and Manager of Kuching and Sandakan Branches where he was responsible for managing the operations and business performance of the branch offices in Kuching and Sandakan. In 2002, he was redesignated as Branch Manager of Kuching Branch where he focused on the overall management of the branch office in Kuching. In 2004, he was transferred to the Kota Kinabalu Branch as Vice-President and Manager where he performed similar responsibilities for the branch offices in Sandakan and Kota Kinabalu. In 2011, he was transferred to the East Malaysia Area Centre in Kota Kinabalu and was promoted to Senior Vice President - Area Manager, East Malaysia. He was involved in overseeing the operations of all branch offices in East Malaysia as well as in business development strategies to ensure sustainable growth of the business within the East Malaysia region. In 2013, he was promoted to Executive Director - Area Manager, East Malaysia, a position he held until his retirement in January 2020.

He is currently a Senior Independent Non-Executive Director of Azam Jaya Berhad, a company listed on Main Market of Bursa Securities.

# PROFILE OF BOARD OF DIRECTORS

## Lim Guik Moi

Independent Non-Executive Director

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **65** | **Female** | **1 Aug 2022** |

Board Committee Membership(s)
- **Audit and Risk Management Committee (Chairperson)**
- **Nominating and Remuneration Committee (Member)**

Meeting Joined
**5/5**

Lim Guik Moi, a Malaysian female, aged 65, is our Independent Non-Executive Director. She was appointed to our Board on 1 August 2022.

In 1979, she obtained her Sijil Tinggi Persekolahan Malaysia from Sabah College, Kota Kinabalu. In 1990, she obtained her professional qualification from the Malaysian Association of Certified Public Accountants. She has been a Member of the Malaysian Association of Certified Public Accountants (now known as the Malaysian Institute of Certified Public Accountants) since 1990; a Member of the Malaysian Institute of Accountants since 1991 and a Chartered Accountant since 2001.

In 1980, she joined KPMG (formerly known as Peat Marwick Mitchell & Co) Kota Kinabalu as Audit Trainee where she undertook a 4-year articleship to train in the field of audit and accounting to obtain her professional qualification from the Malaysian Association of Certified Public Accountants. Upon completing her articleship, she was promoted to Audit Senior where she was involved in audit works.

In February 1987, she left KPMG (formerly known as Peat Marwick Mitchell & Co) Kota Kinabalu and joined a commercial company as Personal Assistant to the company's director where she was responsible in assisting the director in the administrative functions of the overall business activities of the company.

In November 1987, she rejoined KPMG (formerly known as Peat Marwick Mitchell & Co) Kota Kinabalu as Audit Senior where she was involved in audit and other related assignments. In 1991, she was transferred to KPMG Peat Marwick Pittsburgh, USA as Audit Senior, where she was responsible for leading a team of auditors to perform audit works.

In 1993, she returned to KPMG (formerly known as Peat Marwick Mitchell & Co) Kota Kinabalu as Audit Manager. In 1997, she was promoted to Audit Director and subsequently to Audit Partner in 2011.

In 2015, she left KPMG Kota Kinabalu and started her own practice when she set up SLGM, an audit firm, to provide audit and accounting services where she remains presently as Partner.

## NOTES

### Family Relationship with any Director and/or Major Shareholder

Save as disclosed below, there are no family relationships between or amongst our Directors and major shareholders:-

(a) Datuk Dr Gordon Loke Theen Fatt and Datin Chin Mee Leen are husband and wife; and
(b) Stella Loke Pei Wen and Wilson Loke Choon Syn are siblings and are children of Datuk Dr Gordon Loke Theen Fatt and Datin Chin Mee Leen.

### Conflict of Interest

None of the Directors has any conflict of interest with the Company or its subsidiaries.

### Conviction for Offences

Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.

# PROFILE OF KEY SENIOR MANAGEMENT

## Loke Pei Lee (Nelly Loke)

Director of Management

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **41** | **Female** | **2014** |

Loke Pei Lee, also known as Nelly Loke, is a Malaysian female with a strong background in corporate management, marketing, and administration. A graduate of the University of Adelaide, Australia, she earned her Bachelor of Commerce (Marketing) in 2012. She joined KTI, beginning her career with our Group as Assistant Marketing Manager where she assisted in the sales and marketing activities as well as handling the administrative tasks pertaining to the sub-sale of properties developed by our Group such as managing the compilation and filing of loan documents, dealing with solicitors, end-financiers and end buyers on the sales and purchase agreement, handling of paperwork for the delivery of vacant possession to end buyers, customer relations, ensure timely generation of progress billing to end buyers, monitoring and ensuring progress payments are collected in a timely manner.

In 2014, she was promoted to the role of Director of Management where she assumed her current responsibilities. In this leadership capacity, she plays a central role in overseeing the corporate, administrative, and management functions of the Group.

Now aged 41, Nelly brings a wealth of experience and strategic insight to her position as Director of Management. Her responsibilities include leading human resources initiatives, refining internal administrative processes, and shaping the overall corporate direction of the organization. Her contributions continue to be instrumental in driving KTI's growth and operational excellence.

## Ts Abdullah Azlan Bin Khalid

Chief Operating Officer

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **63** | **Male** | **2018** |

Ts Abdullah Azlan bin Khalid, age 63, joined our Group in 2015 as Senior Property Development and Marketing Manager and was promoted to Chief Operating Officer in 2018.

He holds a BSc in Construction Management from University of Nebraska USA, a Diploma in Building from Mara Institute of Technology and a Professional Diploma in International Arbitration from the joint Academic Board of Brickfields Asia College and the Malaysian Institute of Arbitrators. He is also registered as a Professional Technologist with the Malaysian Board of Technologists and a Member of the Malaysian Institute of Property and Facility Managers.

Azlan served as Associate Partner Real Estate Advisory Service at Sawla International in Saudi Arabia, Associate Director Property Management at CBRE Malaysia, Property Manager at Abdul Razak Holdings Brunei, Building Manager in WTW Property Services Sdn Bhd, Acting Head of Property Division at Utusan Melayu (M) Berhad, Property Officer at Mayban Finance Berhad and Technical Assistant at Urus Bangunan Sdn Bhd.

Since joining our Group, he has played a pivotal role in streamlining operations and cost efficiencies, strategizing construction, sales and marketing activities, leading business opportunities and expanding our project and property management capabilities.

# PROFILE OF KEY SENIOR MANAGEMENT

## Harjeet Singh A/L Daya Singh

Chief Financial Officer

| Nationality | Age | Gender | Appointed |
|---|---|---|---|
| **Malaysian** | **50** | **Male** | **July 2024** |

Harjeet Singh A/L Daya Singh brings over 20 years of robust experience in finance and corporate strategy to his role as Chief Financial Officer. His career includes pivotal roles at Handal Energy Berhad, IJM (India) Infrastructure Ltd, and senior managerial positions at PricewaterhouseCoopers and BDO Binder. Harjeet qualified as a Chartered Accountant in 2000 and was admitted as a member of the Association of Chartered Certified Accountants (ACCA) in 2003. He was awarded Fellowship of the ACCA in 2008. He is also a Member of the Malaysian Institute of Accountants (MIA) since 2003.

Harjeet is recognised for his expertise in corporate strategy, financial management, and business operations. He excels in corporate governance, compliance, financial reporting, treasury management, taxation strategies, risk management, and due diligence. His background includes managing contractual disputes and improvement of processes through formulation and implementation of effective control mechanisms.

In July 2024, Harjeet joined the Group as Chief Financial Officer. Harjeet's addition to KTI enhances the company's capabilities as a property developer. His strategic insights and financial proficiency will bolster KTI's ability to navigate market complexities and optimise financial outcomes. Harjeet's leadership style promotes continuous improvement and high performance, empowering KTI's teams to achieve operational excellence and sustainable growth in the competitive property development sector.

## NOTES

### Family Relationship with any Director and/or Major Shareholder

Save as disclosed below, there are no family relationships between or amongst our Directors, major shareholders and key senior management:-

(a) Datuk Dr Gordon Loke Theen Fatt and Datin Chin Mee Leen are husband and wife; and
(b) Stella Loke Pei Wen, Wilson Loke Choon Syn and Loke Pei Lee are siblings and are children of Datuk Dr Gordon Loke Theen Fatt and Datin Chin Mee Leen.

### Directorship in Public Companies and Listed Issuers

None of the key senior management has any directorship in public companies and listed issuers.

### Conflict of Interest

None of the key senior management has any conflict of interest with the Company or its subsidiaries

### Conviction for Offences

Other than traffic offences, if any, the key senior management have not been convicted of any offences within the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.

# LIST OF TOP MANAGEMENT

**SANKAR GANESH A/L SUBRAMANIAM**
Senior Project Manager

**BALASANTHER A/L SUBRAMANIAM**
Senior Project Programme Manager

**JULIAN KOAY SAY BOON**
Senior Manager-Group Branding & Marketing

**TEO PICK YIEN**
Senior Human Resource Manager

**MOHAMMAD ISA BIN EMRAN**
Project Manager

**SUPPIAH A/L S GANASEN**
Project Manager

**ROSA JAVA**
Senior Administration Manager

# CHAIRMAN'S STATEMENT

***Dear Shareholders,***

*It is with great pride and gratitude that I am able to present the inaugural Chairman's Statement of KTI Landmark Berhad ('KTI') as a Public Listed Company on the ACE Market of Bursa Malaysia Securities Berhad ('Bursa' or 'Bursa Securities'). It is truly a landmark moment for us as our remarkable journey through the decades has been marked by our determination, resilience and strategic vision that has defined KTI and its subsidiaries ('the Group').*

**Dato' Haji Hamzah Bin Haji Ghazalli**
Independent Non-Executive Chairman

# CHAIRMAN'S STATEMENT

## The Makings of a Landmark Company

Ever since the Group's establishment in 1984, KTI Landmark Berhad has grown into one of Sabah's leading property developers, keen to realise the homeownership dreams of the local residents. Along the way, we found our calling to champion sustainable growth and innovation celebrated in key milestones such as the pioneering use of eco-friendly building technologies via Industrialised Building Systems ('IBS') for *Ayuria Place* and spearheading mixed-use developments like *The Logg* in Luyang.

These achievements form the bedrock of our debut on Bursa Securities in June 2024, solidifying our reputation as a trusted property developer. Our listing on the ACE Market of Bursa Securities was not merely to raise capital but to realise the vision of enhanced corporate governance, strengthened brand visibility and heightened investor confidence. The steady performance of the Group since its debut reflects market stability and trust in our business fundamentals.

In view of this, the Initial Public Offering ('IPO') proceeds have been earmarked for progressive growth including the launch of our Sandakan project, underscoring our commitment to deliver long-term shareholder value. This sentiment is shared by the Board of Directors, who remain committed in rewarding shareholders although the Group does not yet have an official dividend policy.

## Strategic & Sustainable Business

As Sabah's homegrown developer, the Group remains focussed on doing what it knows best, uncovering new destinations within Sabah that are yearning for high-quality development. As such, the Group envisions expansion into the key regions of Kota Kinabalu, Sandakan and other high-growth regions within the state. In fact, over last half of the financial year 2024, we have achieved significant milestones that include the launches of new projects and strengthening operational resilience post-COVID-19.

We aim to deliver on our IPO promises and further diversify projects beyond our partnership with Lembaga Pembangunan Perumahan Dan Bandar. There are innovative avenues which the Group is considering to enhance operational efficiency and market competitiveness.

As a responsible corporate citizen, KTI realises the importance of embedding Environmental, Social and Governance ('ESG') principles into its business framework. This is reflected in the reduction of carbon footprint through IBS all the way through fostering local community wellbeing in our commitment for long-term ESG growth. The Group actively engages significant stakeholders from Government bodies to local communities in order to build trust and establish mutually beneficial relationships.

## Acknowledgements

Finally, our fine achievements would not have been made possible without the selfless dedication of our employees, the trust of our shareholders and the support of our business partners. To each of you, I extend my heartfelt gratitude for your belief in KTI Landmark Berhad.

To our investors, we thank you for your support in realising our collective ambition to redefine the property development scene in Sabah. We will remain steadfast in delivering value and ensuring a sustainable future for all in the years ahead.

Together, let us look forward to a brighter and more prosperous future.

Yours sincerely,

**Dato' Haji Hamzah Bin Haji Ghazalli**

Chairman
KTI Landmark Berhad

# MANAGEMENT DISCUSSION AND ANALYSIS

*At financial year ended 31 December 2024 ("FYE2024"), KTI Landmark Berhad ("KTI" or "KTI Landmark") completed its inaugural year as a public-listed company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa") since its debut on 19 June 2024. The Sabah-based property developer is primarily involved in both design and build construction as well as property development services.*

During the financial year 2024, the Group has navigated a dynamic property landscape fuelled by different macroeconomic factors, evolving property buyer preferences and significant regulatory changes. Some of the key trends observed by the Group include macroeconomic factors such as pent-up demand for affordable housing, withdrawal of retirement savings for property purchases and regulatory changes such as the extension of the Home Ownership Campaign (HOC) to especially aid the homebuying public. Operationally, as Malaysia continues its recovery from the global pandemic, the property development industry is at the forefront of timely delivery of projects, digitalisation of buyer engagement and rife competition from the primary and secondary markets.

Externally, the Group has seen a stable political scene at both the state and nationwide levels, which has boded well for collaborative projects between the State and Federal governments and positively contribute to the Group's prospects for projects. As Sabah has attracted RM12.3 billion in investments in the first nine months of 2024 alone, massive infrastructure projects such as the Pan Borneo Highway, which is due to be completed in 2027, along with the upgrading of rural roads, will improve access across the state. Furthermore, boosts to the agricultural, industrial and tourism sectors, improvement in Kota Kinabalu's public transport system, expansion of the Kota Kinabalu International Airport (KKIA) and electrification of up to 95% of the state will all bring development into Sabah.

**Image 1** Expansion work of Pan Borneo Highway, which will be expected to completed by 2027.

The Group foresees higher demand for property, which will be an upside to the Group as both the construction and property development sectors are significant contributors to Sabah's Gross Domestic Product (GDP). This has a multiplier effect on the growth of various sectors in the state, for example, the construction industry's growth spurs upstream demand for raw materials, machinery and services, while completed projects generate downstream revenue through retail, hospitality and business operations. As Sabah's domestic economy is fuelled by a vibrant tourism sector, the development of hotels, resorts and other holiday properties will boost Sabah's tourism sector, leading it to bring in higher revenue for local businesses and stimulate economic activity in the rural and coastal areas. Such demand will continue boosting the Group's potential construction activities.

# MANAGEMENT DISCUSSION AND ANALYSIS

Socially, as Sabah aims for 5,000 affordable housing and public healthcare services upgrades, this is a significant potential for the Group to penetrate the state with more affordable housing built with Industrialised Building System (IBS) technology. The success of affordable housing initiatives will address social inequality and boost the state Government's image. Meanwhile, as Sabah's 300MW solar power projects are launched, solarisation will help fulfil public needs of up to 40% renewable energy by 2030. Sabah also has a hydrogen energy pilot project in collaboration with Sarawak and its flood mitigation plans in Kota Marudu and Beaufort, are all initiatives that support the Group's property development and construction plans. By adopting sustainable practices, including energy management, water and waste management strategies, and aligning with global environmental goals, the Group plays a part in enhancing the state government's credibility.

Sabah is also in a progressive state for digital transformation, smart cities and green technology adoption to drive economic growth. These projects involve the Digital Economy Initiative (DEI) Sabah, smart city projects and digital hubs created across Sabah that present the Group with a good roadmap for expansion and growth. Finally, the state's commitment to stronger institutional reforms see the Sabah E-Procurement system come in to play to stem out corruption, the establishment of ombudsman for public complaints and faster business licensing via Sabah GoDigital which create a more seamless experience for business transactions.


**Image 2** Sabah's 300MW solar power projects and hydrogen energy pilot project are key to Group's property development and construction plans.

As at 31 December 2024, the Gross Development Value ("GDV") of property development projects under development of the Group stood at approximately RM2.73 billion and external construction order book of the Group was approximately RM214 million. The Group's projects under construction in Sabah include The Logg in Luyang, Ayuria Place in Alamesra, Taman Seri Lemawang and Residensi Seri Akasia in Tuaran, Taman Seraya in Sandakan, Nagapas, RKAT Lok Kawi in Kota Kinabalu and RKAT Labuan which will all be discussed further in the **Review of Operations** section of this Statement.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Group's Strategic Position

As a property developer with an established track record spanning over 40 years, KTI Landmark is poised to understand the needs of Sabah's property market and rise to meet its needs.

### Affordable Housing

The chief concern of affordability has come to the fore as the rising cost of living, compounded by higher inflation, has pushed homeownership to new heights of inaccessibility. Additionally, higher interest rates, such as Bank Negara Malaysia's (BNM) decision to maintain an Overnight Policy Rate (OPR) of 3.00%. has seen higher mortgage rejection rates, particularly for the B40 and M40 prospective homebuyers. As a result of these macroeconomic factors, demand has increasingly shifted to smaller units from approximately 500 sq ft to 900 sq ft with price points below RM500,000. Homebuyers also prioritised flexible payment schemes such as Rent-to-Own schemes to ease household expenses.

To realise the homeownership dreams of the middle- and lower-income groups, **KTI has continued developing affordable housing projects** and explore more opportunities in this sector. Furthermore, assistance for buyers to obtain loans from Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) and attractive bank loan packages is facilitated by the Group's full-fledged loan processing and credit control division.

### Withdrawal of Retirement Savings

In addition to the higher cost of living, the Employee's Provident Fund (EPF), has allowed withdrawals by its contributors to cushion the impact of financial hardships, especially during the recovery period from the global pandemic. Although in the short-term these relieved the down payment hurdles towards homeownership, it has the potential of depleting the coffers of its contributors' retirement savings and increase the risk of financial security in their golden years. The availability of EPF savings has led to a temporary boost in demand, although long-term affordability issues remain persistent. This has a knock-on effect of banks tightening loan approvals post-withdrawals of the schemes.

The Group's effort to aid first-time homebuyers and young working professionals is through flexible home financing schemes, such as Maybank's HouzKEY, which offers unique features like lower initial payments, flexible repayment options initiated by the Group and a rent-to-own concept in some cases.

### Adapting to Regulatory Changes

During the Budget 2025 speech in October 2024, the Government announced several initiatives to spur the increase in homeownership, including the extension of the Home Ownership Campaign (HOC) to 31 December 2025. Known as HOC 2.0, the campaign is intended to aid first-time homebuyers with a stamp duty fee waiver for properties valued at RM500,000 and below. In addition to this development, the Government has cancelled the MyHome and MyDeposit schemes in light of the economic development of the nation. The former move potentially sees a surge during the HOC 2.0 campaign period with take-up tapering off after the campaign period. Meanwhile, the latter has a potential impact on the affordability of the B40 and M40 market.

Both regulatory changes drive significant interest in the Group's affordable housing segment as they are priced attractively to suit the needs of these segments' affordability. In addition to this, the Group continuously adapts to economic conditions by reviewing their pricing strategies and offering incentives such as discounts, rebates and packages which attract buyers during the current economic climate where rising interest rates and financial mobility are critical factors to a buyers' affordability.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Group's Strategic Position (Cont'd)

### Project Management & Timeliness

Among the key operational challenges that the property development industry faces is in the project delivery and timeliness of projects in which delays can cause trust deficits to build up over time. The construction industry is one of those impacted by severe labour shortages, especially in Sabah, and material cost volatility. The reported backlash of untimely developers in citizen journalism has raised awareness among property buyers for greater transparency in project deliveries and raising of complaints to authorities.

In determining project management excellence, the Group has long been a pioneer of the IBS adoption as a mechanism to ensure on-time delivery. Complementary services within the Group's Customer Service Division served as after-sales value-added services to assist buyers during handover of keys and manage defect liability period expectations efficiently and professionally. The digital transformation in operations is part of the Group's endeavour to foster an expansion programme to adopt digital tools for accounts and finance, project management, customer engagement, sales processes, online booking systems and CRM platforms.

### Rapid Digitalisation of Customer Journeys

One of the visible shifts during COVID-19 is the rise of digital homebuying and virtual engagement the has become a buyers' preference. Many savvy property buyers prefer virtual tours before actual site visits. Additionally, the prevalence of Artificial Intelligence (AI) tools, such as AI chatbots and WhatsApp-based agents have become key tools for the sales process. In light of this, many property sales galleries have charted lower footfall by interested parties.

The Group took this opportunity to rethink the approach to the customer journey for property ownership by initiating a Virtual Reality (VR) walkthrough of showrooms and digital payment systems for buyers. Additionally, post-pandemic trends show an increased footfall to the Group's galleries as buyers continue preferring physical feel of property in the sales process.

However, the Group continues enhancing customer engagement by adopting customer-first strategies such as effective post-sales services, human resource training and development among other, to build customers' trust and fostering a long-term relationship.

### Marketplace Competition

An unexpected outcome of the post-pandemic recovery period is the proliferation of auction and secondary property market developments entering the property market. These reflected the surge in bank-auction properties and the booming resale market due to flexible pricing strategies. As price sensitivity loomed, new launches had to compete with so-called 'below market' resale units.

This calls the Group's competitively-priced affordable homes which have been resilient to the rife competition in the market. Innovative pricing and buying strategies for the Group's luxury home range has weathered this trend and the Group has complemented the buyer's experience with good post-sale services.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Group's Strategic Position (Cont'd)

### Property Mix in Portfolio

As a well-established property developer, the Group has deep experience in offering the different property types that suit the market needs of each location. One of the growing trends in property development is the demand for **sustainable and eco-friendly developments**.

The rise of practicality for development use has seen the increase in demand for **mixed-use developments** that combine residential, commercial and recreational spaces to foster self-sustained communities. Buyers of The Logg and Ayuria at Alamesra are drawn to the convenience and lifestyle-orientation these developments offer. In tandem with this is the growth of **infrastructure-linked developments**, which proliferate areas with new and upcoming infrastructure projects such as highways, airports or ports. This increase in accessibility increases the property's value and buyers are attracted to locations with strong growth potential.

As one of the GDP drivers of Sabah is the tourism industry, **tourism-related properties** are poised to leverage continued growth in this related sector. The development of Avani Hotel at The Logg allows the Group to explore the development and construction of hospitality-related facilities which round out a business and holiday destination.

### Partnership & Collaboration

As the Group continues deepening its property portfolio and construction experience, it also continues looking into ways to broaden its capabilities and capacity. One way the Group enhances its bench strength is through partnerships with both public and private sectors in undertaking large-scale infrastructure or affordable housing projects on joint-ventures. This effort addresses the housing shortage in the state and improves infrastructure, bringing development to the communities that need it the most.

## Key Corporate Highlights

Within the year of KTI's successful listing on the ACE Market, its RM48 million raised from the IPO has been successfully utilised for various business expansion such as upgrading of the casting yard or IBS facility for the building division, working capital for project development and the upgrading of software and system. The Group also paid back its bank borrowings and listing expenses within the year and only the RM18 million of the IPO proceeds earmarked for the landbank acquisition is still to be utilised as at 31 December 2024. In tandem with the utilisation of the IPO funds, the Group will focus on delivering value to shareholders, maintaining growth momentum and ensuring operational excellence.


**Image 3** Successful listing of IPO of KTI Landmark Berhad at Bursa Malaysia with Board of Directors of KTI Landmark

# MANAGEMENT DISCUSSION AND ANALYSIS

## Key Corporate Highlights (Cont'd)

### Delivering Value to Investors

In delivering value to investors, the Group looks to **strengthening its financial performance** with focus on key areas like revenue growth, cost management and improving profit margins. Revenue growth is mainly driven from timely completion or delivery of ongoing projects to recognise revenue. The Group also optimises construction costs through cost-efficient procurement, best-in-class construction practices and technology adoption. Where profit margins are concerned, the flight to high-value projects while continuing its IBS-backed affordable housing programme, supplements the whole spectrum of the property market's needs.

Additionally, the Group fosters **strong investor relations and transparent communications** with stakeholder through regular updates on financial performance, project milestones and strategic initiatives. It hosts investor engagement events and the Annual General Meeting (AGMs) to engage with shareholders. The Group is also cognisant of its commitment to sustainability and good governance and addresses its Environmental, Social and Governance (ESG) matters within its Sustainability Statement laid out on pages 044 to 055 of this Annual Report.

### Maintaining Growth Momentum

One of the strategic levers the Group pulls to create momentum is through **strategic partnerships and collaboration**. Achieved through joint ventures which are strategic alliances with Government agencies and selected partners to undertake large-scale projects, the Group continues building its orderbook and total Gross Development Value (GDV) of its projects. The growth of technology partnerships to develop innovative construction technologies paves the way for operational excellence. In the meantime, Government collaboration, which allows the Group to continuously work closely with Government agencies brings alignment with the development plans and secures support for its projects.

Another strategic lever that the Group pulls is in **expanding its project portfolio** to include diversification into new types of projects and new geographies. Within the Group's plan for new acquisitions are to acquire strategic landbanks in high-growth areas and diversify into new segments such as industrial parks and retail properties among others. With a strong base in Sabah, the Group also considers expansion into the other states in Malaysia or regional markets to vary the Group's footprint.

With the Group being a pioneer in IBS in Sabah, it continues to align with global sustainability trends to build **sustainable and green developments**. There is also the embedding of sustainability in the Group through its sustainable practices of using energy-efficient materials, and water-conservation technologies. The Group's community engagement incorporates green spaces and communal facilities into its portfolio of developments to encourage liveability.

Addressing the housing needs of Sabah includes **continuous focus on affordable housing** with the launch of affordable housing projects in partnership with the Government through Federal or State housing programmes. Additionally, ensuring accessibility through flexible payment schemes for middle- to lower-income households as well as community cohesion with access to communal amenities and public transportation facilities encourage the formation of healthy communities.

The Group is keen to **leverage on tourism opportunities** in Sabah's growing tourism industry through the development and construction of hotels, resorts and potentially Meetings, Incentives, Conferences and Events (MICE) spaces which will complement the suite of needs for corporations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Key Corporate Highlights (Cont'd)

### Ensuring Operational Excellence

Unlocking **operational efficiency** is key to turnaround time for timely delivery of properties and efficient budget management. The Group continues to progressively adopt technology including the planned implementation of Building Information Modelling (BIM) and project management software to streamline operations. It also looks into its supply chain to optimise it by strengthening relationships with suppliers, contractors and subcontractors for timely delivery of materials. Ultimately, the Group also ensures quality through tight quality control procedures carried out during its quality assurance process to maximise quality and durability as well as to minimise defects and repairs.

As part of the Group's **digital transformation** masterplan, it aims to digitise both processes for efficiency and pathways to enhance customer experience. With the introduction of online sales platforms, the Group's development of digital platforms for property sales and customer engagement suits current market needs. The Group plans to further introduce smart home technologies in its new developments to appeal to tech-savvy buyers and uses data analytics to track current market trends, map our customer preferences and project performance.

The digital experience ties into **strengthening the brand and market position** of the Group as a public-listed company. Focus on targeted marketing campaigns to promote new projects and highlight the Group's strengths lend into the brand credence of the Group. Meanwhile, personalised customer engagement to enhance after-sales services and customer support services continue building loyalty and trust in the brand's presence. The Group's community engagement through its Corporate Social Responsibility (CSR) programmes, invest into community development such as education, healthcare or environmental conservation to build its brand legacy.

Another aspect of operational excellence is in the Group's efforts for **Risk Management and Compliance**, which is comprehensively discussed in the Statement of Risk Management and Internal Controls (SORMIC) laid out between pages 065 to 071 in this Annual Report. This ensures risks are effectively mitigated and compliance with regulatory requirements are met. The Group conducts regular risk assessments to identify and address potential challenges such as supply chain disruptions or regulatory changes. Additionally, the Group's compliance framework strengthens internal controls and compliance processes to meet listing requirements and regulatory standards. Formulating its crisis management by developing contingency plans ensures the Group's stability of operations in the face of unforeseen events such as natural disasters or economic downturns.

As the heart of its operations are the Group's people and **talent development and retention** strategies are employed to build a skilled and engaged workforce to support the Group's continued growth. Among the Group's commitment to excellence includes training programmes to upskill employees, performance incentives for retention and leadership development skills to identify and groom future leaders for succession planning.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Key Financial Highlights

**KTI LANDMARK PERFORMANCE**

| | |
|---|---|
| Revenue<br>**RM 175.4 Million** | Profit Before / After Tax<br>**RM 8.5 Million** |
| Total Orderbook Value<br>**RM 214 Million** | Total GDV<br>**RM 2.73 Billion** |

The Group recorded a revenue of RM175.4 million in FYE2024, representing a rise of 45.9% amounting to RM 55.2 million from RM 120.2 million in FYE2023. This is mainly attributed to improved progress of the ongoing development projects and also launching of our new project in Sandakan and Alamesra as well as higher construction work activities in tandem with the higher order book. The Group's Profit Before Taxation (PBT) recorded for the year is RM8.5 million reducing from RM17.3 million in the preceding year. This translated to the Group's Profit After Tax (PAT) of RM 8.5 million on the back of RM 13.8 million from the preceding financial year, decreasing by 38.4%. The Group's bottom line was effected mainly due to the one time write off of the listing expenses upon the successful listing of the Group during the current financial year amounting to RM2.7 million.

## Review of Operations

KTI Landmark Berhad, which is a holdings company, comprises of two wholly-owned subsidiaries namely KTI Sdn Bhd (KTISB) and KTI Development Sdn Bhd (KTID), which individually represent the property development and the design and build construction services segments of the Group. Under KTISB, are two other wholly-owned subsidiaries namely KTI Industrial Sdn Bhd and Dataran Jayamakmur Sdn Bhd, while KTID fully owns Landmark Property Sdn Bhd which in turn fully owns KTI Hotel & Resort Sdn Bhd. The details of the Group's structure can be seen in the Corporate Structure on page 013 of this Annual Report.

As at FYE2024, the Group's total orderbook value amounted to approximately RM214 million and a total Gross Development Value (GDV) of RM2.73 billion for all active projects under development as at 31 December 2024. The Group realises synergies between segments through integrated offerings, shared expertise and brand consistency. The design and build construction services arm, KTID, supports the property development arm, KTISB, by providing cost-effective, high-quality construction services which ensure timely project delivery. In addition to this, the shared expertise in the form f knowledge sharing between subsidiaries enhances innovation and execution efficiency from design and construction. Ultimately, both subsidiaries cultivate brand consistency with a unified brand strategy that cuts across both segments and strengthens market positioning and establishes customer trust.

### KTI Development Sdn Bhd (KTID)

KTID's main business activity is the provision of end-to-end construction services, which include planning, design, tender, construction, project management, marketing, sales and maintenance of property during the Defects Limitation Period (DLP) for the Group's residential, commercial and infrastructure projects. These in-house services have been key to the Group's long-standing success in the market.

The Group's unique presence has been cemented by its strong sales performance driven by high demand for both affordable housing and premium properties; project completion rates which are reliable and timely, delivered with a keen focus on quality and customer satisfaction and ultimately, a brand name that reflects a strong brand reputation for reliability, quality and innovation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Review of Operations (Cont'd)

### KTI Development Sdn Bhd (KTID) (Cont'd)

Among the Group's differentiating factors are its market research to form an in-depth understanding of customer needs and market trends which ensure good take-up rates of its developments, the acquisition of strategic landbanks in well-located areas at competitive prices which form a strong foundation for its future projects and the pioneering work on sustainable development and eco-friendly designs which appeal to environmentally-conscious buyers and enhance long-term value appreciation.

Complementing these factors are the Group's understanding of community integration, where project designs are replete with community focal points such as parks, retail spaces, recreational facilities among others, to facilitate the creation of vibrant communities and increases property appeal. The flexible payment schemes, which offer flexible payment plans and financing options makes properties accessible to a wider range of buyers while leveraging digital platforms from property sales to customer engagement improves reach and conversion rates.

In the year under review, the Group's active portfolio of properties has charted significant advancement. They are discussed per the following:

***Ayuria Place, Alamesra***

With a total GDV of RM1.23 billion, the 20.4-acre Ayuria Place comprises of The Lifestyle Shop @Ayuria Place, which is 4 units of double-storey shoplots that has been constructed and the remaining landed and high-rise residential properties. Araya Gardens, the single-phase 42 units of double-storey superlink terrace houses also begun construction in the third quarter of 2023. Meanwhile, the high-rise component of Kayana Heights, comprises 2 blocks of 39-storey apartments in Phase 1 which has begun construction in January 2024 and 3 blocks of 39-storey apartments in Phase 2 which is due for commencement by December 2025.

In FYE2024, the Group commenced construction on all components of Ayuria Place with The Lifestyle Shop @Ayuria Place completed to fit the show gallery which will enhance the project's exposure and attract buyers through its launch of sales and marketing campaigns.

***Taman Seraya, Sandakan***

With a total GDV of RM102 million, this residential scheme comprising 310 units of double-storey terrace houses saw brisk sales, with Phase 1 and 2 of the three-phase developments fully sold out. The Group helped secure PPAM civil servants affordable housing subsidies for 248 units of homes. By end of FYE2024, Phase 1 had begun construction with the following phases to commence in the upcoming years.

***Taman Bukit Alamanda, Nagapas***

With a GDV of RM35.7 million, this residential enclave of 107 double-storey terrace houses have been fully sold and is approaching the tail-end of construction, with the Group achieving 95% completion rate of the project.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Review of Operations (Cont'd)

### KTI Sdn Bhd (KTISB)

As the principal property development arm of KTI Landmark, KTISB develops residential, commercial and mixed-use properties, including affordable housing, luxury condominiums and retail complexes. Through the years, KTISB has emphasised innovative designs, sustainable developments and customer-centric projects. As one of Sabah's trusted developer with a track record of over 40 years, the Group is a Sabah property development specialist, with urban centres of Kota Kinabalu, Tuaran and Sandakan as well as emerging areas with high-growth potential witnessing the landmark handprint of the Group.

KTISB's main business activity is the provision of end-to-end construction services, which include planning, design, tender, construction, project management, marketing, sales and maintenance of property during the Defects Limitation Period (DLP) for the Group's residential, commercial and infrastructure projects. These in-house services have been key to the Group's long-standing success in the market.

Since its incorporation, KTISB has successfully completed and delivered quality affordable housing projects on time and within budget for the Group by leveraging the IBS construction technology and sustainable construction methods. The Group's major client has been Lembaga Pembangunan Perumahan Bandar (LPPB) Sabah, in which KTI is the financing contractor which constructs development lands belonging to LPPB, who is the developer. Past and present Joint Ventures (JVs) with LPPB has borne much fruit and the Group has represented up to 35% of the total financing contractor participation in LPPB's developments.

Throughout KTISB's establishment, it has contributed significantly to the Group with steady growth driven by a strong project pipeline and servicing repeat clients. The profit margins of this segment remains robust thanks to efficient cost management and value engineering. In the meantime, the segment's commitment to timely delivery, with minimal delays and cost overruns have earned its prestige as a reliable and reputable project contractor.

Among the many factors for KTISB's renown is its technology adoption as the first contractor which has pioneered the usage of IBS in Sabah and uses advanced construction system formwork, drones and project management hardware and software to improve efficiency and accuracy. The skilled workforce sets a foundation for reliable workmanship, with a team of experienced engineers, architects and project managers, supervisors and technicians all working in alignment to ensure high-quality execution.

The Group's strong supplier relationships, with these long-term partnerships fostered through the years with reliable suppliers and contractors ensure timely delivery of materials and services for each phase of the project. In addition, the Group's strong sustainability focus with the adoption of green construction practices and materials enhances it reputation and attracts environmentally-conscious clients. With a strong customer-centric approach, the Group prepares tailormade solutions and transparent communications to build trust and long-term relationships with its customers.

During FYE2024, the Group partnered LPPB Sabah to design and build the following projects:

In the year under review, the Group's active portfolio of properties has charted significant advancement. They are discussed per the following:

***The Logg, Luyang***

With a total GDV of RM1.25 billion the multi-phase mixed development project spread across 5-acres, began ground-breaking in 2019 and is expected to be completed in 2025. The Group's first joint-development project with LPPB comprises of 2 blocks of 28-storey condominiums, namely Shorea Astoria, a block of 28-storey apartments, namely Parkhill, a block of 38-storey 4-star hotel, namely Avani Luyang @ The Logg with 370 rooms, and a commercial building with 2 levels of retail shops and 32 units of purpose-built offices spread across 3 levels.

In FYE2024, the Group strengthened its project management team with new talent acquisitions and improved construction processes. It also appointed new and capable sub-contractors, reinforced quantity surveying function and cost-control sections of the site teams and locked in supplier's prices and commitments. All these initiatives have enhanced the monitoring and execution of its ongoing projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Review of Operations (Cont'd)

**KTI Sdn Bhd (KTISB)**

***Taman Seri Lemawang & Residensi Seri Akasia, Tuaran***

With a total GDV of RM169.8 million and only RM96 million balance GDV under development, this ongoing design and build construction project is a multi-phase township development with Taman Seri Lemawang comprising of predominantly double-storey terrace houses supplemented by shop lots that serve residents' daily needs. This is complemented by the low-rise 5-storey apartment blocks, namely Residensi Seri Akasia.

In FYE2024, the Group completed the first phase of Taman Seri Lemawang comprising 811 double-storey terrace houses and 17 shop lots which are fully taken up. The Group has also completed the Blocks A and B of Residensi Seri Akasia and commenced construction of another 4 blocks of the 5-storey apartments and 42 shop lots. As this is a collaboration with LPPB, the Group has managed to help Projek Perumahan Perkhidmatan Awam Malaysia (PPAM) civil servants obtain affordable housing subsidies for 160 units of the apartments.

***Lok Kawi & Labuan***

During the financial year, The Group was appointed as IBS specialist contractor for 2 external projects in Lok Kawi and also Labuan. The Lok Kawi subcontract is worth RM164.3 million for the construction of 653 units of army housing while the Labuan subcontract is worth RM49.98 million to construct 82 units of air force staff housing.

## Risks & Opportunities

A more robust discussion of the Group's Risk Management can be found in the SORMIC as set out on pages 065 to 071 in this Annual Report. Within FYE2024, most of the risks identified by the Group are existing risks covering the strategic, operational, financial and regulatory risk categories. All of the identified risks have been mitigated with a business continuity plan formulated to rise up and meet challenges in the unlikely event that a risk scenario should take place.

Some of the challenges faced by the Group, broadly identified include economic headwinds from global economic volatility, inflation or supply chain disruptions that impact construction costs and consumer demand; regulatory changes in government policies, such as implementation of foreign worker quotas, environmental regulations among others have a material impact on project delivery timelines and costs; human resource and talent shortages which hamper implementation of corporate plans and governance along with replenishment of talent turnover and environmental and social interest groups which may raise stakeholder engagement issues that require the Group's able management of such matters.

A closer inspection of the Group's risks can be described as follows:

**Single Source Revenue Dependency**

The strong dependence of the design and build construction services segment on a single source of revenue, namely LPPB, presents a concentration of income risk to the Group. To mitigate this risk, the Group has purchased its own land to develop a 20-acre mixed residential and commercial development in Alamesra.

Additionally, the Group is exploring various property development and construction opportunities beyond LPPB and has secured two large government subcontracts in Lok Kawi and Labuan and a potential land-swap deal for the development of a new cultural village with the Lembaga Kebudayaan Negeri Sabah in Kinarut. The Group will continue diversifying its revenue streams and explore other types of joint ventures and construction contracts in tandem with expanding its clientele. The Group's foray into hospitality and leisure sector is also due to commence with the opening of its flagship hotel Avani Luyang expected in the first quarter of 2026 together with The Logg Mall. This will further diversify the revenue streams of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Risks & Opportunities (Cont'd)

### Single Source Revenue Dependency (Cont'd)

**Image 4** Labuan are one of the two location (aside Lok Kawi) KTI has secured for the large government subcontracts in order to mitigate single source revenue dependency.

In light of its longstanding relationship with LPPB, the Group will further strengthen its client relationships with LPPB in order to ensure long-term engagement and exposure to more opportunities. The Group also devises and implements its contingency planning and explore new market sectors in its bid to diversify.

### Joint Venture Associated Risks

Although the Group is keen to explore diversification of income stream, it is cognisant of the potential associated risks to any Joint Venture Agreements (JVA) it undertakes in future. To minimise these risks, the Group appoints proven and learned legal counsels with specific expertise in property or construction industries to document the JVA, including but not limited to, advice on exit strategies, force majeure and dispute resolution.

The Group enforces a full course of due diligence on any potential JV partner and purchases insurance for high-risk JV projects.

### Supply Chain Disruptions

There are three related risks identified pertaining to different parts of the supply chain, which are:

a) Delays and disruptions to construction and property development industry caused by external headwinds
b) Delivery of projects dependent on the performance and timely delivery of subcontractors
c) Fluctuation, shortages and market dynamics of construction materials, labour market and technological systems

***Delays and disruptions due to external headwinds***

Combining technology, improved construction methods and proactive risk management actions to minimise disruptions and keep projects running, the Group will conduct periodic risk assessments for ongoing projects and invest in BIM, IBS and HR training to ensure internal capabilities continue being built.

***Delivery dependent on external parties***

The Group ensures performance and delivery of its subcontractors through proper pre-qualification, clear contract conditions, audit and tracking, performance and safety training, protracted Quality Assurance or Quality Control procedures, introducing penalties and incentives, developing contingency and back-up plans and the use of BIM to control delivery.

***Disruptions due to Supply***

Market disruptions due to fluctuations, shortages and dynamics in construction materials, labour and technology are met with countermeasures by the Group. On the material front, shortages can be proactively managed with local sourcing to grow the pool of suppliers with approved credit terms. There are also supply chain vulnerability audits which are conducted at regular intervals to check against any type of material shortage.

The Group's adoption of IBS continues to optimise labour force. Meanwhile, to manage price volatility, the Group engages suppliers with fixed contracts and utilise hedging cost strategies. The Group also negotiates price-lock agreements with key suppliers to maintain a healthy price-managed baseline for projects.

### Succession Planning

While the Group's talented and experienced leadership guiding the Group is a strategic differentiation, their experience, industry knowledge and domain expertise remain centralised among the members of the Senior Management team. In view of this, the Management's expertise, experience and leadership knowledge needs to be passed down to worthy successors who are fit to take on the next level of leadership and to keep the Group going.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Risks & Opportunities (Cont'd)

### Succession Planning (Cont'd)

In light of this, the Group's Human Resources (HR) team is mandated to formulate an affective succession plan for each of the mission critical roles within the Group. To achieve this, HR will introduce and enhance learning, knowledge and talent management programmes across the board in the Group. The programme covers skills gap analysis, executive training and knowledge-based coaching for its leadership and executives to deepen their talent bench.

Additionally, the Group will continue leveraging technology and data to maintain its cutting-edge skill sets and enhance professional networking between the workforce with its leadership to encourage mentorship, sponsorship and knowledge transfer. Progress in these areas will be set to measurable standards to track improvements.

### Defects & Liability Claims

Buyers are empowered to make claims during the Defect Liability Period (DLP) for any quality or defects concerns they make have uncovered upon the delivery of Vacant Possession (VP). To circumvent these issues, the Group practices preventive action through regular QA or QC checks, proper supervision during construction and the selection of quality materials for better outcomes.

Even before the delivery of VP to buyers, the Group's practice of doing a DLP readiness audit manages this risk in a proactive manner. After handover of properties, a responsive Customer Service Department executes the best levels of customer service and effective defect management protocols in order to secure customer trust and engage transparently in defect handling to boost the Group's reputation.

There are proper protocols observed and adequate documentation and management of inspection report, warranties and repair logs are maintained to ensure completion of repairs are done satisfactorily. Additionally, the Group takes feedback from these reports and logs as a way to improve build quality for subsequent projects.

### Cash Flow Risk

***Dependency on securing adequate financing***

The design and build construction projects and property development projects undertaken by this group require substantial capital investment. As such, they may lead to negative operating cash flow when the cash outlay for land acquisition, project development, and/or construction expenditures during a particular period—after accounting for changes in other working capital items—exceeds the cash inflow from property sales over the same period.

The availability of adequate financing is crucial for this group to acquire land and/or complete the development and construction of its design and build construction projects and property development projects as planned. The group relies on internally generated funds as well as external borrowings such as trade facilities, bank overdrafts, term loans, and bridging loans to partially finance its working capital. If adequate credit facilities at competitive rates cannot be secured for the aforementioned requirements, the group's cash flows, operations, growth, and expansion plans may be adversely affected.

Socio-economic conditions with negative impacts—such as the COVID-19 pandemic or an economic downturn—may cause financial institutions to adopt a more cautious lending approach, as businesses are expected to be affected by dampened consumer sentiment and shifting spending habits. This may impact the group's ability to secure credit facilities from financial institutions or result in secured credit facilities being insufficient to fund landbank purchases and construction costs.

Although the group's borrowings remained unaffected in FYE 2020 to 2023, there can be no assurance that they will remain unaffected in the future, given the potential for deteriorating market conditions or adverse socio-economic factors.

***Fluctuations in the prices and shortages of construction materials***

At the start of every project, this group estimates its GDC based on factors such as land premium, cost of construction materials, borrowing costs, and labor cost. The cost of construction materials is determined based on quotations from suppliers and subcontractors, as well as internal cost estimations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Risks & Opportunities (Cont'd)

### Cash Flow Risk (Cont'd)

***Fluctuations in the prices and shortages of construction materials (Cont'd)***

The group's construction materials primarily consist of concrete and related products, hardware and related products, steel products, interior fittings, and other construction materials required in construction activities. Given that the cost of construction materials—particularly aggregates and crusher run, piles, ready-mix cement, and steel products—may fluctuate during the construction period, the group is exposed to the risk of such cost variations. Since properties are sold prior to their completion, the group is unable to pass any increase in costs to property buyers. Consequently, any rise in construction costs will elevate cost of sales and reduce profit margins.

In FYE 2021 and 2022, there was a substantial increase in the prices of steel products and cement, leading to higher construction costs, which in turn lowered the group's profit margin. Although this did not impact the progress of its design and build construction projects and property development projects, there is no assurance that delays and interruptions will not occur in the future due to similar circumstances. Furthermore, if any delays become prolonged and vacant possession cannot be delivered to end buyers according to schedule, it may result in buyers claiming LAD from the group, which could affect profitability and cash flows.

Additionally, the group relies on a continuous supply of construction materials to carry out its projects. Shortages in materials may delay project completion timelines. There is no assurance that the group will be able to source similar construction materials from alternative suppliers promptly or at a cost that is favorable for completing construction works on schedule. Such challenges could ultimately impact the group's business, cash flow, and financial performance.

***Exposure to interst rate risks from borrowings***

This group has been relying, and is expected to continue relying, on external debt financing to support a substantial portion of its design and build construction projects and property development projects, as well as to fund business growth. The group's gearing ratio was 0.4, 0.5, 0.4, and 1.3 times in FYE 2020 to 2023, respectively. As of FYE 2023, the group's bank borrowings stood at approximately RM173.2 million, with interest rates ranging from 3.9% to 8.3% per annum. If adequate debt financing at competitive rates cannot be secured for project requirements, the group's cash flows, operations, growth, and expansion plans may be adversely affected.

The group is also exposed to fluctuations in interest rates. Any future increase in interest rates would raise borrowing costs, potentially reducing profit margins. Such increases may have a material adverse effect on the group's cash flows and profitability. Higher interest rates may also influence decision-making regarding additional borrowings for new design and build construction projects and property development projects, possibly leading to delays in development and construction timelines.

Additionally, credit facility agreements may contain covenants that restrict future operating and financing flexibility. A breach of such covenants could result in the termination and/or enforcement of securities granted for the relevant credit facilities, as well as cross-defaults across all credit arrangements. Furthermore, there is a risk of simultaneous demands for immediate repayment of outstanding indebtedness or tightening of credit facilities due to deteriorating market conditions arising from economic, financial, political, or other external factors.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Outlook

The Group's outlook as a property developer and construction group in Sabah, Malaysia, is highly dependent on global, macroeconomic and industry-wide trends.

In FYE2024, there was significant recovery and growth in the construction sector, with industry authorities like the Construction Industry Development Board (CIDB) noting the double-digit growth of the sector in 2024 and its significant contribution to national GDP. Based on current industry estimates, the construction industry is poised to continue growing, driven by Government infrastructure projects, private sector investments and global advancements. Increased demand for construction services, particularly in the infrastructure and affordable housing segments see potential upside for the Group. This is taking into consideration the Group's exploration into contracts for large-scale projects such as roads, utilities and public facilities.

As the construction industry matures, the adoption of technological advances and innovation in the equipment powering the industry becomes increasingly prevalent. Digital tools, such as Building Information Modelling (BIM), drones and automation are all employed to increase efficiency and reduce costs. These have a positive impact on project delivery timelines, reducing delays and improving profit margins. KTI's investment in technology has become a differentiating factor to the Group's position as a tech-savvy and innovative player in the market.

Another defining feature of the Group is its focus on Sustainability where there is a burgeoning demand for sustainable construction practices to qualify a building's eco credentials. Incorporating these practices are also an attractive plus point for environmentally-conscious customers and improves the Group's market standing.

Within Sabah's residential market, a huge pent-up demand for affordable housing remains the top priority for its residents. The significant demand for affordable housing is fuelled by demographic factors which contribute to population growth and increasing urbanisation. By continuing to focus on affordable housing projects, the Group will tap into the large underserved market. Partnering the Government through initiatives like Perumahan Penjawat Awam Malaysia and other federal and state affordable housing programmes will continue closing the gaps in funding and support for the homebuying public to realise their dreams of homeownership.

As one of Sabah's key GDP contributors is its tourism industry, the demand for tourism-related properties continue fuelling demand for economic expansion. Related to this is the increasing pace of urbanisation and infrastructure development whereby cities and large towns in Sabah are undergoing rapid urbanisation, creating a demand for residential, commercial and mixed-use developments. Well-located landbanks in these areas will provide long-term growth opportunities and demand for integrated townships, replete with amenities like schools, parks and retail spaces can attract buyers and tenants.

Megatrends at the national level continue filtering down to the Group's operations with key themes such as demographic shifts, digital transformation, sustainability and climate resilience and regulatory changes to Governmental policies and initiatives all shaping the landscape of the Group's operations.

As Malaysia is home to a young emerging generation, population growth and the formation of new households continue driving demand for housing needs. Its rising middle class and increasing pace of urbanisation gives rise to a need for more affordable mid-range properties. Developments in urban areas that offer convenient and modern urban amenities continue being attractive for this emerging generation.

One of the defining features of the modern society is the maturation of digital natives, which elevate the position of digital transformation in industries such as property and construction. This trend is an opportunity for the Group to leverage on digital platforms for property sales, marketing and customer engagement, incorporating smart home features into new developments that attract tech-savvy buyers.

Even as the Government advance sustainability agendas and businesses increasingly recognize their roles in shaping a more equitable future, the importance of sustainable development has steadily come to the forefront. In this context, the Group is strengthening its focus on waste management and pollution control to meet regulatory requirements and evolving stakeholder expectations. These efforts support the development of more environmentally responsible operations, helping to minimize the Group's ecological footprint across the areas in which it operates.

In considering the Government's impact to the industry, the Malaysian government's focus on infrastructure development, affordable housing and economic recovery is enshrined in its policies such as the 12th Malaysia Plan (2021-2025) that is likely to provide impetus to the 13th Malaysia Plan (2026-2030). The Group's alignment with government priorities with access to funding, incentives and support will propel its participation in public-private partnerships (PPPs), particularly in view of opportunities for infrastructure developments and housing projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Future Prospects

In terms of projected growth direction, the Group's revenue streams, land banking, project development and completion over the next 3-5 years will depend on several factors:

### Revenue Streams

The Group's property development arm will see growth in residential, commercial and tourism-related properties. Residential properties in the affordable and mid-range segments will continue seeing strong demand in Sabah as it is driven by demographic, urbanisation and government initiatives factors. Subsequently, the revenue from residential projects is likely to grow steadily, particularly in urban centres like Kota Kinabalu, whilst affordable housing schemes remain a key revenue driver spurred on by key government initiatives like Perumahan Penjawat Awam Malaysia, Sabah Maju Jaya and other federal and state housing schemes.

Commercial properties like office spaces, retail complexes and mixed-use developments will depend on economic recovery and business confidence to fuel its recovery. However, take-up rates for the Group's shops and commercial units have been encouraging and will spur greater interest in future development plans. Mixed-use developments in particular, which combine residential, retail and office spaces see the need for efficient planning against future supply and demand needs.

Tourism-related properties continue to be fuelled by Sabah's recovering tourism industry, creating demand for hotels, resorts and vacation homes. The high revenue potential from tourism-related projects in popular destinations in Sabah continue influencing the Group's direction of investment in such areas.

Meanwhile, the build and design arm of the Group will continue growing fuelled by infrastructure development and private sector interests which are promoted and driven by both Sabah's and the federal government's investments. These growth trends will translate into opportunities for the Group ti adopt new technologies and improve its performance and delivery capabilities.

### Land banking

Replenishment of land banks is pivotal to the Group's long-term growth and pipeline of projects. To this end, the Group will focus on acquiring well-located land banks in high-growth areas, such as urban centres and tourism hotspots. Diversification into emerging areas with potential for future development with an emphasis for sustainable development and environmental preservation will continue being KTI Landmark's defining brand experience and this fuels the Group's passion for exploration of redevelopment or repurposing underutilised land.

### Project Development

As affordable housing is the Group's forte, it will continue being the Group's key focus as it plays its part in being the Government's enabler to meet its policy fulfilment and market demand actualisation. The development of large-scale affordable housing projects which partner Government initiatives, will be refined further with emphasis on integrating community amenities and green spaces to enhance liveability of residents.

Further to this, the Group's impetus inmixed-use developments will continue to be refined further, ensuring maximum feasibility and ease of implementation with a focus on creating vibrant, self-sustaining communities within the blend of residential, commercial and recreational spaces. The Group will continue looking for opportunities where tourism-related projects embrace the multiplier effects of Sabah's growing tourism industry and natural attractions.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Future Prospects (Cont'd)

### Project Lifecycle Management

The Group is dedicated to maintaining customer satisfaction and market reputation through timely deliveries of quality-assured, sustainable and high-value properties. Using advanced project management tools, such as BIM and drones to improve efficiency and reduce wait times, the Group continues its focus on quality control and customer-centric delivery.

### Sustainability, Quality & ESG Matters

As a defining feature of KTI Landmark's properties, each development is imbued with sustainable and high-quality project implementation and standards. The inclusion of energy management, water and waste management practices ensures compliance with regulatory requirements while meeting the growing expectations of environmentally conscious customers. These efforts contribute to the long-term operational efficiency and environmental responsibility of the Group's developments. They are among the key ESG considerations that shape the Group's development strategies, as further outlined in the Group's Sustainability Statement, which reflects its alignment with global ESG trends, Bursa Malaysia requirements, and best practices in the property sector. KTI Landmark's proactive stance on sustainability balances profitability with ESG compliance. Core initiatives include strengthening its energy, water and waste management strategies, alongside ongoing R&D in IBS technology, corporate responsibility programmes, and effective governance frameworks to embed sustainability across the Group.

### Partnerships & Collaboration

The Group's collaborative strengths in forming strategic partnerships will pave the way to access new markets, technologies and resources. The synergies realised from joint ventures of large-scale projects or entry into new markets will continue to be explored.

### Geographical Expansion

As the Group continues to diversify into industrial, retail and hospitality sectors, the geographical expansion of Sabah's growth and development corridors, as well as vertical integration within the Group (IBS, facilities management, etc) will continue boosting margins. Feasibility studies into new markets and projects, securing of strategic partnerships and monitoring of policy shifts will power the Group's consideration of expanding its geographical footprint.

### Further expansion from IPO proceeds


As outlined in the Company's IPO Prospectus, the reason for public listing includes replenishment of land banks for development, continual adoption of technology like IBS/BIM for long-term growth, debt management to reduce financial risks and pursuing ESG projects that align with global megatrends.

Working capital raised will go to planning and execution of future revenue streams from core property sales in the residential, commercial and industrial property mix of the Group, IBS contracting for construction services for other developers and to develop recurring income streams through leasing and facility management services.

### Timely Growth Prospects

The Group develops short- to long-term plans charting its prospects along the way. In no way are these forward-looking statements guarantees of future performance, rather, the Group takes into consideration the opportunities it can capitalise on should it have the resources to do so.

In the immediate future, the Group's commitment to timely project completion and delivery is an ongoing obligation to its buyer base. Internally, the Group continues upskilling its human capital with learning and development, while the sales and marketing initiatives it undertakes features targeted marketing campaigns that boost sales for existing projects and includes features such as commissions, promotions and rebates, among others, which are attractive to buyers. The cost management discipline to optimise construction costs through competitive tendering and negotiations will be executed in tandem with other cost-control measures to improve profitability.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Future Prospects (Cont'd)

### Timely Growth Prospects

Externally, the Group enhances customer service and post-sales support systems to improve customer satisfaction and foster positive reputation. The Group's strategic lever of digital technology adoption is used to engage buyers and to improve construction technology which improves efficiency and quality. The Group also believes in collaboration with institutes of higher learning for knowledge-sharing sessions in property and construction.

In the near future, the Group's plans to scale operations, expand its market presence and invest in growth opportunities will provide it forward momentum. The plans for portfolio diversification involve expanding into new property segments such as smart homes, industrial, co-living spaces, senior and assisted care among others. Technical diversification will provide the penetration into new construction segments, such as roads, infrastructure, airport, ports, AI-based technologies and the likes.

Further expansion into affordable housing opportunities through to mid and luxury properties will be studied and guided by market demands. Meanwhile, the Group continues identifying new growth areas within Sabah and other regions in Malaysia with high growth potential. The continued focus on adopting technological advancement will continue powering the Group's use of digital platforms for customer engagement and project management. While the Group maintains its good relationship through collaborative projects with government agencies, financial institutions and other developers for large-scale projects.

In the long run, the Group's landmark focus on sustainable growth, innovation and understanding the essence of market needs coalesce in forming its competitive market edge. It aims to establish a strong reputation for quality, reliability and innovation in the property market through building a loyal customer base with its consistent delivery and excellent service. The Group's continuous investment into Research and Development (R&D) for cutting-edge construction technologies and materials, as well as exploring the latest property trends such as smart home systems, modular construction and energy-efficient designs all take it to the pinnacle of building and property development practices.

As the Group continues upgrading its capabilities, it will enable the Group to undertake mega projects such as township developments or integrated urban hubs that create long-term value. The newer projects will also focus on those which align with Government initiatives or urban development plans. In addition to this, the Group intends to position itself as a leader in sustainable development by committing to net-zero goals and circular economy principles. These include developing self-sustained communities with waste management systems and green spaces.

The Group strengthens its value proposition as an Employer of choice by building a skilled workforce through training programmes and partnerships with educational institutions. It has retention plans for top talent by fostering a culture of innovation and growth. Additionally, the Group pays attention to future revenue streams through diversification to reduce dependency on property sales alone and develops more services which capture recurrent income such as property management, leasing or Real Estate Investment Trusts (REITs). It maintains a strong balance sheet to weather economic downturns or market fluctuations.

## Creating A Strong Culture

**Image 5** Potential homeowners negotiation during the Kayana Heights housing sales event

The Group's continued performance is due to the support of its shareholder and investors who have placed their trust in KTI and continually supported its management decisions. Steered by the Board, Key Senior Management and the Management team's strategic leadership and governance the Group maintains it market leadership and position and the Group's employees and staff force's dedication and diligence contributes to the formation of a strong team culture.

Externally, this team translates value to its customers, clients and business partners whose collaboration and loyalty bring the brand to greater heights. Key stakeholders such as the Government, respective authorities and regulatory bodies; banks and financial institutions; suppliers and contractors and the community at large, all form the larger ecosystem that support the Group's performance and its continued success.

# SUSTAINABILITY STATEMENT

## Introduction

At the Financial Year End 2024 ("FYE2024"), KTI Landmark Berhad ("KTI" or "The Company") takes stock of its inaugural year as a public listed company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") following its initial public offering ("IPO") on 19 June 2024. The disclosures in this Statement will reflect the Group's activities from its listing date until 31 December 2024.

This Sustainability Statement is to be read in conjunction with the Management Discussion and Analysis, Statement on Risk Management and Internal Control and the Corporate Governance Report for full context of the Group's sustainability initiatives.

# SUSTAINABILITY STATEMENT

## Reporting Framework

We are committed to complying with the requirements set out by Bursa Securities under the ACE Market Listing Requirements ("AMLR") and are guided by the principles set out in Bursa Securities' Third Edition of its Sustainability Reporting Guide (2021) ("SRG"). This guide references the Global Reporting Initiative ("GRI") 4 standards that has been unified with the Task Force on Climate-related Financial Disclosures ("TCFD") standards. Within the discussion of Material Sustainability Matters ("MSM"), the relevant United Nations' Sustainable Development Goals ("SDG" or "UN SDG") will be identified.

## Scope & Boundary of Report

KTI has more than 40 years under its belt as a renowned Sabah-based property developer. The Group's principal business activity is in the provision of design and build services and property development which includes site selection, project design, submission of building plans, sales and marketing, delivery of vacant possession and construction services.

The Group's inaugural statement will cover its home market of Sabah, displayed in the map below, as the majority of its projects are in Sabah:

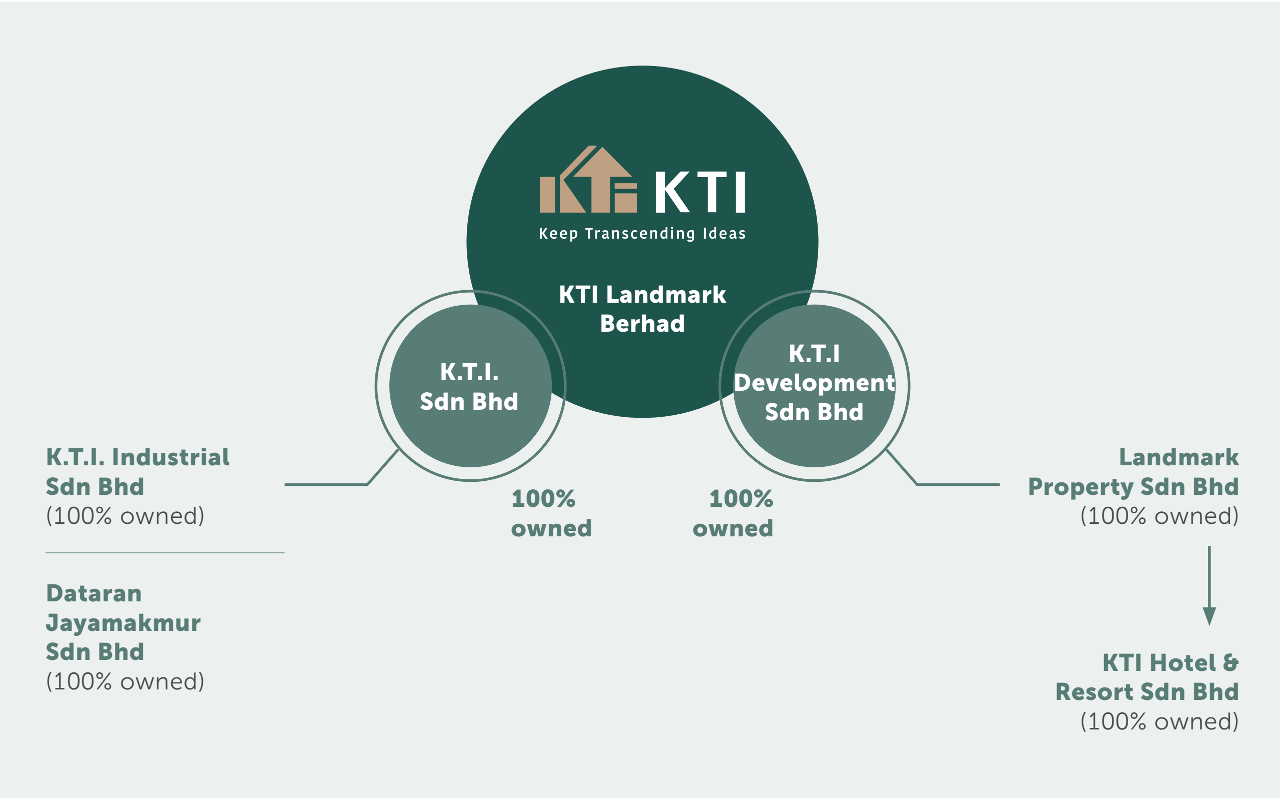
Within the Group's structure, all wholly-owned subsidiaries as listed below, will be considered within the scope of this Statement. They cover three different types of property development, namely:

**Residential property**
Include detached houses, semi-detached houses, terraced houses, low-rise apartments, flats and high-rise condominiums or serviced apartments

**Commercial property**
These comprise shop lots

**Mixed development**
These are integrated developments with high-rise condominiums and serviced apartments with a mix of retail spaces and hotels

# SUSTAINABILITY STATEMENT




## Assurance

This Sustainability Statement has been prepared in alignment with recognised sustainability frameworks and reflects our commitment to our Environmental, Social and Governance (ESG) performance during the reporting timeframe mentioned above. All sustainability data presented herewith has been sourced internally from respective data owners and has been verified as accurate through an internal review and validation process. The Group's commitment to improvement sees it enhancing its data collection and analysis methodologies as it improves the quality and reliability of its disclosures. The financial data disclosed in this Statement has been obtained from the Financial Statement section of this Annual Report, which has been audited and assured by an external auditor. Meanwhile, non-financial data and information has not been externally assured.

## Limitations

While all efforts have been made by KTI to collect and present accurate, relevant and meaningful qualitative and quantitative data sourced reliably from official company sources and records, we are cognisant of the existing gaps in data availability for certain indicators. To this end, we will endeavour to improve and enhance data collection exercises so that a more comprehensive and effective tracking mechanism can be developed to aid future editions of the Annual Report.

## Forward-looking Statements

This Statement may contain forward-looking statements on Group strategy, targets, plans, operations and performance based on current business trajectories. The Group's business is subject to risks and unforeseen events beyond its control, and as such, investors are advised not to rely solely on these statements as actual results may vary.

## Feedback and Comments

The Annual Report containing this Statement is available for download to the public on the Company website: https://ktilandmark.com/. The Group welcomes stakeholders' feedback and suggestions for continuous improvement to our disclosures.

Feedback may be sent to: Hello@kti.com.my.

# SUSTAINABILITY STATEMENT

## Sustainability Governance

As part of the Group's sustainability journey, KTI mandates its Group Executive Director to set the tone from the top on Sustainability matters. The Group's intention to embed Sustainability into its culture includes engaging the Board of Directors ("BOD") to set its strategic direction for a robust and comprehensive Sustainability culture throughout the Group. This is currently practiced during the initial stages of construction planning of the Group's marquee of projects and whenever there is a Sustainability initiative opportunity which is reviewed on a monthly basis.

To carry out the mandate given by the BOD, the Group has established a Sustainability Committee led by the Group Executive Director comprising of the Chief Operating Officer and officers from relevant departments namely Group Brand & Marketing, Corporate Affairs and Legal. The Sustainability Committee ("SC"), represented in the diagram below, oversees Sustainability actions for the Group, which include Community Engagement efforts such as industrial knowledge and expertise sharing at University and Institutes of Higher Education on Industrialised Building System ("IBS") technology to foster awareness on how IBS contributes to an environmentally-friendly operating environment; and the re-use or repurpose of unused precasted materials and other scraps from the Group's IBS processing plant to reduce waste headed for landfills. These examples of the Group's SC will be discussed further in this Statement under the Material Sustainability Matters section.

**Sustainability Committee**
Organisation Chart

**Stella Loke**
Group Executive Director

**Azlan Khalid**
Chief Operating Officer

**Julian Koay**
Senior Manager
Group Branding & Marketing

**Joyanti Jamil**
Corporate Affairs Manager
CUM Personal Assistant to
the Group MD/ Group CEO

**Jessica Leong**
Assistant Legal &
Compliance Manager

# SUSTAINABILITY STATEMENT

## Strategy & Roadmap

This Statement has been prepared in accordance to the **Economic, Environmental, Social and Governance** ("EESG") pillars as identified within Bursa Securities' SRG. For the Group, they are identified in the following manner:

### Economic

- Community Engagement
- Supply Chain Management

### Environmental

- Energy management
- Water
- Waste Management
- Biodiversity
- Effluents Management

### Social

- Diversity and Inclusion
- Health and Safety
- Training and Development

### Governance

- Anti-corruption
- Labour practices and standards
- Data Privacy and Security
- Supplier Impact Assessment

Following Malaysia's ratification of the UN Convention on Climate Change 2015, or the Paris Agreement, the Group is cognisant of the UN SDGs which form the basis for the achievement of the 2030 Agenda for Sustainable Development. As such, the Group is in the midst of defining its key UN SDGs that will lead to its long-term commitment for the ongoing Sustainability efforts of the Group. Within this Statement, each Common and Industry-Specific Indicator as identified by Bursa's SRG and deemed relevant to the Group's activities will also be indicated.

As the Group matures in its Sustainability journey, it aims to embed Sustainability through a step-up mechanism defined by the roadmap below:

### FY2024

- **Scope:** Sabah, all-wholly-owned subsidiaries, all property types
- Material EESG Indcators
- Baseline Material Assessment
- GRI & TCFD indicators for Property, Real Estate & Construction

### FY2025

- **Scope:** Sabah, all-wholly-owned subsidiaries, all property types
- Materiality Assessment of EESG Matters
- Prioritisation of Material Sustainability Matters (MSM)
- Development of Materiality Matrix
- UN SDG selection & report

### FY2026

- **Scope:** Sabah, all-wholly-owned subsidiaries, all property types
- Materiality Assessment & Prioritisation of EESG Matters
- Sustainability Report covering UN SDGs, GRI & TCFD-relevant disclosures
- Long-term Sustainability Plan/Policy

# SUSTAINABILITY STATEMENT

## Stakeholder Engagement

With the Group's IPO and transformation into a public-listed company in the property development and construction services industry in Malaysia, it has identified its key stakeholders as below. They are also engaged at regular intervals for successful business execution.

| STAKEHOLDER | ENGAGEMENT | FREQUENCY |
|---|---|---|
| **Stakeholder/Investor** | Group Managing Director/ Group Chief Executive Officer's Office | As and when Necessary |
| **Government & Regulators** | Legal & Compliance | As and when Necessary |
| **Customers** | Group Branding | As and when Necessary |
| **Suppliers/Contractors** | Quantity Survey & Contract | As and when Necessary |
| **Employees** | Human Resource | Once Per Month |
| **Community** | Group Branding | As and when Necessary |

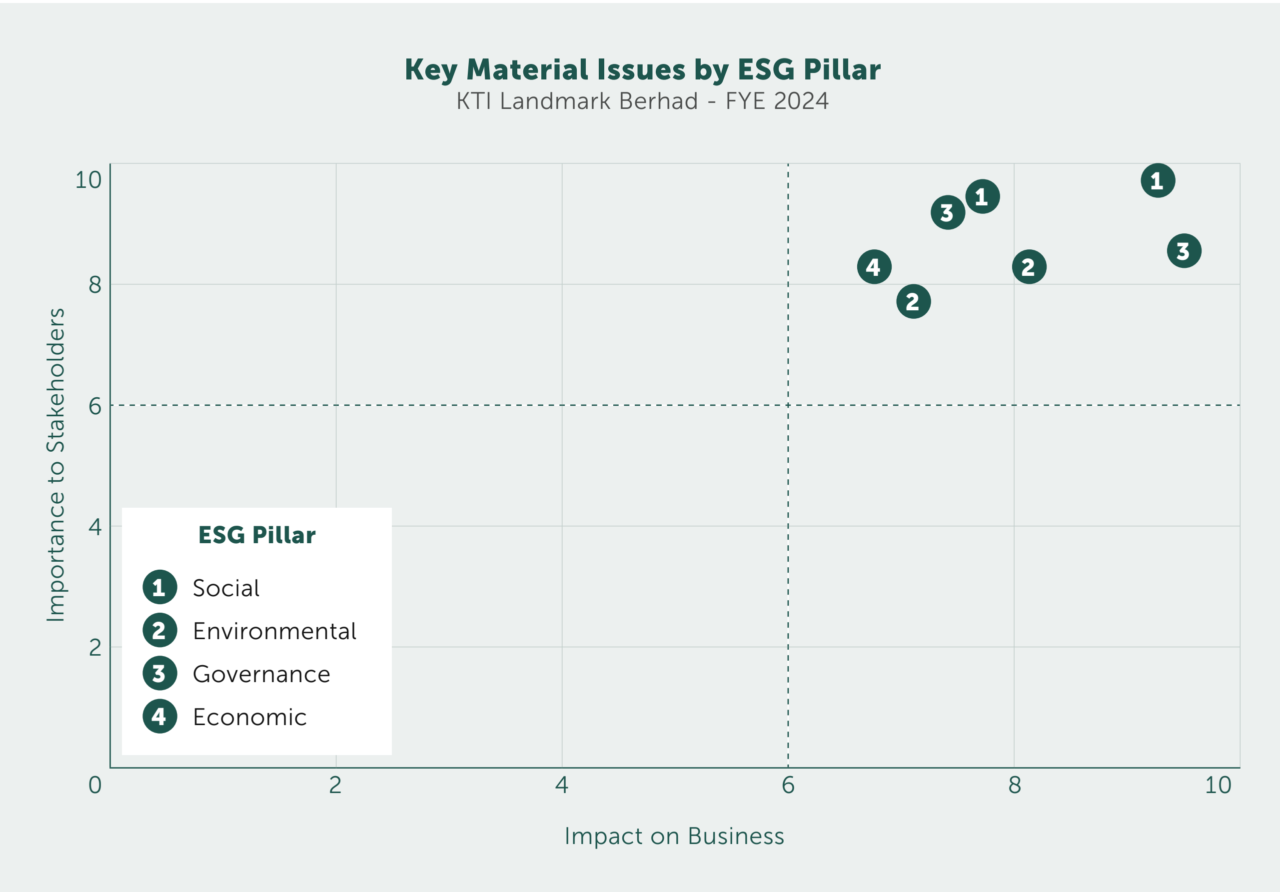
| STAKEHOLDER | ENGAGEMENT | FREQUENCY |
|---|---|---|
| **Investors & Shareholders** | Annual & Extraordinary General Meetings<br>Corporate Website<br>Analyst Briefings/Meetings<br>Announcements | Annually & when necessary<br>Timely updates<br>When necessary<br>When necessary |
| **Government & Regulators** | Business Meetings<br>Group Announcements | When necessary<br>When necessary |
| **Suppliers & Vendors** | Vendor tendering process<br>Performance evaluation<br>Contract renewal process<br>Quality Assurance Audit | During onboarding<br>Annually<br>Periodic/Annually<br>Annually |
| **Employees** | Orientation & Employee Handbook<br>Townhalls<br>Performance Reviews<br>Internal and Departmental Meetings | Upon joining the Group<br>Quarterly<br>Annually<br>When necessary |
| **Customers** | Corporate Website<br>Business meetings<br>Customer Satisfaction Surveys<br>Social Media Engagement | When necessary<br>When necessary<br>After engagement |
| **Local Communities** | Charity & Welfare Activities | When necessary |

# SUSTAINABILITY STATEMENT

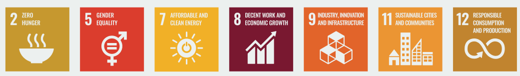
## Stakeholder Engagement (Cont'd)

Effective stakeholder engagement forms the basis of the Group's insight and data gathering for effective management of issues at all levels of operation. From the methodology to the frequency of engagement, the Group formulates actions and solutions which help address the main needs of each stakeholder groups' concerns.

This robust open-door policy helps KTI develop a comprehensive materiality assessment process to identify the most critical sustainability matters to the Group. From the data collected, benchmarking against industry peers, analysing emerging industry trends and aligning with Bursa Securities' sustainability reporting standards have enabled the Group to disclose material sustainability matters in a cohesive and comprehensive manner.




## Economic



This pillar discusses two Common indicators namely **Community Engagement** and **Supply Chain Management** that is applicable to all sectors of economy.

# SUSTAINABILITY STATEMENT

## Economic (Cont'd)

As a caring corporate citizen, the Group's **Community Engagement** efforts are carried out by both the holding company, KTI and its wholly-owned subsidiary, KTI Sdn Bhd ("KTISB"). Most contributions were monetary donations aimed at improving the quality of life, providing relief or aid to distressed communities and first-responders contributing services to uplift the welfare of the community. The total amount pledged by KTI in FYE2024 was RM22,300.00 given to five organisations who are external to the Group. Meanwhile, KTISB donated a total of RM50,250.00 to nine external organisations and eight employees who were affected by floods in Sabah or suffered personal losses, amounting to RM4,250.00 of the total amount donated.

In terms of **Supply Chain Management**, the Group prioritises engagement with local suppliers as it helps reduce logistics costs, time, and eases communication between the supplier and the project team. This practice also contributes to reducing the Group's carbon footprint and supports future material environmental disclosures. In some instances, local suppliers may have manufacturing plants overseas, but the products are produced and assembled locally. This allows the Group to maintain oversight on the origins of its supply sources.

## Environmental

As a renowned property developer and provider of industrialised construction products and services, the Group's keen understanding of its impact to the natural environment underscores its actions and Sustainability considerations. It aims to achieve harmony between the built and natural environments and emphasises the importance of choice and shares its' customers' priorities in environmental preservation.

Within this section of Environmental disclosures, the Group will outline Common Indicators such as **Energy Management**, **Water** and **Waste Management** while also discussing Industry-Specific Indicators, namely **Biodiversity** and **Effluents Management**. For the purposes of cohesion, the Water and Effluents Management, which is the total amount of wastewater generated and managed throughout operations, will be deliberated for proper implementation.

The Group's approach to Energy Management is focused on implementing efficient energy practices within its office premises and development sites to help maintain a low carbon footprint. This includes the use of energy-efficient systems and technologies across its operations.

During the review period, the Group continued to enhance its energy-saving efforts and explored the use of renewable energy sources. Among the measures being considered are the installation of motion-sensor lighting in areas with minimal physical activity and enforcing policies such as switching off unused lights, including during lunch breaks.

In its developments, similar energy-efficient strategies are being introduced, such as motion-sensor lighting in common areas like corridors and walkways. The Group is also incorporating renewable energy features, including photovoltaic (PV) street lighting in selected projects, to support its commitment to sustainable development.

The Group monitors water usage across both its office premises and development sites as part of its resource management efforts. Its approach to water conservation includes incorporating dual flush systems in the sanitary fittings of its developments, particularly residential properties, to help reduce water wastage among end-users.

# SUSTAINABILITY STATEMENT

## Environmental (Cont'd)

On a broader scale, the Group is implementing rainwater harvesting systems for non-potable uses such as cleaning. Additionally, it will explore greywater recycling within its development sites to support more efficient water use throughout the building lifecycle.

Effluents are tracked as part of the Group's sector-specific environmental monitoring efforts. The Group monitors water discharge volumes across all active development sites and conducts regular Environmental Impact Analyses (EIA) to assess and document effluent levels. These reports are carried out periodically to ensure compliance with environmental standards and to observe any changes over the course of construction. This practice aligns with industry standards and supports responsible environmental management throughout the development lifecycle.

The Group's Waste Management approach focuses on recycling and responsible disposal practices. Wherever possible, recyclable materials from construction activities are diverted from landfills, supporting sustainable site management. Waste sent for disposal primarily consists of commercial waste from office operations and construction waste from ongoing development projects.

During the review period, the Group continued to implement waste segregation and recycling measures to reduce its environmental impact. A portion of the total waste generated was successfully diverted from disposal through various initiatives, including material reuse and recycling efforts at project sites such as:

a) Unused construction steel bars are sent to metal recycling centres to be sorted and repurposed.

b) Earthworks reuse of rocks are used as stone pitching for drain wall;

c) Unused IBS testing cubes are reused to form the ponds to test concrete used for IBS; and

d) Cut off piles are used for as bases for IBS table formwork and mouldings and as road bases.

Commercially, the Group promotes recycling by providing designated recycling bins to encourage proper waste sorting prior to disposal.

Recognising that property development and construction often involve changes to existing land use, the Group remains committed to preserving biodiversity across its operations. As part of this commitment, biodiversity risks are assessed at development sites through regular Environmental Impact Assessments (EIA), which are reviewed periodically by the Management team and the relevant authorities. These assessments help ensure the Group remains responsive to any potential environmental impacts that may arise during the construction phase.

To date, no development sites have reported the presence of species listed on the IUCN Red List of Threatened Species, and there has been no requirement to implement habitat protection or restoration measures related to endemic flora or fauna.

## Social

KTI's commitment as an Employer of Choice is to create a safe, healthy, diverse and inclusive working environment that prioritises the health and wellbeing of its workforce. The disclosures within this Social pillar will take place predominantly on the internal stakeholder group of employees, which are important to the continued success of KTI through their meaningful contributions to the Group. The key indicators discussed are the common indicators of **Diversity and Inclusion, Health and Safety** and **Training and Development**, which is a subset of the wider Labour Practices and Standards, to be discussed in the Governance pillar subsequently.

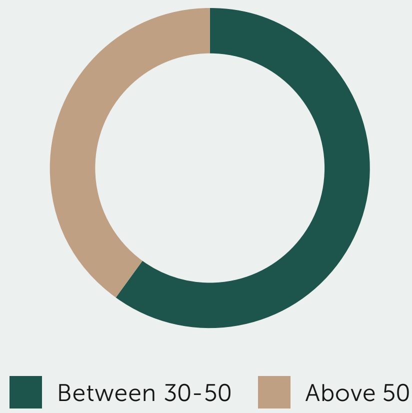
# SUSTAINABILITY STATEMENT

## Social (Cont'd)

As **Diversity and Inclusion** ("D&I") matters become more evident in the marketplace and is a potential disruptor of the workforce, the Management views D&I matters as significant to the success of teambuilding and smooth operations. The diversity within the Group's workforce in terms of gender and age groups can be described in the following charts:

**Group's Workforce by Gender**
KTI Landmark Berhad - FYE 2024


**Group's Workforce by Age**
KTI Landmark Berhad - FYE 2024




Based on the visual data presented, KTI demonstrates a progressive shift in gender representation at the workforce level. While the construction and property development sector traditionally remain male-dominated, KTI's workforce includes a significant proportion of female leaders, reflecting the Group's commitment to gender inclusivity and diverse leadership.

Age-wise, the majority of the workforce falls within the 30–50 age bracket, highlighting a dynamic and agile leadership team. Complementing this, the presence of members above 50 years of age brings valuable experience and strategic insight, fostering a balanced approach to decision-making and long-term goal achievement.

In Malaysia, the **Health and Safety** of employees is safeguarded by the Occupational Safety and Health Act 1994 (OSHA). In compliance with this law, the Group has placed safeguards within its Standard Operating Procedures (SOPs) to ensure that employees have a safe and healthy workplace to contribute meaningfully.

Within the period of reporting, the Group is proud to record no work-related fatalities and zero-downtime from any industry-related incidences. During this period, there were 23 employees who were selected from various departments to participate in health and safety awareness training provided by the Group, namely the 5S and Kaizen Awareness training.

During an employee's career, specific **Training and Development** needs are designed to upskill and maintain the relevance of an employee's skill sets in the workplace. Within the Group, the total hours of training by employee category can be represented in the following diagram:

| | |
|---|---|
| Management | **281 hours** |
| Executive | **397 hours** |
| Non-Executive | **748 hours** |
| General Workers | **32 hours** |

# SUSTAINABILITY STATEMENT

## Governance

Within the Governance pillar are both common indicators such as **Anti-corruption, Labour Practices and Standards** and **Data Privacy and Security**, along with sector-specific indicators which cover both environmental and social aspects that will be discussed in the **Supplier Impact Assessment** matter.

The main focus of the Group in providing strong corporate governance is both a boon to the Company's Constitution as well as upholding strong institutional controls within its operations.

Where **Anti-corruption** is concerned, the Group has trained its employees through its Employee Handbook and the Anti-Bribery and Anti-Corruption Policy, which serves as the Company's main communication of rules and standards. These documents are disseminated and made available through the Company's online resources and communicated to new employees upon their onboarding. In the imminent future, the Group intends to assess and strengthen its operations against corruption-related risks while the Group has no recorded incidence of corruption within the period under review.

As a broader scope of **Labour Practices and Standards** are disclosed in this pillar, it is a continuation from the Social pillar as the main stakeholder group concerned are the internal stakeholders of employees. The discussion within this section will deal with the idea of Contractual Law and Human Rights standards that are upheld within the Group. Additionally, the Training and Development portion of this indicator has been discussed prior in the Social pillar for a more robust link of ideas.

As an equal opportunity employer, the Group upholds the basic tenets of the Labour Law in the engagement of staff.

The Group has maintained a good record concerning human rights as there have been no substantiated complaints concerning human rights violations in the reporting period.

In the area of **Data Privacy and Security**, the Group adheres to the Personal Data Protection Act (PDPA) 2010. This Act ensures that all personal data of individuals collected by the Group are used in the manner in which it has been stated by the Group at the point of data collection. In the period under review, the Group has no substantiated complaints of breaches of customer privacy and loss of data. To safeguard this environment, the Group has established a Data Management committee to ensure the continued protection and security of all data collected. This committee is mandated to look into any complaint of data breach, to investigate and to escalate any findings to the Management for timely and successful handling of the situation.

In terms of **Supplier Impact Assessment**, the Group engages Suppliers using a Supplier Assessment Form which details the specific criteria required by the Group to maintain performance excellence. As the Group is still setting up its screening mechanism for environmental and social criteria in the period under review, it intends to include both environmental and social criteria in its selection of new suppliers in the near future. Meanwhile, current or existing suppliers are being actively assessed by the Management for their compliance to environmental and government laws which form the basis for engagement of these suppliers in the first place.

# SUSTAINABILITY STATEMENT

## Epilogue: Summary of Sustainability Statement

Within the immediate future, the Group acknowledges that it is on a Sustainability journey to embed sustainability in all aspects of operations. On this basis, the Group has detailed their Sustainability Roadmap but this is to be taken as a forward-looking statement and in no way guarantees the outcome of the Group in embedding sustainability in its culture. The Group remains committed to oversee and improve its Sustainability reporting culture in order to maintain its competitive edge and to ensure that investors remain interested in a Company that is vibrant and dynamic in its operations, strategy and direction going forward.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Introduction

KTI Landmark Berhad (the "Company") is committed to maintaining the highest standards of corporate governance in order to create long-term value for its shareholders and stakeholders. As a responsible corporate entity, we recognize that strong corporate governance is essential to the success of the Company, enhancing its credibility and ensuring that it operates in a manner that is ethical, transparent, and accountable. This Corporate Governance Overview Statement outlines the key elements of our governance framework, practices, and initiatives for the financial year ended 31 December 2024.

## Governance Framework

The governance framework of KTI Landmark Berhad is designed to ensure that the Company is managed in an efficient, transparent, and accountable manner. It is underpinned by the principles outlined in the Malaysian Code on Corporate Governance ("MCCG"), the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016, and other applicable regulations. The Board of Directors (the "Board") plays a pivotal role in setting the Company's strategic direction and ensuring that management acts in the best interests of shareholders and other stakeholders.

The Company's governance framework includes a well-structured Board with the right mix of skills, experience, and independence. The Board is supported by various Board Committees, including the Nominating and Remuneration Committee, and Audit and Risk Management Committee, which focus on specific aspects of governance and oversight. These Committees operate with defined terms of reference and report directly to the Board, ensuring robust monitoring and decision-making.

## Board Composition and Leadership

The Board is composed of a diverse group of directors with a mix of seven (7) experienced individuals with four (4) of the Board members being Independent Non-Executive Directors (including the Chairman) and the rest being Executive Directors. With the present composition of the Board, the Company is in compliance with Rule 15.02 of the AMLR of Bursa Securities which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, must be independent directors as well as Practice 5.2 of the MCCG which stipulates that at least half of the Board comprises independent directors. This composition ensures that there is a balance of power and that no one individual or group has unfettered control over decision-making. The roles of the Chairman and the Group Chief Executive Officer (GCEO) are separated to ensure a proper division of responsibilities, promoting a balance of power between the leadership of the Board and the management of the Company.

The Chairman leads the Board in its oversight functions, ensuring that meetings are conducted effectively and that Directors receive timely and relevant information to make informed decisions. The GCEO, on the other hand, is responsible for the day-to-day operations of the Company and implementing the Board's strategies.

## Board Committees

To facilitate detailed oversight, the Board has established several Committees that focus on key areas:

1. **Audit and Risk Management Committee:** The Audit and Risk Management Committee is responsible for overseeing the Company's financial reporting, internal controls, and the audit process. The Committee ensures that financial statements are accurate, transparent, and comply with applicable accounting standards and regulations. Oversees the Company's risk management framework, ensuring that risks are identified, assessed, and mitigated effectively. The Committee ensures that the Company's business activities are conducted in a way that manages risk and complies with legal and regulatory requirements. Please refer to pages 061 to 064 of this Annual Report for composition of the ARMC, ARMC meetings held and the activities undertaken by the ARMC in the discharge of its duties during financial year 2024 ("FY2024").

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Committees (Cont'd)

2. **Nominating and Remuneration Committee:** This Committee is responsible for reviewing the performance of Directors and senior management, recommending new appointments to the Board, and determining the remuneration policies. The Nominating and Remuneration Committee ("NRC") ensures that the Company has a strong leadership pipeline and that executive compensation is aligned with the Company's performance and long-term goals.

   The NRC comprises the following members, all of whom are independent non-executive directors:

| Name | Position |
|---|---|
| Datuk Tan Kok Liang | Chairperson |
| Lim Guik Moi | Member |
| Chua Chai Hua | Member |

During FY2024, two meetings was held and attended by all the members. The following activities were undertaken by the NRC in the discharge of its duties:

(i) Reviewed and recommended to the Board the remuneration of the Executive Directors and Senior Management.
(ii) Reviewed and recommended to the Board, the Directors' fees and benefits payable to the Non-Executive Directors for shareholders' approval at the 2024 Annual General Meeting ("AGM").
(iii) Deliberated the re-election of Directors who are retiring at the 2024 AGM.
(iv) Adoption of Directors' Fit ad Proper Policy and the relevant assessment form.
(v) Adoption of annual assessment forms for the Board, Board Committees and, individual Directors.

The Terms of Reference of the NRC is available on the Company's website at https://ktilandmark.com.

### (a) Directors' Remuneration

The breakdown of remuneration received or receivable by the Directors for FY2024 are as follows:-

| Name of Directors | Fees[2] | Meeting Allowance[2] | Salary[1] | Bonus[1] | Benefit-in-Kind[1] | Other Emoluments[1] | Total |
|---|---|---|---|---|---|---|---|
| **Independent Non-Executive Director** | | | | | | | |
| Dato'Hamzah Bin Ghazalli | 60,000 | 3,000 | - | - | - | - | 63,000 |
| Datuk Tan Kok Liang | 36,000 | 5,500 | - | - | - | - | 41,500 |
| Lim Guik Moi | 36,000 | 5,500 | - | - | - | - | 41,500 |
| Chua Chai Hua | 36,000 | 5,500 | - | - | - | - | 41,500 |

[1] received and receivable on group basis. None of the amount was received from the Company.
[2] received and receivable from the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Committees (Cont'd)

2. **Nominating and Remuneration Committee (Cont'd)**

### (a) Directors' Remuneration

| Name of Directors | Fees[2] | Meeting Allowance[2] | Salary[1] | Bonus[1] | Benefit-in-Kind[1] | Other Emoluments[1] | Total |
|---|---|---|---|---|---|---|---|
| **Executive Director** | | | | | | | |
| Datuk Loke Theen Fatt | - | - | 846,000 | - | 40,613.50 | 171,355.20 | 1,057,968.70 |
| Stella Loke Pei Wen | - | - | 255,000 | - | 22,374.59 | 33,136.05 | 310,510.64 |
| Wilson Loke Choon Syn | - | - | 255,000 | - | 33,257.54 | 34,794.65 | 323,052.19 |

[1] received and receivable on group basis. None of the amount was received from the Company.
[2] received and receivable from the Company.

For FY2024, the NRC had reviewed the remuneration of the Directors taken into consideration the respective Director's experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition.

### (b) Board Evaluation and Performance

The NRC evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Directors on an annual basis. The process is internally facilitated and conducted through the following questionnaires covering a variety of assessment criteria:-

(i) Audit and Risk Management Committee Evaluation Form;
(ii) Board & Board Committees Evaluation Form;
(iii) Directors' Evaluation Form (Self and Peer); and
(iv) Independent Directors' Self-Assessment Checklist.

The assessment criteria are developed, maintained, and regularly reviewed by the NRC, with consideration given to the Corporate Governance Guide issued by Bursa Securities. These criteria encompass a range of factors, including the mix of skills, experience, competence, time commitment, character, integrity, independence, ability to challenge constructively, contribution to strategic development, diversity, and other attributes necessary to meet the Group's objectives and comply with the provisions of the AMLR.

Upon reviewing the results, the NRC presents its findings to the Board. Following a thorough discussion, the Board concurs with the NRC's evaluation.

Based on the FY2024 evaluation, the NRC concluded that the Board, its committees, and individual Directors are effective in fulfilling their responsibilities and possess the requisite attributes to discharge their duties professionally, maintain high governance standards, and support the strategic direction of the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Committees (Cont'd)

2. **Nominating and Remuneration Committee (Cont'd)**

### (c) Directors' Training

The Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Board is notified of training programmes or workshops conducted by Bursa Securities for its consideration of participation and the Board receives updates of the AMLR from the Company Secretary from time to time. The external auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. During FY2024, all Directors of the Company have attended the Mandatory Accreditation Programme as required by Bursa Securities on the following dates:-

| Director | Training | Date |
|---|---|---|
| Datuk Dr Gordon Loke Theen Fatt | Mandatory Accreditation Programme (MAP) | 29 & 30 April 2024 |
| Stella Loke Pei Wen | | 29 & 30 April 2024 |
| Wilson Loke Choon Syn | | 29 & 30 April 2024 |
| Dato' Haji Hamzah Bin Haji Ghazalli | | 15 & 16 May 2024 |
| Datuk Tan Kok Liang | | 29 & 30 April 2024 |
| Lim Guik Moi | | 29 & 30 April 2024 |
| Chua Chai Hua | | 29 & 30 April 2024 |

## Corporate Governance Practices

KTI Landmark Berhad adheres to the principles and best practices outlined in the MCCG, ensuring that the Company's operations are governed with integrity, transparency, and accountability. The Company's governance practices are regularly reviewed to ensure they are aligned with the evolving regulatory environment and the needs of its stakeholders.

Key governance practices include:

- **Regular Board Meetings:** The Board meets regularly to discuss and approve major strategic decisions, monitor performance, and ensure the Company is operating in accordance with its governance framework
- **Performance Reviews:** The Board conducts regular assessments of its performance and the performance of its committees and individual Directors. This helps identify areas for improvement and ensures the Board is operating effectively.
- **Transparency and Disclosure:** The Company is committed to providing timely and accurate information to shareholders and stakeholders. We ensure full disclosure in accordance with the AMLR of Bursa Securities, including financial reports, material events, and related party transactions.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Diversity

KTI Landmark Berhad recognizes the importance of diversity in the Board's composition. A diverse Board brings different perspectives, expertise, and experiences that contribute to better decision-making and more effective governance. The Company is committed to ensuring that the Board includes members with a broad range of skills, backgrounds, and expertise, including gender diversity, to reflect the diverse perspectives of its stakeholders and the communities in which it operates.

We are committed to increasing gender diversity on the Board and at all levels of management. This is consistent with the guidelines set out in the MCCG, which encourages companies to have at least 30% women directors on the Board.

## Ethics and Integrity

At KTI Landmark Berhad, we hold ourselves to the highest ethical standards in all aspects of our business. The Board promotes a culture of ethics and integrity by ensuring that management adheres to sound business practices and by fostering transparency and accountability in all dealings with stakeholders. The Company's Code of Conduct and Ethics guide the behavior of our Directors, employees, and business partners, ensuring that all stakeholders act responsibly and in the best interests of the Company.

## Commitment to Shareholders and Stakeholders

The Company values the trust and support of its shareholders and stakeholders. As part of our commitment to transparency, we provide regular updates through our Annual Reports, Financial Statements, and other communications. We actively engage with shareholders during the Annual General Meeting (AGM), where they are encouraged to ask questions and provide feedback on the Company's performance and governance practices.

We also recognize the importance of stakeholder engagement beyond shareholders, including employees, customers, regulators, and the communities in which we operate. The Company remains committed to maintaining positive and productive relationships with all stakeholders.

## Conclusion

KTI Landmark Berhad is committed to adhering to the highest standards of corporate governance, ensuring that our business is managed in a transparent, accountable, and responsible manner. Through a well-structured governance framework, effective leadership, and a commitment to continuous improvement, the Board remains focused on creating sustainable long-term value for our shareholders and stakeholders. We will continue to review and enhance our governance practices to ensure they meet the evolving needs of the Company and its stakeholders.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 1. Introduction

The Audit and Risk Management Committee (“ARMC” or “the Committee”) of KTI Landmark Berhad (“the Company”) is pleased to present its report for the financial year ended 31 December 2024. The Committee is committed to upholding the highest standards of corporate governance, risk management, and internal control to safeguard the interests of shareholders and stakeholders.

## 2. Composition and Meetings

The ARMC comprises the following members, all of whom are independent non-executive directors:

i) Lim Guik Moi – Chairperson
ii) Datuk Tan Kok Liang – Member
iii) Chua Chai Hua – Member

The members of the ARMC are financially literate and have contributed to meaningful discussions in overseeing the integrity of the financial reporting processes and financial statements. Further, the members have experience/sufficient understanding that is relevant to the businesses and the industries the Group operates in.

Ms Lim Guik Moi , the Chairperson of the ARMC is a member of the Malaysian Institute of Accountants and is not the Chairperson of the Board. None of the members were former partners of the Company’s External Auditors.

Accordingly, the Company complies with Rules 15.09 and 15.10 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”).

The Nominating and Remuneration Committee has assessed the term of office and performance of the ARMC and each of its members for Financial Year 2024 and was satisfied that the ARMC and each of its members have discharged their duties effectively in accordance with the ARMC’s Terms of Reference. The result of the ARMC performance assessment for Financial Year 2024 was reported to the Board.

During the financial year, the ARMC held 3 meetings. The attendance of members is as follows:

| **Name** | **Position** | **Attendance** |
|---|---|---|
| Lim Guik Moi | Chairperson | 3/3 meetings |
| Datuk Tan Kok Liang | Member | 3/3 meetings |
| Chua Chai Hua | Member | 3/3 meetings |

### TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The information on the terms of reference of the ARMC is available on the Company’s website at https://ktilandmark.com.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 3. Roles and Responsibilities

The ARMC operates within its approved Terms of Reference, which are aligned with the MCCG and the AMLR of Bursa Securities. The key responsibilities of the ARMC include:

### Financial Reporting:

- Review quarterly and year-end financial statements before submission to the Board for approval, focusing on accounting policies, significant issues, audit adjustments, judgment areas, going concern assumption, and compliance with accounting standards, regulatory and other legal requirements.
- Review and provide advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.
- Ask questions to ensure the financial statements align with operational information, especially in judgment areas.

### External Auditors:

- Consider and recommend to the Board on the external auditors' appointment or re-appointment, and to fix their fees (audit and non-audit), after assessing their independence and capabilities as well as the effectiveness of the external audit process.
- Assess the external auditors' suitability, objectivity and independence, annually, objectivity and independence considering criteria such as audit quality, fees, non-audit services, and independence.
- Review audit plans, audit reports, internal controls, the assistance provided by employees during the audit, and external auditors' management letter and management's response thereto.

### Internal Audit:

- Review the adequacy and authority of the internal audit function, its resources, and its reporting structure.
- Review the internal audit plan, programme, processes, and the reporting structure.
- Review the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors.
- Review the annual performance of the internal audit function and any special audits deemed necessary.

### Risk Management and Internal Control:

- Establish an adequate and effective risk management and internal control framework.
- Review and assess the Group's level of risk and risk tolerance.
- Review the Statement on Risk Management and Internal Control to ensure that relevant information as prescribed in the AMLR of Bursa Securities are in the Annual Report.

### Related Party Transactions (RPT) and Recurrent RPT (RRPT):

- Monitor, review and report any RPT, RRPT, and conflicts of interest that arose, persist or may arise within the Company or Group, including any transaction, procedures or course of conduct that raises question on management integrity, and the measures taken to resolve, eliminate or mitigate such conflict, if any.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 3. Roles and Responsibilities (Cont'd)

**Other Responsibilities:**

- Review all financial-related reports and other necessary reports for inclusion in the Annual Report.
- Verify unit or option allocation for incentive schemes.
- Obtain regular updates from the management regarding compliance matters.
- Review the adequacy and appropriateness of Anti-Bribery and Anti-Corruption Policy, when necessary.
- Perform other agreed-upon functions with the Board.

## 4. Summary of Activities

During the financial year, the ARMC carried out the following activities:

### 4.1 Financial Reporting

- Reviewed the quarterly financial results and audited financial statements of the Company to ensure accuracy, completeness, and compliance with Malaysian Financial Reporting Standards and the Companies Act 2016.
- Discussed significant accounting policies, judgments, and estimates with management and external auditors.

### 4.2 External Audit

- Met with the external auditors, Messrs Moore Stephens Associates PLT once on matters relating to the audit and financial statements.
- Evaluated the performance, independence, and objectivity of the external auditors, Messrs Moore Stephens Associates PLT.
- Reviewed the external audit plan, audit findings, and management's responses to address identified issues.
- Recommended the re-appointment of Messrs Moore Stephens Associates PLT as the Company's external auditors for the ensuing year.

### 4.3 Internal Audit

- Reviewed the reports prepared by the internal audit function.
- Assessed the adequacy and effectiveness of the Company's internal control systems and risk management framework.
- Monitored management's implementation of corrective actions to address internal audit findings.

### 4.4 Risk Management

- Reviewed the Company's risk management framework and key risk areas, including operational, financial, and strategic risks.
- Assessed the effectiveness of risk mitigation measures implemented by management.

### 4.5 Related Party Transactions (RPTs)

- Reviewed and approved related party transactions to ensure they were conducted at arm's length and in compliance with the AMLR of Bursa Securities.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 5. Summary of Activities of the Internal Audit Function

The Company has prior to the listing, engaged Messrs Baker Tilly Monteiro Heng Governance Sdn Bhd as the internal control consultant to assist with due diligence on the adequacy of the internal controls and risk management practices of the Group.

The internal audit activities undertaken by the Internal Auditors during Financial Year 2024 are as follows:-

(i) Performed follow-up audit review in accordance with the approved annual audit plan.
(ii) Made recommendations to Management for improvements to the existing system of internal controls and work processes where necessary.
(iii) Issued internal audit reports incorporating audit recommendations and Management's response.
(iv) Attended ARMC meeting to table and discuss the audit reports and followed up on matters raised.

The cost incurred in maintaining the outsourced internal audit function for Financial Year 2024 amounted to RM36,899.28.

## 6. Assessment of the ARMC's Effectiveness

The ARMC conducted an annual self-assessment to evaluate its performance and effectiveness in fulfilling its responsibilities. The assessment concluded that the Committee had discharged its duties effectively and in accordance with its Terms of Reference.

## 7. Conclusion

The ARMC is satisfied with the overall integrity of the Company's financial reporting, the effectiveness of its internal control and risk management systems, and the performance of both the internal and external auditors.

The Committee remains committed to supporting the Board in upholding good corporate governance and ensuring the long-term sustainability of the Company.

On behalf of the ARMC, we would like to express our gratitude to the Board, management, internal auditors, and external auditors for their cooperation and support throughout the year.

This ARMC Report was approved by the Board on 23 April 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Introduction

The Board of Directors of **KTI Landmark Berhad** is committed to maintaining a sound risk management and internal control system to ensure the integrity, efficiency, and effectiveness of its operations. This Statement on Risk Management and Internal Control outlines the Group's approach to risk management and internal control for the financial year, in compliance with **Rule 15.26(b)** of the **ACE Market Listing Requirements of Bursa Malaysia Securities Berhad** and the **Malaysian Code on Corporate Governance** (MCCG), as well as relevant regulations and guidelines.

This statement outlines our approach to risk management and internal control, including the processes in place to identify, assess, mitigate, and monitor risks, as well as the framework to ensure that internal controls are adequate and effective in managing the company's activities.

## Board's Responsibility

The Board of Directors is ultimately responsible for ensuring the establishment and effective functioning of the Group's risk management and internal control system. The Board recognizes that the process of managing risks is an ongoing effort that requires continuous monitoring, evaluation, and improvement.

The Board has delegated the responsibility for overseeing the risk management and internal control systems to the Audit and Risk Management Committee. However, the Board remains fully accountable for ensuring that these systems are in place to safeguard the Group's assets, ensure the integrity of financial reporting, and support the achievement of the Group's objectives.

The Board reviews the risk management and internal control systems periodically to assess their adequacy and effectiveness in managing the principal risks faced by the Group. The Board also ensures that appropriate actions are taken to address any weaknesses or shortcomings identified in the systems, with a view to enhancing their effectiveness in mitigating risks.

## Management's Responsibility

Management is responsible for implementing and maintaining the day-to-day operations of the Group's risk management and internal control system. This includes the identification, assessment, and management of risks within the Group's operations, as well as ensuring that the internal controls are designed and operating effectively.

Management is required to develop and maintain risk management policies, procedures, and controls that are aligned with the Group's objectives, ensuring that risks are adequately addressed at all levels of the organization. Management also ensures that all employees are informed and trained on their roles and responsibilities in relation to the risk management and internal control processes.

Furthermore, management regularly monitors the performance and effectiveness of the risk management and internal control systems. It reports to the Audit and Risk Management Committee on any significant risks or weaknesses identified, as well as actions taken to mitigate such risks and resolve any identified deficiencies. The management team is committed to taking proactive measures to improve the risk management and internal control systems based on ongoing evaluations.

## Risk Management Framework and Process

KTI Landmark Berhad is committed to maintaining a robust and effective risk management system to safeguard the Group's assets and ensure the continued success of its business operations. The Group has adopted a comprehensive **Risk Management Framework** to identify, assess, manage, and monitor risks that could potentially impact the achievement of the Group's business objectives and strategies.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process (Cont'd)

Key elements of our risk management framework include:

### 1. Risk Management Framework:

The **Risk Management Framework** is structured to support the Group's overall strategy and operations. It aims to identify, assess, and mitigate risks to ensure that the Group's risk exposure is appropriately managed. The framework consists of the following components:

- **Risk Governance:** The Group's risk management process is overseen by the **Board of Directors**, who is ultimately responsible for the effectiveness of the risk management system. The **Audit and Risk Management Committee** ("**ARMC**") assists the Board by reviewing significant risk issues and ensuring appropriate actions are taken.
- **Enterprise-Wide Risk Management:** The framework is integrated across the entire organization, with a focus on embedding risk management into everyday operations. This allows the Group to proactively identify and address risks at all levels of the business.
- **Continuous Improvement:** The Group continuously reviews and enhances its risk management processes to ensure their effectiveness and relevance to the business environment, emerging risks, and changing regulatory requirements.

### 2. Risk Management Process

The risk management process followed by the Group is structured into several key stages to ensure the identification, assessment, control, and monitoring of risks. The steps in the process are as follows:

- **Risk Identification**

  The first step involves identifying potential risks that could affect the Group's ability to achieve its objectives. This includes risks from both internal and external sources such as operational risks, financial risks, regulatory changes, market dynamics, and reputational risks. The identification process is carried out at various levels of the organization, including through discussions with senior management and relevant departments.

- **Risk Assessment**

  Once identified, the risks are assessed based on their likelihood of occurrence and potential impact on the business. This process helps in prioritizing risks and identifying which risks require immediate attention. The assessment involves qualitative and quantitative analysis, considering the potential financial, operational, and reputational consequences of each risk.

- **Risk Mitigation and Control**

  For each significant risk identified, management develops appropriate mitigation strategies and controls to minimize the potential impact. These actions may include implementing operational controls, adopting new processes, acquiring insurance, or changing business strategies. The Group's internal controls are designed to provide reasonable assurance that risks are adequately managed.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process (Cont'd)

### 2. Risk Management Process (Cont'd)

- **Risk Monitoring and Reporting**

  The Group regularly monitors the effectiveness of risk management strategies and internal controls. Key risks are continuously tracked, and management is responsible for ensuring that any changes in risk exposure are promptly addressed. The **ARMC** receives periodic updates on the status of risks and any mitigation actions taken, while the **Board of Directors** reviews the overall risk profile of the Group.

- **Review and Continuous Improvement**

  The risk management process is reviewed periodically to assess its effectiveness. The Group evaluates the adequacy of the controls in place and identifies any gaps or weaknesses. Based on the review, improvements are made to enhance the Group's ability to manage risks effectively. Internal audits and external reviews also provide valuable feedback for refining the risk management process.

### 3. Risk Management Structure

To ensure the effective implementation of the risk management process, KTI Landmark Berhad has established a clear structure for risk management:

- **Board of Directors:** The Board is responsible for overseeing the overall risk management strategy and ensuring that it aligns with the Group's business goals and objectives.
- **ARMC:** This committee is tasked with reviewing and monitoring the risk management process, advising the Board on the effectiveness of the risk management system, and providing recommendations for improvement.
- **Management:** Senior management is responsible for implementing the day-to-day risk management activities, ensuring that appropriate measures are taken to manage risks at all levels of the organization.
- **Internal Audit:** The internal audit function provides independent assurance regarding the effectiveness of the risk management and internal control systems, and reports on any significant findings to the Board and ARMC.

### 4. Key Risk Categories

The Group continuously monitors and manages various types of risks that are critical to its operations, including:

- **Operational Risks:** Risks associated with the day-to-day operations of the business, including process inefficiencies, supply chain disruptions, and human error.
- **Financial Risks:** Risks relating to changes in market conditions, foreign exchange rates, interest rates, and credit risks.
- **Compliance and Regulatory Risks:** Risks related to changes in laws and regulations and the Group's ability to comply with applicable legal requirements.
- **Strategic Risks:** Risks arising from changes in market conditions, competition, and strategic decisions that may impact the Group's long-term objectives.
- **Reputational Risks:** Risks that could negatively affect the Group's reputation, such as public relations crises or allegations of unethical conduct.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process (Cont'd)

### 5. Internal Control

**KTI Landmark Berhad** acknowledges the importance of a robust internal control system in safeguarding the Group's assets, ensuring the integrity of financial reporting, and promoting compliance with applicable laws and regulations. The internal control system is designed to provide reasonable assurance that business objectives are achieved while managing risks in an effective and efficient manner.

The Group has established an organisation structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations aligned to business and operations requirements which supports the maintenance of a strong control environment. It has extended the responsibilities of the ARMC and of the Board to include the assessment of internal controls through the internal audit function.

Other key elements of the system of internal control of the Group are as follows:-

- The Management established a hierarchical organisation structure with proper segregation of duties for key functions of the operations of the Group;
- Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility;
- Standard operating procedure manuals set out the policies and procedures for day-to-day operations to be carried out. Reviews are performed to ensure that documentation remains current, relevant and aligned with evolving business and operational needs;
- Formation of committee to evaluate and approve related party project tenders;
- Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development programmes are carried out to ensure that staff are kept up to date with the necessary competencies and knowledge to carry out their responsibilities towards achieving the Group's objectives;
- There is an annual budgeting process. The Board reviews the actual performance against budget;
- Regular and comprehensive information are provided to the Board for monitoring and tracking of performance of the Group;
- Periodic operational meetings are held and attended by the Executive Directors, heads of department and key management staff to review financial and operational issues of the Group as well as any management proposal;
- Active involvement of Directors in the operation and management of branch and subsidiary companies;
- Centralised control of financial resources by Accounts & Finance Department;
- Code of Conduct and Ethics is established to ensure high standards of conduct and ethics in the business operations;
- Set out policies and procedures for anti-bribery and corruption and develop internal guidelines to ensure that the Group's business is conducted in an ethical manner with integrity and honesty;
- Establish Conflict of Interest (COI) Policy for identifying, addressing, managing and reporting actual, potential, and perceived COI, and to provide guidance on how to deal with situations involving COI as and when they may arise;
- ISO 9001:2015 Quality Management System has been implemented for one of the subsidiary of the Company. Annual surveillance audits are conducted by a certification body to provide assurance of compliance with ISO 9001:2015;
- Adequate insurance coverage and physical safeguarding of major assets are in place to guard against any mishap that may result in material losses to the Group;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

**Risk Management Framework and Process (Cont'd)**

## 5. Internal Control (Cont'd)

Other key elements of the system of internal control of the Group are as follows:- (Cont'd)

- The internal audit function provides reasonable assurance on the effectiveness of the system of internal control within the Group. Internal audits are conducted to review the effectiveness of the control procedures and are directed towards areas with significant risks as identified by the ARMC and Management, and the risk management process is being audited to provide assurance on the management of risks; and
- Review of internal audit reports and follow-up on audit findings by the ARMC. The internal audit reports are deliberated by the ARMC and are subsequently presented to the Board on a quarterly basis where the ARMC sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made.

## 6. Internal Audit Function

The **Internal Audit** function plays a critical role in the governance structure of **KTI Landmark Berhad** by providing independent and objective assurance on the effectiveness and adequacy of the Group's risk management, internal control, and governance processes. The Internal Audit function is designed to provide an independent assessment of the effectiveness of the internal control system, ensuring that risks are appropriately identified and managed, and that the Group's operations are efficient, effective, and compliant with regulatory requirements.

### 6.1 Independence and Objectivity

The **Internal Audit** function is independent of the Group's operational activities and reports directly to the **ARMC**. This ensures that internal audit findings and recommendations are free from any potential conflicts of interest, allowing the function to perform its duties objectively. The independence of the internal audit team is key to maintaining its credibility and the integrity of the audit process.

### 6.2 Scope and Responsibilities

The primary responsibility of the **Internal Audit** function is to evaluate the effectiveness of the Group's internal control systems, risk management processes, and corporate governance practices. Key responsibilities include:

- **Risk Management Evaluation:** Assessing the effectiveness of the risk management processes, including identifying, evaluating, and managing risks across the Group.
- **Internal Control Assessments:** Reviewing the adequacy and effectiveness of internal controls in mitigating identified risks and achieving business objectives.
- **Compliance Reviews:** Ensuring that the Group complies with relevant laws, regulations, and internal policies, as well as identifying any areas of non-compliance.
- **Operational Efficiency:** Evaluating the efficiency and effectiveness of operational processes, suggesting improvements to enhance productivity and reduce operational risks.
- **Fraud and Irregularity Detection:** Identifying any irregularities, fraud, or financial misstatements and ensuring appropriate corrective actions are taken.
- **Audit Recommendations:** Providing recommendations to management on improving internal controls, risk management processes, and operational efficiency.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process (Cont'd)

### 7. Internal Audit Process

The **Internal Audit** process is structured to provide comprehensive and reliable assessments of the Group's internal controls. This includes the following key steps:

- **Annual Audit Plan:** The Internal Audit function prepares an annual audit plan, which is reviewed and approved by the **ARMC**. The audit plan outlines the areas to be audited based on an assessment of key risks and priorities for the year.
- **Audit Execution:** Internal auditors conduct detailed audits of various business areas, processes, and systems based on the approved audit plan. Audits are conducted in accordance with recognized auditing standards, and auditors apply a risk-based approach to ensure that critical areas are adequately covered.
- **Audit Reporting:** After completing audits, internal auditors prepare detailed reports highlighting the audit findings, identified control weaknesses, and suggested improvements. These reports are submitted to the **ARMC** and management for review.
- **Follow-Up Actions:** The Internal Audit function follows up on the implementation of audit recommendations to ensure that corrective actions have been taken to address any weaknesses or issues identified during audits.

### 8. Resources and Competency

The **Internal Audit** function is adequately resourced with qualified and experienced professionals who possess the necessary skills and expertise to perform their duties effectively. The internal audit team has access to continuous training to stay current with evolving regulatory requirements, auditing techniques, and industry best practices.

### 9. Annual Evaluation of Internal Audit Effectiveness

The **ARMC** conducts an annual evaluation of the effectiveness of the **Internal Audit** function. This evaluation is based on factors such as the independence of the function, its alignment with the Group's risk management and internal control objectives, and the quality of audit work performed. Based on the results of the evaluation, improvements to the Internal Audit function may be made to enhance its effectiveness in meeting the Group's objectives.

### 10. Interaction with External Auditors

The **Internal Audit** function works closely with the Group's **External Auditors**, sharing information and coordinating efforts to avoid duplication of work, where applicable. The **ARMC** ensures that both internal and external audits are aligned to effectively address the Group's risk and control environment.

**Stage 1** - Fieldwork Auditing

1. Fieldwork Planning – Discuss risk focus areas with Senior Management
2. Fieldwork Planning – Develop detailed audit plan and programs based risk focus areas
3. Fieldwork – Compliance and substantive process review and testing
4. Fieldwork - Review, analyse and evaluate documented processes and findings, if any
5. Fieldwork - Develop conclusion and practical recommendations for control improvement

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process (Cont'd)

### 10. Interaction with External Auditors (Cont'd)

**Stage 2** - Reporting
1. Discuss findings and draft report with operational management.
2. Discuss draft report with management action plans with senior management and obtain their comments.
3. Presentation of the final report to the Audit & Risk Management Committee.

Cost incurred: RM36,899.28.

This Statement is approved by the Board of Directors on 23 April 2025.

# STATEMENT ON DIRECTORS' RESPONSIBILITY

## Introduction

The Board of Directors of KTI Landmark Berhad (the "Company") is fully committed to upholding the highest standards of corporate governance and ensuring the integrity and transparency of the Company's financial statements. In discharging our duties and responsibilities, the Board acknowledges its responsibility for the preparation and presentation of the financial statements in accordance with the **Malaysian Financial Reporting Standards (MFRS)**, the **Companies Act 2016**, and the relevant guidelines issued by the regulatory authorities.

## Responsibility for Financial Reporting

The Directors are responsible for ensuring that the financial statements of the Company present a true and fair view of the state of affairs of the Company and its financial performance. In preparing the financial statements for the year ended 31 December 2024, the Directors have:

1. **Adopted appropriate accounting policies** that are consistent with the previous financial year and in accordance with applicable accounting standards.
2. **Applied sound judgments and estimates** in the preparation of the financial statements.
3. **Ensured compliance with the requirements of the Companies Act 2016** and relevant standards set by the Malaysian Accounting Standards Board (MASB).
4. **Ensured that the financial statements have been prepared on a going concern basis**, and that appropriate disclosures have been made, where necessary.

## Internal Controls and Risk Management

The Board has established an internal control framework designed to ensure that the Company's financial reporting is accurate and reliable, and that assets are safeguarded. In addition, the Board is responsible for the oversight of the Company's risk management processes, ensuring that risks that could materially impact the Company's operations and financial performance are properly identified, assessed, and managed.

The Board, with the assistance of the **Audit and Risk Management Committee**, continuously reviews the effectiveness of the Company's internal controls and risk management systems to ensure that the Company is adequately protected against financial and operational risks.

## Independent Auditors

The Board recognizes the importance of independent auditing in maintaining the integrity of the Company's financial reporting. The Company's external auditors, **Moore Stephens Associates PLT**, have conducted an independent audit of the Company's financial statements for the year ended 31 December 2024, in accordance with the standards set by the **Malaysian Institute of Accountants (MIA)**. The external auditors have expressed their opinion on the fairness of the financial statements, which has been incorporated into the Company's Annual Report.

## Board Oversight and Accountability

The Directors of the Company are responsible for ensuring that the operations of the Company are conducted in compliance with the applicable laws, regulations, and best practices in corporate governance. Through the Board's regular meetings, the Directors are kept informed of the Company's financial performance, key risks, and compliance matters, enabling them to fulfill their oversight responsibilities effectively.

The Board remains committed to continuous improvement in corporate governance and strives to ensure that the Company's financial reporting practices and internal controls remain robust and effective.

# ADDITIONAL COMPLIANCE INFORMATION

## Utilisation of Proceeds Raised from Corporate Proposal

The Company was listed on the ACE Market of Bursa Securities on 19 June 2024 in conjunction with its Initial Public Offering ("IPO"), where the Company undertook a public issue of 160,000,000 new ordinary shares at an issue price of RM0.30 per share, resulting in an entire enlarged issued share capital of the Company comprising of 800,000,000 ordinary shares. The proceeds raised from the IPO amounting to RM48,000,000 shall be utilised in the following manner and the status of utilisation of proceeds as at 31 December 2024 are as follows:-

| Description of Utilisation | Proposed Utilisation (RM'000) | Actual Utilisation (RM'000) | Balance Utilisation (RM'000) | Estimated Timeframe for Utilisation upon listing |
|---|---|---|---|---|
| Acquisition of land for development | 18,000 | - | 18,000 | Within 12 months |
| Upgrading existing / expansion of our casting yard / IBS facility for our building division | 2,150 | (2,150) | - | Within 24 months |
| Upgrading software and systems | 350 | (350) | - | Within 6 months |
| Working capital for project development | 20,700 | (20,700) | - | Within 12 months |
| Repayment of bank borrowings | 3,000 | (3,000) | - | Within 6 months |
| Estimated listing expenses | 3,800 | (3,800) | - | Within 1 month |
| **Grand Total** | **48,000** | **30,000** | **18,000** | |

## Audit And Non-Audit Fees

The amount of the audit fees and non-audit fees incurred for financial year 2024 are set out below:-

Auditors' remuneration
- Statutory audit RM194,000

Service rendered by Auditors' affiliate
- Tax Agent Fee RM53,300
- Other service RM9,000

## Material Contracts

There was no material contract entered into by the Company and/or its Subsidiaries involving Directors' and Major Shareholders' interest either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year.

## Material Events

There were no other material events subsequent to the end of the current financial year that have not been reflected in this annual report.

## Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

Save for the RRPTs as disclosed in the financial statements of FY2024, there was no other transaction entered into with the related parties during the FY2024.

The Company did not seek any shareholders' mandate in respect of RRPT yet.

# FINANCIAL STATEMENTS



# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. The principal activities of the subsidiaries are described in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## RESULTS

| | Group RM | Company RM |
|---|---|---|
| Net profit/(loss) for the financial year, attributable to Owners of the Company | 8,518,674 | (2,323,488) |

## RESERVES AND PROVISIONS

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

## ISSUANCE OF SHARES OR DEBENTURES

During the financial year, the Company has increased its issued and paid-up capital by way of:

(a) issuance of 639,999,997 new ordinary shares at an issue price of RM0.1681 per ordinary share, for a total consideration of RM107,584,000 for the acquisition of subsidiaries as disclosed in Note 35 to the financial statements; and

(b) issuance of 160,000,000 new ordinary shares at an issue price of RM0.30 per ordinary share in conjunction with the Company's Initial Public Offering ("IPO") on the ACE market of Bursa Malaysia Securities Berhad, for a total cash consideration of RM48,000,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,959,436 were offset against share capital.

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

The entire issued and paid-up capital of the Company of 800,000,000 ordinary shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 19 June 2024.

There were no debentures issued during the financial year.

## DIVIDEND

On 14 March 2025, the Directors declared an interim single tier dividend of RM0.003 per ordinary share for the financial year ended 31 December 2024 amounting to RM2,400,000 which was paid on 27 March 2025.

## 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' REPORT

## DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year to the date of this report are:

Dato' Haji Hamzah Bin Haji Ghazalli
Datuk Loke Theen Fatt*
Datuk Tan Kok Liang
Chua Chai Hua
Lim Guik Moi
Stella Loke Pei Wen*
Wilson Loke Choon Syn*

* Being a Director of one or more subsidiaries

## DIRECTOR OF SUBSIDIARIES

The name of the director of the Company's subsidiary/(ies) since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Datin Chin Mee Leen
Loke Pei Lee

## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares in or debentures of the Company and its related corporations during the financial year were as follows:

| | Number of ordinary shares | | | |
|---|---|---|---|---|
| | **As at 01.01.2024 Unit** | **Acquired Unit** | **Disposed Unit** | **As at 31.12.2024 Unit** |
| **The Company** | | | | |
| **Direct interest** | | | | |
| Datuk Loke Theen Fatt | 1 | 117,630,499 | (8,271,000) | 109,359,500 |
| Dato' Haji Hamzah Bin Haji Ghazalli | - | 1,250,000 | - | 1,250,000 |
| Datuk Tan Kok Liang | - | 450,000 | - | 450,000 |
| Chua Chai Hua | - | 350,000 | - | - |
| **Indirect interest** | | | | |
| Datuk Loke Theen Fatt^ | 1 | 522,369,499 | (36,729,000) | 485,640,500 |
| Stella Loke Pei Wen* | 2 | 639,999,998 | (45,000,000) | 595,000,000 |
| Wilson Loke Choon Syn* | 2 | 639,999,998 | (45,000,000) | 595,000,000 |
| Chua Chai Hua^ | - | 11,000 | (11,000) | - |

* Indirect interest via their parents' shareholdings. The Company pursuant to Section 59 (11)(1) of the Companies Act 2016.

^ Indirect interest via her/his spouse's shareholdings. The Company pursuant to Section 59 (11)(1) of the Companies Act 2016.

Certain Directors are deemed to have interest in the shares held by the Company in its subsidiaries by virtue of their substantial interest in shares of the Company.

# DIRECTORS' REPORT

## DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

| | Company RM | Subsidiaries RM |
|---|---|---|
| Fees | 112,500 | - |
| Salaries and bonus | - | 2,127,500 |
| Contributions to defined contribution plan | - | 359,660 |
| Social security contributions | - | 10,685 |
| Others | - | 1,701 |
| | 112,500 | 2,499,546 |

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 29 to the financial statements.

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

## OTHER STATUTORY INFORMATION

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

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

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent;

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

   (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 the report or financial statements which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION (CONT'D)

(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 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 or other liability has become enforceable, or 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;

(ii) the results of the operations 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; and

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

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are disclosed in Note 6 to financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Directors, officers or auditors of the Group and of the Company.

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 36 to the financial statements.

## EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of event subsequent to the end of the financial year are disclosed in Note 37 to the financial statements.

## AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2025.

DATUK LOKE THEEN FATT

STELLA LOKE PEI WEN

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 084 to 153 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2025

DATUK LOKE THEEN FATT

STELLA LOKE PEI WEN

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

I, HARJEET SINGH A/L DAYA SINGH (MIA No: 21886), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 084 to 153 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
at Kota Kinabalu, Sabah
on 23 April 2025

HARJEET SINGH A/L DAYA SINGH

Before me,

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KTI LANDMARK BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of KTI Landmark Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 084 to 153.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

*Independence and Other Ethical Responsibilities*

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current 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.

### Construction revenue recognition

As disclosed in Note 4 to the financial statements, revenue from construction activity recognised during the year amounted to RM44,359,154.

Construction contract revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e.: by reference to the construction costs incurred to date as a percentage of the estimated total costs of construction of the project).

Judgement is required in determining the progress of construction towards the complete satisfaction of the performance obligation, which includes relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-to-cost input method computations and the amount of revenue and corresponding profit recognised during the financial year.

We focused on this area because of the magnitude of the construction revenue recognised by the Group from these activities, which are based on significant estimates and judgements.

We have performed the following audit procedures:

- Performed budget review on estimation of construction;

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KTI LANDMARK BERHAD
## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Key Audit Matter (Cont'd)

### Construction revenue recognition (Cont'd)

We have performed the following audit procedures: (Cont'd)

- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;
- Performed reasonableness test on accrued contractor costs recognised by the Group of which invoice/ progress claim has yet to be received; and
- Assessed the accuracy of the calculation of percentage of completion and the consequent recognition of construction revenue.

### Revenue from Property Development Activities

As disclosed in Note 4 and Note 5 to the financial statements, revenue and cost from property development activities recognised during the year amounted to approximately RM127,741,409 and RM93,836,101. For units that have been sold, property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the cost-based input method by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project.

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which include relying on past experience and continuous monitoring of the budgeting process. These management's estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

We focused on these areas because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgements.

We have performed the following audit procedures:

- Reviewed the terms and conditions of the major agreements to determine that the revenue recognised conforms with the Group's policies and requirements of MFRS 15 *Revenue from Contracts with Customers*;
- Verified sample of costs incurred to supporting evidence such as the contractors' claim certificates and invoices from supplier and subcontractors on sample basis;
- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total property development costs with architect certificates;
- Assessed the adequacy of management's accruals of the costs have not been billed or certified by reviewing subsequent contractors' claims certificates and supplier invoices;
- Verified sample of actual sales of development properties to signed Sale and Purchase Agreements and loan approval documents from financier;
- Performed budget review on estimated net development value and development costs;
- Performed re-computation of percentage of completion and percentage of sales;
- Examined material non-standard journal entries and other adjustments posted to revenue and cost of sales accounts; and
- Observed the progress of the ongoing development projects by performing site visit;

We have determined that there are no key audit matter to communicate in our report which arose from the audit of the financial statements of the Company.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KTI LANDMARK BERHAD
## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the 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 the 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 also responsible for assessing the ability of the Group and of the Company 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 and the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KTI LANDMARK BERHAD
## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

(e) 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 represent the underlying transactions and events in a manner that achieves fair presentation.

(f) 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 matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

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

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

TAN KEI HUI
03429/04/2027 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 23 April 2025

# STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023[1] | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| Revenue | 4 | 175,356,530 | 120,166,504 | - | - |
| Cost of sales | 5 | (133,105,804) | (84,579,430) | - | - |
| Gross profit | | 42,250,726 | 35,587,074 | - | - |
| Other income | | 1,645,455 | 1,772,978 | 1,221,165 | - |
| Selling and marketing expenses | | (5,352,082) | (4,161,280) | - | - |
| Administrative expenses | | (20,055,131) | (12,792,052) | (3,480,230) | (44,642) |
| Net loss on impairment of financial instruments | | (193,985) | - | - | - |
| Other expenses | | - | (30,000) | - | - |
| **Profit/(loss) from operations** | 6 | 18,294,983 | 20,376,720 | (2,259,065) | (44,642) |
| Finance costs | 7 | (9,836,651) | (3,075,379) | (64,423) | - |
| **Profit/(loss) before tax** | | 8,458,332 | 17,301,341 | (2,323,488) | (44,642) |
| Tax credit/(expense) | 8 | 60,342 | (3,479,214) | - | - |
| **Profit/(loss) net of tax, representing total comprehensive income for the financial year, attributable to Owners of the Company** | | 8,518,674 | 13,822,127 | (2,323,488) | (44,642) |
| **Earnings per ordinary share attributable to Owners of the Company** | | | | | |
| Basic/diluted earnings per share (sen) | 9 | 1.17 | 1.73 | | |

(1) *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023[1] | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 10 | 131,409,433 | 68,871,498 | - | - |
| Investment in subsidiaries | 11 | - | - | 107,584,000 | - |
| Inventories | 12 | 851,071 | 851,071 | - | - |
| Deferred tax assets | 13 | 5,821,853 | 454,353 | - | - |
| | | 138,082,357 | 70,176,922 | 107,584,000 | - |
| **Current assets** | | | | | |
| Inventories | 12 | 337,769,677 | 235,820,536 | - | - |
| Trade receivables | 14 | 43,259,193 | 11,078,663 | - | - |
| Non-trade receivables, deposits and prepayments | 15 | 26,815,409 | 6,207,196 | 1,240,845 | 1,200,061 |
| Contract assets | 16 | 63,692,503 | 16,993,507 | - | - |
| Tax recoverable | | 1,949,204 | 1,403,099 | 23,000 | - |
| Amount due from a subsidiary | 17 | - | - | 23,451,610 | - |
| Fixed deposits with licensed banks | 18 | 34,393,409 | 15,550,848 | 18,002,121 | - |
| Cash and bank balances | 19 | 31,659,492 | 19,597,951 | 443,448 | 3 |
| | | 539,538,887 | 306,651,800 | 43,161,024 | 1,200,064 |
| **TOTAL ASSETS** | | 677,621,244 | 376,828,722 | 150,745,024 | 1,200,064 |

# STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023[1] | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 20 | 153,624,567 | 3 | 153,624,567 | 3 |
| Invested equity | 20 | - | 2,000,000 | - | - |
| Reorganisation reserve | 21 | (105,584,000) | - | - | |
| Retained earnings / (Accumulated losses) | | 128,125,458 | 134,606,784 | (3,010,310) | (686,822) |
| | | 176,166,025 | 136,606,787 | 150,614,257 | (686,819) |
| **Non-current liabilities** | | | | | |
| Trade payables | 22 | 12,118,153 | - | - | - |
| Borrowings | 23 | 54,244,409 | 23,654,272 | - | - |
| Lease liabilities | 24 | 7,642,984 | 5,062,169 | - | - |
| Deferred tax liabilities | 13 | - | 932,682 | - | - |
| | | 74,005,546 | 29,649,123 | - | - |
| **Current liabilities** | | | | | |
| Trade payables | 22 | 115,571,688 | 46,964,780 | - | - |
| Non-trade payables and accruals | 25 | 6,620,110 | 2,985,392 | 130,767 | 251,615 |
| Contract liabilities | 16 | 1,283,958 | 15,128,152 | - | - |
| Amount due from a subsidiary | 17 | - | - | - | 1,635,268 |
| Amount due to a related company | 26 | 65,514 | 41,063 | - | - |
| Borrowings | 23 | 299,152,116 | 142,407,979 | - | - |
| Lease liabilities | 24 | 2,743,961 | 2,053,817 | - | - |
| Tax payables | | 2,012,326 | 991,629 | - | - |
| | | 427,449,673 | 210,572,812 | 130,767 | 1,886,883 |
| **TOTAL LIABILITIES** | | 501,455,219 | 240,221,935 | 130,767 | 1,886,883 |
| **TOTAL EQUITY AND LIABILITIES** | | 677,621,244 | 376,828,722 | 150,745,024 | 1,200,064 |

*(1) As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

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

| | <---------Attributable to Owners of the Company---------> | | | | |
|---|---|---|---|---|---|
| | | | | Distributable | |
| | Share Capital RM | Invested Equity RM | Reorganisation Reserve RM | Retained Earnings RM | Total Equity RM |
| **Group** | | | | | |
| **At 1 January 2023** [1] | 3 | 2,000,000 | - | 135,784,657 | 137,784,660 |
| Profit net of tax, representing total comprehensive income for the financial year | - | - | - | 13,822,127 | 13,822,127 |
| **Transaction with Owner of the Company** | | | | | |
| Dividend (Note 27) | - | - | - | (15,000,000) | (15,000,000) |
| **At 31 December 2023/1 January 2024** | 3 | 2,000,000 | - | 134,606,784 | 136,606,787 |
| Profit net of tax, representing total comprehensive income for the financial year | - | - | - | 8,518,674 | 8,518,674 |
| **Transactions with Owners of the Company** | | | | | |
| Effect of IPO reorganisation [2] | 107,584,000 | (2,000,000) | (105,584,000) | - | - |
| Issuance of ordinary shares (Note 20) | 48,000,000 | - | - | - | 48,000,000 |
| Share issuance expenses (Note 20) | (1,959,436) | - | - | - | (1,959,436) |
| Dividend (Note 27) | - | - | - | (15,000,000) | (15,000,000) |
| **Total transactions with Owners of the Company** | 153,624,564 | (2,000,000) | (105,584,000) | (15,000,000) | 31,040,564 |
| **At 31 December 2024** | 153,624,567 | - | (105,584,000) | 128,125,458 | 176,166,025 |

| | <----Attributable to Owners----> of the Company | | |
|---|---|---|---|
| | Share Capital RM | Accumulated Losses RM | Total Equity RM |
| **Company** | | | |
| **At 1 January 2023** | 3 | (642,180) | (642,177) |
| Loss net of tax, representing total comprehensive income for the financial year | - | (44,642) | (44,642) |
| **At 31 December 2023/1 January 2024** | 3 | (686,822) | (686,819) |
| Loss net of tax, representing total comprehensive income for the financial year | - | (2,323,488) | (2,323,488) |
| **Transactions with Owners of the Company** | | | |
| Effect of IPO reorganisation [2] | 107,584,000 | - | 107,584,000 |
| Issuance of ordinary shares (Note 20) | 48,000,000 | - | 48,000,000 |
| Share issuance expenses (Note 20) | (1,959,436) | - | (1,959,436) |
| **Total transactions with Owners of the Company** | 153,624,564 | - | 153,624,564 |
| **At 31 December 2024** | 153,624,567 | (3,010,310) | 150,614,257 |

(1) *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

(2) *The effect of restructuring arose from the IPO reorganisation as explained in Note 35.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023[1] | 2024 | 2023 |
| | Note | RM | RM | RM | RM |
| **Cash Flows from Operating Activities** | | | | | |
| Profit/(loss) before tax | | 8,458,332 | 17,301,341 | (2,323,488) | (44,642) |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | 10(viii) | 1,333,188 | 1,361,796 | - | - |
| Impairment loss on trade receivables | | 96,985 | - | - | - |
| Gain on disposal of property, plant and equipment | | - | (66,299) | - | - |
| Impairment loss on other receivables | | 97,000 | - | - | - |
| Interest expense | | 9,836,651 | 3,075,379 | 64,423 | - |
| Interest income | | (961,837) | (949,143) | (1,172,017) | - |
| **Operating profit before working capital changes** | | 18,860,319 | 20,723,074 | (3,431,082) | (44,642) |
| Contract assets/liabilities | | (59,098,828) | (3,999,073) | - | - |
| Inventories | | (98,961,286) | (47,746,309) | - | - |
| Receivables | | (54,610,374) | 1,144,949 | 876,577 | (1,200,061) |
| Payables | | 85,380,430 | 16,042,981 | (120,848) | 231,771 |
| **Cash used in operations** | | (108,429,739) | (13,834,378) | (2,675,353) | (1,012,932) |
| Interest received | | 961,837 | 949,143 | 190,233 | - |
| Interest paid | | (10,591,268) | (3,069,693) | - | - |
| Tax paid | | (5,765,248) | (4,061,402) | (23,000) | - |
| **Net cash used in operating activities** | | (123,824,418) | (20,016,330) | (2,508,120) | (1,012,932) |
| **Cash Flows from Investing Activities** | | | | | |
| Advances to subsidiaries | | - | - | (23,451,610) | - |
| (Increase)/decrease in housing development account | | (5,769,609) | 4,126 | - | - |
| Purchase of property, plant and equipment | 10(vii) | (61,000,544) | (27,148,576) | - | - |
| Proceed from disposal of property, plant and equipment | | - | 71,896 | - | - |
| **Net cash used in investing activities** | | (66,770,153) | (27,072,554) | (23,451,610) | - |
| **Cash Flows from Financing Activities** | | | | | |
| Proceeds from issuance of ordinary shares, net of shares issuance expenses | | 46,040,564 | - | 46,040,564 | - |
| (Repayment to)/Advance from a subsidiary | | - | - | (1,635,268) | 1,031,002 |
| Repayment to a Director | | - | (1,056,929) | - | (18,070) |
| Withdrawal/(Uplift) in plegded fixed deposits with licensed bank | | 583,793 | (862,906) | - | - |
| Dividend paid | | (15,000,000) | (15,000,000) | - | - |
| Drawdown of: | | | | | |
| - bankers' acceptance | | 31,344,000 | 22,723,430 | - | - |
| - trust receipts | | - | 4,122,093 | - | - |
| - revolving credit ("RC-i") | | 7,752,654 | 902,371 | - | - |
| - term loans | | 30,727,771 | 35,806,891 | - | - |
| - bridging loan | | 120,151,564 | 15,000,000 | - | - |
| - Commodity Murabahah Cashline-I ("CMC-i") | | 12,564,557 | 21,487,721 | - | - |
| - Commodity Murabahah Revolving Credit-I ("CMRC-i") | | 10,000,000 | - | - | - |
| **Cash Flows from Financing Activities c/f** | | 244,164,903 | 83,122,671 | 44,405,296 | 1,012,932 |

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2024** | **2023[1]** | **2024** | **2023** |
| | **Note** | **RM** | **RM** | **RM** | **RM** |
| **Cash Flows from Financing Activities b/f** | | 244,164,903 | 83,122,671 | 44,405,296 | 1,012,932 |
| Repayment of: | | | | | |
| - bankers' acceptance | | (27,851,000) | (21,091,430) | - | - |
| - trust receipts | | (585,586) | (1,812,907) | - | - |
| - revolving credit ("RC-i") | | (3,884,196) | (411,366) | - | - |
| - term loans | | (3,490,397) | (10,397,433) | - | - |
| - Commoditidy Murabahah Flexi Term Financing-I ("CMFTF-i") | | - | (955,000) | - | - |
| - Commodity Murabahah Cashline-I ("CMC-i") | | (1,229,821) | (23,974,064) | - | - |
| Repayment of lease liabilities | (ii)(iii) | (2,645,774) | (1,839,964) | - | - |
| **Net cash from financing activities** | | 204,478,129 | 22,640,507 | 44,405,296 | 1,012,932 |
| **Net increase/(decrease) in cash and cash equivalents** | | 13,883,558 | (24,448,377) | 18,445,566 | - |
| Cash and cash equivalents at beginning of the financial year | | 19,708,827 | 44,157,204 | 3 | 3 |
| **Cash and cash equivalents at end of the financial year** | (i) | 33,592,385 | 19,708,827 | 18,445,569 | 3 |

(1) *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

(i) Cash and cash equivalents comprise of:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2024** | **2023** | **2024** | **2023** |
| | **Note** | **RM** | **RM** | **RM** | **RM** |
| Fixed deposits with licensed banks | | 34,393,409 | 15,550,848 | 18,002,121 | - |
| Cash and bank balances | | 31,659,492 | 19,597,951 | 443,448 | 3 |
| | | 66,052,901 | 35,148,799 | 18,445,569 | 3 |
| Less: Fixed deposits pledged | 18 | (13,603,637) | (14,187,430) | - | - |
| Housing development account | | (5,876,013) | (106,404) | - | - |
| Bank overdraft | 23 | (12,980,866) | (1,146,138) | - | - |
| | | 33,592,385 | 19,708,827 | 18,445,569 | 3 |

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

(ii) Cash outflows for leases as a lessee are as follows:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **Included in net cash used in operating activities:** | | |
| - Payment relating to short-term leases | 67,858 | 61,730 |
| - Interest paid in relation to lease liabilities | 547,656 | 267,205 |
| **Included in net cash from financing activities:** | | |
| - Payment for the principal portion of lease liabilities | 2,645,774 | 1,839,964 |
| Total cash outflows for leases | 3,261,288 | 2,168,899 |

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **Lease liabilities** | | |
| At beginning of the year | 7,115,986 | 3,794,470 |
| Acquisition of new leases during the year | 5,380,505 | 5,161,480 |
| Lease modification | 536,228 | - |
| Repayment of principal during the year, representing net changes from financing cash flows | (2,645,774) | (1,839,964) |
| At end of the year | 10,386,945 | 7,115,986 |

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporate and domiciled in Malaysia and was listed on the ACE market of Bursa Malaysia Securities Berhad on 19 June 2024.

The registered office of the Company is located at Lot 221 & 222, Taman Nelly 9, Phase 4 Shoplot, Lorong Nelly Plaza, Jalan Nountun, Kolombong, 88844 Kota Kinabalu, Sabah.

The principal place of business of the Company is located at Lot 220 (Ground Floor), 221 (Ground Floor and 1st Floor) and 222 (Ground Floor to 3rd Floor), Taman Nelly 9, Phase 4 Shoplot, Lorong Nelly Plaza, Jalan Nountun, Kolombong, 88844 Kota Kinabalu, Sabah.

The principal activities of the Company is investment holding. The principal activities of the subsidiaries are described in Note 11.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 23 April 2025.

## 2. BASIS OF PREPARATION

### (a) Statement of Compliance

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

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

#### (i) Accounting pronouncements that are effective and adopted during the financial year

| | |
|---|---|
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements |

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

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

| | |
|---|---|
| Amendments to MFRS 121 | Lack of Exchangeability |

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of Compliance (Cont'd)

#### (ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (Cont'd)

***Effective for financial periods beginning on or after 1 January 2026***

| | |
|---|---|
| Amendments to MFRS 9 and MFRS 7 | Classification and Measurement of Financial Instruments |
| Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10, and MFRS 107 | Annual Improvement to MFRS Accounting Standards – Volume 11 |
| Amendments to MFRS 9 and MFRS 7 | Contracts Referencing Nature-dependent Electricity |

***Effective for financial periods beginning on or after 1 January 2027***

| | |
|---|---|
| MFRS 18 | Presentation and Disclosure in Financial Statements |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures |

***Effective date to be announced***

| | |
|---|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have material effect to the financial statements of the Group and of the Company upon their initial applications, except as described below:

**MFRS 18 Presentation and Disclosure in Financial Statements**

MFRS 18 will replace MFRS 101, *Presentation and Disclosure in Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.

- Management-defined performance measures are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group and the Company are currently assessing the impact of adopting MFRS 18.

### (b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

### (d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

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

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) *Property development revenue*

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of the contract). In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(ii) *Construction contracts revenue*

The Group measures the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total costs to complete. In making estimates, management relies on professionals' estimates and also on past experience of completed projects. A change in estimates will directly affect the revenue to be recognised.

## 2. BASIS OF PREPARATION (CONT'D)

### (d) Significant accounting estimates and judgements (Cont'd)

(iii) *Deferred tax assets and liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

## 3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### (a) Basis of consolidation

*(i)* *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Investments 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 investment includes transaction costs.

*(ii)* *Business Combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (Cont'd)

*(ii) Business Combinations (Cont'd)*

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

*(iii) Entities under common control*

For acquisition of entities under a reorganisation scheme that does not result in any change in economic substance, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

- The results of entities are presented as if the reorganisation occurred from the beginning or the earliest period presented in the financial statements;
- The Company will consolidate the assets and liabilities of the acquired entities at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method; and
- No new goodwill is recognised as a result of the reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reorganisation reserve or deficit.

*(iv) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### (b) Revenue and other income recognition

#### *Revenue from contracts with customers*

The details of the performance obligations in contracts with customers are disclosed in Note 4.

<u>Incremental costs of obtaining a contract with a customer</u>

The Group pays sales commissions to external sales agent and employees as an incentive for sales of each unit of on-going property development to the customers. Sales commissions have been determined to be an incremental cost of obtaining a contract and are capitalised as contract costs when the Group expects these costs to be recovered over a period of more than one year.

Contract costs are amortised over the revenue recognition by reference to the progress towards complete satisfaction of the performance obligation. For contract costs with an amortisation period of less than one year, the Group has elected to apply the practical expedient to recognise as an expense when incurred. Amortisation of contract costs are included as part of selling and marketing expenses in the profit or loss, based on the nature of commission costs, and not under amortisation expenses.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (b) Revenue and other income recognition (Cont'd)

***Revenue from contracts with customers (Cont'd)***

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or have billed the customer. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs their obligation under the contract.

### (c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (d) Earnings per share

Basic earnings per share ("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 year (excluding treasury shares held by the Company). 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 the effects of all dilutive potential ordinary shares.

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (e) Leases

#### As a lessee

The Group recognises a right-of-use asset ("ROU") 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 site on which it is located, less any lease incentives received.

The ROU assets are presented as part of the property, plant and equipment in the statements of financial position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment, other than lease of premises over 2 years to 13 years, based on the lease term period.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and account for any identified impairment loss as described in Note 3(k)(ii).

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

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 rate, or if the Group changes its assessment of whether they will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

### (f) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses in accordance with Note 3(k)(ii).

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and the Company will obtain ownership by the end of the lease term.

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (f) Property, plant and equipment (Cont'd)

The estimated useful lives for the current and comparative periods are as follows:

| | |
|---|---|
| Leasehold land and buildings | 50 years |
| Furniture, fittings and office equipment | 10 years |
| Information technology ("IT") equipment | 5 years |
| Motor vehicles | 5 years |
| Plant and machineries | 5 years |
| Renovation | 5 years |

Freehold land is not depreciated.

Construction work-in-progress is stated at cost less any accumulated impairment losses and includes borrowings cost incurred during the period of construction. No depreciation is provided on construction work-in-progress and upon completion of construction, the cost will be depreciated accordingly.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

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

### (g) Inventories

Inventories are measured at the lower of cost and net realisable value. The inventories of the Group is made up of land held for property development, property development cost, and unsold completed properties.

(i) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage 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.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (g) Inventories (Cont'd)

(i) Property development costs (Cont'd)

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

(ii) Unsold completed properties

The cost of unsold properties is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

(iii) Land held for property development

Land held for property development consists of land where no development activities have been carried out or when development activities are not expected to be completed within the normal operating cycle.

Land held for property development is reclassified as property development costs (classified within current assets) when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Land held for property development comprises costs associated with the acquisition of land and all costs incurred subsequent to the acquisition but prior to the transfer to property development costs on activities necessary to prepare the land for its intended use.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

### (h) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### (i) Financial instruments

#### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (i) Financial instruments (Cont'd)

#### (i) Initial recognition and measurement (Cont'd)

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group and the Company categorise financial instruments as follows:

***Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 3(k)(i)) where the effective interest rate is applied to the amortised cost.

***Financial liabilities***

Amortised cost

The financial liabilities of the Group and the Company are initially recognised at amortised cost.

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

#### (ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (i) Financial instruments (Cont'd)

#### (iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a 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 amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

#### (iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

#### (v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

### (j) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (j) Provisions

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

### (k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Group and the Company are measured on either of the following bases:

(i) 12-month ECLs - represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - trade receivables and contract assets

The Group and the Company apply the simplified approach to provide ECL for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach - other financial instruments and financial guarantee contracts

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (k) Impairment (Cont'd)

(i) Financial assets (Cont'd)

General approach - other financial instruments and financial guarantee contracts (Cont'd)

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is significantly past due.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (k) Impairment (Cont'd)

(i) Financial assets (Cont'd)

Credit impaired financial assets

Evidence that a financial asset is credit impaired includes the observable data about the following events: (Cont'd)

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (l) Contingent liabilities/assets

#### (i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

## 4. REVENUE

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| **Recognised over time:** | | |
| Construction revenue | 44,359,154 | - |
| Property development revenue | 127,741,409 | 111,537,436 |
| Project facilitation services | 2,506,767 | - |
| | 174,607,330 | 111,537,436 |
| **Recognised point in time:** | | |
| Sale of completed properties | 749,200 | 1,915,500 |
| Sales of land held for property development | - | 6,713,568 |
| | 749,200 | 8,629,068 |
| | 175,356,530 | 120,166,504 |

Construction contract revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities.

# NOTES TO THE FINANCIAL STATEMENTS

## 4. REVENUE (CONT'D)

Construction contract revenue (Cont'd)

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle.

Property development revenue

This is in respect of residential and commercial units under construction. The Group has entered into contract with customers for the development of these residential and commercial properties. Revenue recognition is based on stage of completion method. The stage of completion method is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Each of the obligations are not distinct and is unable to be performed separately. Accordingly, contracts with respective customers are considered as a single PO and are not separately identifiable. The PO is satisfied upon the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance. The duration of the contract generally takes 24 to 54 months to complete. Payment is generally due within 14 to 30 days upon issuance of progress billing and tax invoice to customer.

Revenue is recognised when the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. The residential and commercial units sold have generally no alternative use for the Group due to contractual restrictions. The Group has an enforceable right to payment for the certified work performed over the contract period as promised in the Sale and Purchase Agreement. Therefore, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that aforesaid PO.

Project facilitation services - on-going project

The Government of Malaysia has provided facilitation fund to the Group for the benefit of the qualified purchasers to bridge the difference between the gross development cost and the gross development value for each unit of property constructed under Perumahan Penjawat Awam Malaysia ("PPAM") scheme, which provides affordable housing to civil servants. Performance obligation is satisfied over the period of the contract and payment is generally due upon issuance of drawdown notice to the Government of Malaysia.

Sales of completed properties

Revenue from sales completed properties is recognised in the profit or loss at the point when the control of the properties has been transferred to the buyer. The PO is satisfied upon delivery "Vacant Possession" of the completed unit to buyer and payment is generally due within 90 to 120 days from date of Sale and Purchase Agreement ("SPA").

Sales of land held for property development

Revenue from sale of land held for property development is recognised in profit or loss at the point when the control of the properties has been transferred to the purchaser. The performance obligation is satisfied upon the delivery of "Vacant Possession" of the land to purchaser and payment is generally due within 90 days from date of Sale and Purchase Agreement.

# NOTES TO THE FINANCIAL STATEMENTS

## 4. REVENUE (CONT'D)

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from construction contract revenue, property development revenue and project facilitation services.

(a) Construction revenue

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Total construction revenue | 207,134,731 | 1,520,888 |
| Less: Cumulative construction revenue recognised | (45,880,042) | (1,520,888) |
| Aggregate amount of the transaction price allocated to construction contract revenue that are partially or fully unsatisfied as at 31 December | 161,254,689 | - |

The remaining unsatisfied performance obligations are expected to be recognised as below:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Within 1 year | 133,194,752 | - |
| Between 1 and 3 years | 28,059,937 | - |
| | 161,254,689 | - |

(b) Property development revenue

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Total property development revenue, net | 717,206,354 | 478,912,650 |
| Less: Cumulative property development revenue recognised, net | (479,743,941) | (352,002,532) |
| Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31 December | 237,462,413 | 126,910,118 |

# NOTES TO THE FINANCIAL STATEMENTS

## 4. REVENUE (CONT'D)

Unsatisfied long-term contracts (Cont'd)

The following table shows unsatisfied performance obligations resulting from construction contract revenue and property development revenue. (Cont'd)

(b) Property development revenue (Cont'd)

The remaining unsatisfied performance obligations are expected to be recognised as below:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Within 1 year | 169,824,134 | 58,250,149 |
| Between 1 and 3 years | 67,638,279 | 68,659,969 |
| | 237,462,413 | 126,910,118 |

(c) Project facilitation services

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Total on going project facilitation services revenue | 10,238,300 | - |
| Less: Cumulative project facilitation services recognised | (2,506,767) | - |
| Aggregate amount of the transaction price allocated to project facilitation services that are partially or fully unsatisfied as at 31 December | 7,731,533 | - |

The remaining unsatisfied performance obligations are expected to be recognised as below:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Within 1 year | 4,833,601 | - |
| Between 1 and 3 years | 2,897,932 | - |
| | 7,731,533 | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 5. COST OF SALES

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | RM | RM |
| Construction costs | 41,304,174 | - |
| Property development costs | 93,836,101 | 81,668,862 |
| Cost of completed properties sold | 465,529 | 1,504,752 |
| Costs of land held for property development sold | - | 1,069,549 |
| Rectification works | - | 336,267 |
| Reversal of contingency cost no longer required | (2,500,000) | - |
| | 133,105,804 | 84,579,430 |

## 6. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is arrived at after charging/(crediting):

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Auditors' remuneration | | | | | |
| - Statutory audit | | 194,000 | 188,000 | - | 22,000 |
| Service rendered by Auditors' affiliate | | | | | |
| - Tax agent fee | | 53,300 | 58,900 | - | - |
| - Other service | | 9,000 | 30,000 | - | - |
| Depreciation of property, plant and equipment | | | | | |
| - Administrative expenses | 10(viii) | 1,333,188 | 1,361,796 | - | - |
| Directors' remuneration | (a) | 2,612,046 | 2,542,290 | 112,500 | - |
| Employee benefit expenses | | | | | |
| - Administrative expenses | (b) | 6,181,017 | 3,923,263 | - | - |
| Impairment loss on trade receivables | | 96,985 | - | - | - |
| Impairment loss on other receivables | | 97,000 | - | - | - |
| Gain on disposal of property, plant and equipment | | - | (66,299) | - | - |
| Initial public offering ("IPO") expenses | | 2,653,745 | - | 2,653,745 | - |
| Interest income | | (961,837) | (949,143) | (1,172,017) | - |
| Hiring incentives | | (23,869) | (83,881) | - | - |
| Rental income | | (37,974) | (86,036) | - | - |
| Short-term lease | | 67,858 | 61,730 | - | - |

(a) Directors' remuneration

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Fees | 112,500 | 199,500 | 112,500 | - |
| Salaries and bonus | 2,127,500 | 1,999,500 | - | - |
| Contributions to defined contribution plan | 359,660 | 312,860 | - | - |
| Social security contributions | 10,685 | 8,257 | - | - |
| Others | 1,701 | 22,173 | - | - |
| | 2,612,046 | 2,542,290 | 112,500 | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 6. PROFIT FROM OPERATIONS (CONT'D)

(b) Employee benefit expenses

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Salaries, overtime, allowances and bonus | 11,914,263 | 7,021,579 |
| Contributions to defined contribution plan | 1,339,220 | 837,453 |
| Social security contributions | 155,680 | 102,342 |
| Others | 397,766 | 157,773 |
| | 13,806,929 | 8,119,147 |
| **Less:** | | |
| Capitalised as inventories | (5,339,268) | (3,659,205) |
| Capitalised as contract asset | (2,286,644) | (536,679) |
| | 6,181,017 | 3,923,263 |

## 7. FINANCE COSTS

| | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|---|---|---|---|
| Interest expense on: | | | | |
| - Bank guarantee | 141,823 | 51,926 | - | - |
| - Bankers' acceptance, trust receipts and revolving credit | 611,220 | 393,859 | - | - |
| - Bank overdraft | 529,513 | 108,616 | - | - |
| - CMFTF-i | 4,012,466 | 430,679 | - | - |
| - CMC-i | 329,795 | 410,876 | - | - |
| - CMRC-i | 1,861,610 | 118,126 | - | - |
| - Lease liabilities | 547,656 | 267,205 | - | - |
| - Term loans | 4,656,860 | 3,578,162 | - | - |
| - Bridging loan | 5,255,060 | 286,027 | - | - |
| - Amount due to subsidiary | - | - | 64,423 | - |
| - Others | 25,201 | - | - | - |
| | 17,971,204 | 5,645,476 | 64,423 | - |
| **Less:** | | | | |
| Capitalised as property, plant and equipment | (1,873,771) | (1,081,390) | - | - |
| Capitalised as inventories | (6,260,782) | (1,488,707) | - | - |
| | 9,836,651 | 3,075,379 | 64,423 | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 8. TAX (CREDIT)/EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Income tax | | | | |
| - Current year | 4,722,056 | 3,891,656 | - | - |
| - Underprovision in prior years | 1,517,784 | 3,871 | - | - |
| | 6,239,840 | 3,895,527 | - | - |
| Deferred tax (Note 13) | | | | |
| - Origination of temporary differences | (4,813,604) | 41,646 | - | - |
| - Overprovision in prior years | (1,486,578) | (457,959) | - | - |
| | (6,300,182) | (416,313) | - | - |
| Tax (credit)/expense for the financial year | (60,342) | 3,479,214 | - | - |

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

The reconciliation of the tax amount at statutory income tax rate to the Group's and to the Company's tax expense is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Profit before tax | 8,458,332 | 17,301,341 | (2,323,488) | (44,642) |
| Tax at the Malaysian statutory income tax rate of 24% | 2,030,000 | 4,152,322 | (557,637) | (10,714) |
| Income not subject to tax | (94,366) | (3,168) | - | - |
| Non-deductible expenses | 1,227,892 | 346,914 | 557,637 | 10,714 |
| Utilisation of deferred tax assets previously not recognised | (3,349,440) | (562,766) | - | - |
| Underprovision of income tax in prior years | 1,517,784 | 3,871 | - | - |
| Overprovision of deferred tax in prior years | (1,486,578) | (457,959) | - | - |
| Tax (credit)/expense for the financial year | (60,342) | 3,479,214 | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 8. TAX EXPENSE (CONT'D)

The Group has the following estimated unabsorbed capital allowances and unutilised tax losses to be carried forward to offset against future taxable profit:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Unabsorbed capital allowances | 169,850 | - |
| Unutilised tax losses | 15,699,283 | 11,193,465 |
| | 15,869,133 | 11,193,465 |

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. In the announcement of Malaysia 2022 Budget, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA 2019.

## 9. EARNINGS PER ORDINARY SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to Owners of the Company by the weighted average number of ordinary shares issued.

For the purpose of illustration, the number of ordinary shares for the respective financial year represents the weighted average number of ordinary shares issued of the Group.

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| **Basic earnings per share:** | | |
| Profit after tax attributable to Owners of the Group (RM) | 8,518,674 | 13,822,127 |
| **Weighted average number of ordinary shares:** | | |
| Number of ordinary shares at beginning of the financial year | 3 | 3 |
| Effect of IPO reorganisaction [1] | 639,999,997 | 639,999,997 |
| Public Issue [2] | 85,245,902 | 160,000,000 |
| | 725,245,902 | 800,000,000 |
| Basic earnings per share (sen) | 1.17 | 1.73 |

(1) *Based on the issued share capital of 639,999,997 ordinary shares after the completion of the IPO reorganisation but before the Public Issue.*

(2) *Based on weighted average number of shares pursuant to the Public Issue of 160,000,000 ordinary shares on 19 June 2024.*

The basis and diluted EPS are equal as the Group has no potential dilutive ordinary shares at the end of each financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## 10. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold lands and buildings RM | Freehold land RM | Furniture, fittings and office equipment RM | IT equipment RM | Motor vehicles RM | Plant and machineries RM | Renovation RM | Lease of premises and land RM | Construction work-in progress RM | Total RM |
|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | | |
| **Group** | | | | | | | | | | |
| **Cost** | | | | | | | | | | |
| At 1 January | 5,572,534 | 356,084 | 2,707,465 | 608,415 | 4,960,977 | 27,248,392 | 1,478,046 | 2,270,154 | 48,557,205 | 93,759,272 |
| Additions | - | 171,000 | 289,107 | 304,721 | 1,387,201 | 7,676,804 | 757,075 | 259,738 | 56,593,523 | 67,439,169 |
| Lease modification | - | - | - | - | - | - | - | 536,228 | - | 536,228 |
| Termination | - | - | - | - | - | - | - | (179,689) | - | (179,689) |
| At 31 December | 5,572,534 | 527,084 | 2,996,572 | 913,136 | 6,348,178 | 34,925,196 | 2,235,121 | 2,886,431 | 105,150,728 | 161,554,980 |
| **Accumulated depreciation** | | | | | | | | | | |
| At 1 January | 1,194,965 | - | 2,006,414 | 222,581 | 4,249,536 | 16,104,820 | 933,159 | 176,299 | - | 24,887,774 |
| Charge for the financial year | 63,442 | - | 156,433 | 141,283 | 379,788 | 3,952,070 | 209,404 | 475,118 | - | 5,377,538 |
| Termination | - | - | - | - | - | - | - | (119,765) | - | (119,765) |
| At 31 December | 1,258,407 | - | 2,162,847 | 363,864 | 4,629,324 | 20,056,890 | 1,142,563 | 531,652 | - | 30,145,547 |
| **Net carrying amount** | | | | | | | | | | |
| At 31 December | 4,314,127 | 527,084 | 833,725 | 549,272 | 1,718,854 | 14,868,306 | 1,092,558 | 2,354,779 | 105,150,728 | 131,409,433 |

# NOTES TO THE FINANCIAL STATEMENTS

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

| | Leasehold lands and buildings RM | Freehold land RM | Furniture, fittings and office equipment RM | IT equipment RM | Motor vehicles RM | Plant and machineries RM | Renovation RM | Lease of premises and land RM | Construction work-in progress RM | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | | | |
| **Group** | | | | | | | | | | |
| **Cost** | | | | | | | | | | |
| At 1 January | 5,572,534 | 356,084 | 2,364,749 | 395,399 | 4,496,081 | 21,108,431 | 1,044,092 | 497,266 | 25,459,978 | 61,294,614 |
| Additions | - | - | 342,716 | 213,016 | 542,146 | 6,161,461 | 433,954 | 1,772,888 | 23,097,227 | 32,563,408 |
| Disposals | - | - | - | - | (77,250) | (21,500) | - | - | - | (98,750) |
| At 31 December | 5,572,534 | 356,084 | 2,707,465 | 608,415 | 4,960,977 | 27,248,392 | 1,478,046 | 2,270,154 | 48,557,205 | 93,759,272 |
| **Accumulated depreciation** | | | | | | | | | | |
| At 1 January | 1,131,522 | - | 1,843,033 | 132,563 | 3,930,039 | 13,507,732 | 848,650 | 36,499 | - | 21,430,038 |
| Charge for the financial year | 63,443 | - | 163,381 | 90,018 | 391,151 | 2,618,587 | 84,509 | 139,800 | - | 3,550,889 |
| Disposals | - | - | - | - | (71,654) | (21,499) | - | - | - | (93,153) |
| At 31 December | 1,194,965 | - | 2,006,414 | 222,581 | 4,249,536 | 16,104,820 | 933,159 | 176,299 | - | 24,887,774 |
| **Net carrying amount** | | | | | | | | | | |
| At 31 December | 4,377,569 | 356,084 | 701,051 | 385,834 | 711,441 | 11,143,572 | 544,887 | 2,093,855 | 48,557,205 | 68,871,498 |

# NOTES TO THE FINANCIAL STATEMENTS

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

(i) The long-term leasehold lands have remaining lease period of 887 and 900 (2023: 888 and 901) years.

(ii) Leasehold lands and buildings, freehold land and construction-in-progress of the Group with total net carrying amount of RM105,951,383 (2023: RM53,290,858) are charged to licensed banks for banking facilities granted to the Group as disclosed in Note 23.

(iii) Leasehold land and building of the Group with a net carrying amount of RM103,510 (2023: RM112,511) represent 1/3 share of a land title registered in the names of third parties.

(iv) A freehold land with carrying amount of RM527,084 (2023: RM356,084) are registered with third part who hold the freehold land in trust on behalf of the Group.

(v) The right-of-use of assets recognised by the Group is as follows:

| | Motor vehicles RM | Plant and machineries RM | Lease of premise - office RM | Lease of land RM | Total RM |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2024** | | | | | |
| **Cost** | | | | | |
| At 1 January | 1,349,412 | 8,405,536 | 698,139 | 1,572,015 | 12,025,102 |
| Additions^ | 737,521 | 6,157,743 | 259,738 | - | 7,155,002 |
| Lease modification | - | - | - | 536,228 | 536,228 |
| Transfer from property, plant and equipment | - | 589,759 | - | - | 589,759 |
| Termination | - | - | (179,689) | - | (179,689) |
| Derecognition of ROU asset* | (150,000) | (1,534,000) | - | - | (1,684,000) |
| At 31 December | 1,936,933 | 13,619,038 | 778,188 | 2,108,243 | 18,442,402 |
| **Accumulated depreciation** | | | | | |
| At 1 January | 1,031,301 | 2,824,772 | 154,465 | 21,834 | 4,032,372 |
| Charge for the financial year | 167,398 | 2,299,064 | 168,422 | 306,696 | 2,941,580 |
| Transfer from property, plant and equipment | - | 9,830 | - | - | 9,830 |
| Termination | - | - | (119,765) | - | (119,765) |
| Derecognition of ROU asset* | (149,996) | (1,304,766) | - | - | (1,454,762) |
| At 31 December | 1,048,703 | 3,828,900 | 203,122 | 328,530 | 5,409,255 |
| **Net carrying amount** | | | | | |
| At 31 December | 888,230 | 9,790,138 | 575,066 | 1,779,713 | 13,033,147 |

# NOTES TO THE FINANCIAL STATEMENTS

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

(v) The right-of-use of assets recognised by the Group is as follows: (Cont'd)

| | Motor vehicles RM | Plant and machineries RM | Lease of premise - office RM | Lease of land RM | Total RM |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2023** | | | | | |
| **Cost** | | | | | |
| At 1 January | 1,778,106 | 6,119,860 | 497,266 | - | 8,395,232 |
| Additions | 335,000 | 3,401,676 | 200,873 | 1,572,015 | 5,509,564 |
| Derecognition of ROU asset* | (763,694) | (1,116,000) | - | - | (1,879,694) |
| At 31 December | 1,349,412 | 8,405,536 | 698,139 | 1,572,015 | 12,025,102 |
| **Accumulated depreciation** | | | | | |
| At 1 January | 1,413,573 | 2,783,760 | 36,499 | - | 4,233,832 |
| Charge for the financial year | 299,906 | 1,157,012 | 117,966 | 21,834 | 1,596,718 |
| Derecognition of ROU asset* | (682,178) | (1,116,000) | - | - | (1,798,178) |
| At 31 December | 1,031,301 | 2,824,772 | 154,465 | 21,834 | 4,032,372 |
| **Net carrying amount** | | | | | |
| At 31 December | 318,111 | 5,580,764 | 543,674 | 1,550,181 | 7,992,730 |

* Derecognition of ROU asset resulted from full settlement of lease liabilities.

(vi) Extension option

The Group has leases of office and land that run from 1 to 3 years. Certain leases of office contain extension option exercisable by the Group ranging from 1 to 5 years.

(vii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM67,439,169 (2023: RM32,563,408) which are satisfied by the following arrangements:

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Financed through lease arrangements | 5,440,429 | 5,161,480 |
| Capitalised of depreciation for construction work-in-progress | 998,196 | 253,352 |
| Cash payments | 61,000,544* | 27,148,576 |
| | 67,439,169 | 32,563,408 |

* *Included in cash payments are the term loan interest capitalised amounting to RM1,873,771 (2023: RM1,081,390).*

# NOTES TO THE FINANCIAL STATEMENTS

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

(viii) Depreciation during the financial year

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Charged to administrative expenses | 1,333,188 | 1,361,796 |
| Capitalised as inventories | 2,987,855 | 1,935,741 |
| Capitalised as construction work-in-progress | 998,196 | 253,352 |
| Capitalised as contract asset | 58,299 | - |
| | 5,377,538 | 3,550,889 |

## 11. INVESTMENT IN SUBSIDIARIES

| | | Company | |
|---|---|---|---|
| | | **2024** | **2023** |
| | **Note** | **RM** | **RM** |
| **Unquoted shares, at cost** | | | |
| At 1 January | | - | - |
| Effect of IPO Reorganisation | 35 | 107,584,000 | - |
| At 31 December | | 107,584,000 | - |

Details of the subsidiaries are as follows:

| Name of subsidiaries | Principal place of business/ Country of incorporation | Effective equity interest 2024 % | Effective equity interest 2023 % | Principal activity |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| K.T.I. Sdn. Bhd. ("KTISB") | Malaysia | 100 | - | Property development and investment holding |
| K.T.I. Development Sdn. Bhd. ("KTID") | Malaysia | 100 | - | Property development and investment holding |
| **Subsidiaries of KTISB** | | | | |
| K.T.I. Industrial Sdn. Bhd. | Malaysia | 100 | - | Property development |
| Dataran Jayamakmur Sdn. Bhd. | Malaysia | 100 | - | Property development |
| **Subsidiary of KTID** | | | | |
| Landmark Property Sdn. Bhd. ("LPSB") | Malaysia | 100 | - | Property development |

# NOTES TO THE FINANCIAL STATEMENTS

## 11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

| Name of subsidiaries | Principal place of business/ Country of incorporation | Effective equity interest 2024 % | Effective equity interest 2023 % | Principal activity |
|---|---|---|---|---|
| **Subsidiary of LPSB** | | | | |
| KTI Hotel & Resort Sdn. Bhd. ("KTIHR") | Malaysia | 100 | - | Property investment and hotel owner/operator |

## 12. INVENTORIES

| | Note | Group 2024 RM | Group 2023 RM |
|---|---|---|---|
| **Non-current assets** | | | |
| Land held for property development | (a) | 851,071 | 851,071 |
| **Current assets** | | | |
| Property development costs | (b) | 337,185,137 | 235,382,985 |
| Completed properties | | 584,540 | 437,551 |
| | | 337,769,677 | 235,820,536 |
| | | 338,620,748 | 236,671,607 |

(a) Land held for property development

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| At 1 January | 851,071 | 1,920,620 |
| Less: Disposal | | |
| - Land costs | - | (274,058) |
| - Development costs | - | (795,491) |
| | - | (1,069,549) |
| At 31 December | 851,071 | 851,071 |

# NOTES TO THE FINANCIAL STATEMENTS

## 12. INVENTORIES (CONT'D)

(b) Property development costs

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| **Cumulative property development costs** | | |
| At 1 January | | |
| Land costs | 135,942,335 | 45,876,183 |
| Development costs | 357,016,351 | 239,157,290 |
| | 492,958,686 | 285,033,473 |
| **Costs incurred during the financial year** | | |
| Land costs | 28,071,951 | 90,066,152 |
| Development costs | 168,178,820 | 117,859,061 |
| **Transferred to unsold completed properties** | (612,518) | - |
| At 31 December | 688,596,939 | 492,958,686 |
| **Cumulative costs recognised in statements of comprehensive income** | | |
| At 1 January | (257,575,701) | (175,906,839) |
| Recognised during the financial year | (93,836,101) | (81,668,862) |
| At 31 December | (351,411,802) | (257,575,701) |
| Property development costs at 31 December | 337,185,137 | 235,382,985 |

(i) The titles to certain lands under property development are in the name of third parties with full power of attorney obtained by the Group. The properties under development amounting to RM328,339,025 (2023: RM233,823,390) are charged to licensed bank for the banking facilities granted to the Group as disclosed in Note 23.

(ii) Included in the property development costs, is an amount of RM2,987,855 (2023: RM1,935,741), being capitalised depreciation of property, plant and equipment during the financial year.

(iii) Included in the property development costs, is an amount of RM6,260,782 (2023: RM1,488,707), being capitalised finance costs during the financial year.

## 13. DEFERRED TAX (ASSETS)/LIABILITIES

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| At beginning of the financial year | 478,329 | 894,642 |
| Recognised in profit or loss (Note 8) | (6,300,182) | (416,313) |
| At end of the financial year | (5,821,853) | 478,329 |
| **Presented as:** | | |
| Deferred tax assets | (5,821,853) | (454,353) |
| Deferred tax liabilities | - | 932,682 |
| | (5,821,853) | 478,329 |

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

The components and movements of deferred tax (assets)/liabilities during the financial year prior to offsetting are as follows:

| Group Deferred tax (assets)/ liabilities | Property, plant and equipment RM | Lease liabilities RM | Provision for contigency RM | Impairment RM | Unutilised tax losses RM | Unrealised profit RM | Unutilised capital allowances RM | Borrowing cost RM | Others RM | Total RM |
|---|---|---|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | | | | |
| At beginning of the financial year | 1,632,808 | (509,265) | (13,151) | (107,361) | - | (454,353) | - | - | (70,349) | 478,329 |
| Recognised in profit or loss | 88,607 | (12,566) | (99,668) | - | (3,767,828) | (924,771) | (40,764) | (1,584,356) | 41,164 | (6,300,182) |
| At end of the financial year | 1,721,415 | (521,831) | (112,819) | (107,361) | (3,767,828) | (1,379,124) | (40,764) | (1,584,356) | (29,185) | (5,821,853) |
| **2023** | | | | | | | | | | |
| At beginning of the financial year | 1,032,889 | (113,885) | - | (107,361) | (18,936) | 168,702 | - | - | (66,767) | 894,642 |
| Recognised in profit or loss | 599,919 | (395,380) | (13,151) | - | 18,936 | (623,055) | - | - | (3,582) | (416,313) |
| At end of the financial year | 1,632,808 | (509,265) | (13,151) | (107,361) | - | (454,353) | - | - | (70,349) | 478,329 |

# NOTES TO THE FINANCIAL STATEMENTS

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

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | 2024 RM | 2023 RM |
| Unutilised tax losses | - | 11,193,455 |
| Other deductible temporary differences | - | 2,762,535 |
| | - | 13,956,000 |

## 14. TRADE RECEIVABLES

| | Note | Group | |
|---|---|---|---|
| | | 2024 RM | 2023 RM |
| Trade receivables | (i)(ii) | 41,498,225 | 11,078,663 |
| Retention sums | (i) | 1,760,968 | - |
| | | 43,259,193 | 11,078,663 |

(i) The normal credit terms of trade receivables are ranging from 14 to 90 days (2023: 14 to 30 days). Other credit terms are assessed and approved on case-by-case basis. The retention sums are unsecured, interest free and are expected to be collectible upon expiry of the defect liability period.

(ii) Movement in the allowance for impairment losses is as follows:

| | Group | |
|---|---|---|
| | 2024 RM | 2023 RM |
| Trade receivables, gross | 41,595,210 | 11,078,663 |
| Less: Allowance for impairment loss | | |
| At beginning of the financial year | - | - |
| Addition | (96,985) | - |
| At end of the financial year | (96,985) | - |
| Trade receivables, net | 41,498,225 | 11,078,663 |

# NOTES TO THE FINANCIAL STATEMENTS

## 15. NON-TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Non-trade receivables | | 2,337,148 | 879,061 | 1,240,845 | - |
| Deposits | (i)(ii) | 15,237,326 | 1,556,987 | - | - |
| Prepayments | | 4,687,750 | 2,126,569 | - | 1,200,061 |
| Contract costs | (i) | 4,553,185 | 1,644,579 | - | - |
| | | 26,815,409 | 6,207,196 | 1,240,845 | 1,200,061 |

(i) Included in deposits is an amount RM11,168,769 (2023: RMnil), representing tender deposits paid for the preparation and submission of tenders for prospective construction projects.

(ii) Movement in the allowance for impairment losses is as follows:

| | Group | |
|---|---|---|
| | 2024 RM | 2023 RM |
| Deposits, gross | 15,334,326 | 1,556,987 |
| Less: Allowance for impairment loss | | |
| At beginning of the financial year | - | - |
| Addition | (97,000) | - |
| At end of the financial year | (97,000) | - |
| Deposits, net | 15,237,326 | 1,556,987 |

(iii) Contract costs represent costs to obtain contracts relate to incremental sales personnel and agent commission for obtaining property sales contracts which are expected to be recovered through revenue recognition by reference to progress towards complete satisfaction of performance obligation with customers. These costs are subsequently expensed off as “selling and marketing expenses” by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial year, the total costs to obtain contracts recognised by the Group as “selling and marketing expenses” in profit or loss amounted to RM2,026,295 (2023: RM2,027,325).

# NOTES TO THE FINANCIAL STATEMENTS

## 16. CONTRACT ASSETS/(LIABILITIES)

Contract assets primarily relate to the Group's right to consideration for work completed on property development, project facilitation services and construction contracts but not yet billed at the reporting date, whereas contract liabilities primarily relate to the consideration for work completed on property development and sales of completed properties, being billed by the Group, but yet to recognise revenue at the reporting date.

| | Note | Group 2024 RM | Group 2023 RM |
|---|---|---|---|
| Property development revenue | (i) | 44,144,743 | 1,865,355 |
| Project facilitation services | (i) | 1,140,647 | - |
| Construction contract | (ii) | 17,123,155 | - |
| | | 62,408,545 | 1,865,355 |
| **Represented as:** | | | |
| Contract assets | | 63,692,503 | 16,993,507 |
| Contract liabilities | | (1,283,958) | (15,128,152) |
| | | 62,408,545 | 1,865,355 |

(i) Property development and project services

| | Property development RM | Project facilitation RM | Total RM |
|---|---|---|---|
| **Group** | | | |
| **2024** | | | |
| At 1 January | 1,865,355 | - | 1,865,355 |
| Revenue recognised during the year (Note 4) | 127,741,409 | 2,506,767 | 130,248,176 |
| Progress billing during the year | (98,882,621) | (780,640) | (99,663,261) |
| Consideration payable/paid on behalf | 13,420,600 | - | 13,420,600 |
| At 31 December | 44,144,743 | 1,726,127 | 45,870,870 |
| Less: Advance collection | - | (585,480) | (585,480) |
| | 44,144,743 | 1,140,647 | 45,285,390 |
| **Presented as:** | | | |
| Contract assets | 45,428,701 | 1,140,647 | 46,569,348 |
| Contract liabilities | (1,283,958) | - | (1,283,958) |
| | 44,144,743 | 1,140,647 | 45,285,390 |

# NOTES TO THE FINANCIAL STATEMENTS

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

(i) Property development and project services (Cont'd)

| | Property development RM | Project facilitation RM | Total RM |
|---|---|---|---|
| **Group** | | | |
| **2023** | | | |
| At 1 January | (2,133,718) | - | (2,133,718) |
| Revenue recognised during the year (Note 4) | 111,537,436 | - | 111,537,436 |
| Progress billing during the year | (122,662,150) | - | (122,662,150) |
| Consideration payable/paid on behalf | 15,123,787 | - | 15,123,787 |
| At 31 December | 1,865,355 | - | 1,865,355 |
| **Presented as:** | | | |
| Contract assets | 16,993,507 | - | 16,993,507 |
| Contract liabilities | (15,128,152) | - | (15,128,152) |
| | 1,865,355 | - | 1,865,355 |

Included in net contract asset is an amount of RM7,003,433 (2023: RM1,386,063), representing accrued rebates payable to unit purchasers.

(ii) Construction contract

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| Construction costs incurred | 42,862,401 | 1,558,227 |
| Attributable profit/(loss) | 3,017,641 | (37,339) |
| | 45,880,042 | 1,520,888 |
| Less: Progress billing | (28,309,550) | (1,073,551) |
| | 17,570,492 | 447,337 |
| Less: Impairment loss | (447,337) | (447,337) |
| | 17,123,155 | - |

# NOTES TO THE FINANCIAL STATEMENTS

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

(iii) Sales of completed properties

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| At 1 January | - | - |
| Revenue recognised during the year (Note 4) | 749,200 | 1,915,500 |
| Progress billing during the year | (749,200) | (1,915,500) |
| At 31 December | - | - |

## 17. AMOUNTS DUE FROM A SUBSIDIARY

This amount is non-trade in nature, unsecured, collectible on demand and is subject to interest rate of 7.30 % (2023: nil) per annum.

## 18. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits placed with licensed banks bore weighted average effective interest rates at the range of 1.60% to 3.35% (2023: 1.60% to 3.10%) per annum, and had maturity period range from 1 to 24 months (2023: 1 to 24 months).

Included in fixed deposits of the Group is an amount of RM13,603,637 (2023: RM14,187,430) being pledged to licensed banks as security for bank guarantee and banking facilities granted to the Group as disclosed in Note 23.

## 19. CASH AND BANK BALANCES

Included in bank balances of the Group is an amount of RM5,876,013 (2023: RM106,404) respectively held under Housing Development Account pursuant to Section 8A of the Sabah Housing Development (Control and Licensing) Enactment, 1978.

# NOTES TO THE FINANCIAL STATEMENTS

## 20. SHARE CAPITAL AND INVESTED EQUITY

(a) Share capital

| | Group and Company | | | |
|---|---|---|---|---|
| | Number of ordinary shares | | Amount | |
| | 2024 | 2023 | 2024 | 2023 |
| | Units | Units | RM | RM |
| **Ordinary shares** | | | | |
| **Issued and fully paid:** | | | | |
| At 1 January | 3 | 3 | 3 | 3 |
| Effect of IPO reorganisation (Note 35) | 639,999,997 | - | 107,584,000 | - |
| Shares issued by the Company for the Public Issue (Note 36) | 160,000,000 | - | 48,000,000 | - |
| Shares issuance expenses for the Public Issue | - | - | (1,959,436) | - |
| At 31 December | 800,000,000 | 3 | 153,624,567 | 3 |

During the financial year, the Company has increased its issued and paid-up capital by way of:

(i) issuance of 639,999,997 new ordinary shares at an issue price of RM0.1681 per ordinary share, for a total consideration of RM107,584,000 for the acquisition of subsidiaries as disclosed in Note 35 to the financial statements; and

(ii) issuance of 160,000,000 new ordinary shares at an issue price of RM0.30 per ordinary share in conjunction with the Company's Initial Public Offering on the ACE market of Bursa Malaysia Securities Berhad, for a total cash consideration of RM48,000,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,959,436 were offset against share capital.

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

The ordinary shares have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual interest.

(b) Invested equity

(i) Invested equity for the financial year ended 31 December 2023 comprised the aggregate number of issued and paid-up ordinary shares of KTISB and KTID during the financial year, the amount has been reversed pursuant to the completion of the acquisition of subsidiaries under IPO reorganisation as disclosed in Note 35.

(ii) The holders of ordinary shares of KTISB and KTID were entitled to receive dividend as and when declared by KTISB and KTID are entitled to one vote per ordinary shares at their meetings, respectively. The ordinary shares have no par value.

## 21. REORGANISATION RESERVE

The reorganisation reserve comprises the difference between the cost of investment recorded in the Company and the share capital of KTISB and KTID arising from the IPO reorganisation as disclosed in Note 35.

# NOTES TO THE FINANCIAL STATEMENTS

## 22. TRADE PAYABLES

| | Note | Group 2024 RM | Group 2023 RM |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Accrued costs | (ii) | 12,118,153 | - |
| **Current liabilities** | | | |
| Trade payables | (i) | 33,497,363 | 16,796,177 |
| Retention sum | (i) | 19,133,715 | 15,409,388 |
| Accrued costs | (ii) | 62,940,610 | 14,759,215 |
| | | 115,571,688 | 46,964,780 |

(i) The normal trade credit terms granted to the Group range from 30 to 90 (2023: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. The retention sums are unsecured, interest free and are expected to be payable upon expiry of the defect liability period.

(ii) Included in the accrual is landowner's entitlement payable in accordance to three joint venture agreements entered into with the landowner for a total consideration of RM81,168,903 under a deferred payment term of which RM56,292,153 being settled by cash, and the remaining balance of RM24,876,750 of the total consideration expected to be paid over three (3) to five (5) years. The deferred payment is measured at amortised costs at an imputed interest rate range from 7.65% to 8.25% per annum.

Pursuant to the said agreement, the entitlements are to be paid via fixed cash payment which shall be payable in accordance with the deferred payment term as stipulated in the agreement.

| | 2024 RM |
|---|---|
| **Group** | |
| **Remaining balance payable** | |
| Within 1 year | 10,778,217 |
| More than 1 year but less than 2 years | 6,056,640 |
| More than 2 years but less than 5 years | 8,041,893 |
| | 24,876,750 |
| Less: Unexpired finance charges | (3,406,372) |
| Present value of remaining balance payable | 21,470,378 |
| **Present value of balance payable** | |
| Within 1 year | 9,352,225 |
| More than 1 year but less than 2 years | 5,090,833 |
| More than 2 years but less than 5 years | 7,027,320 |
| | 21,470,378 |
| **Analysed as:** | |
| Current liabilities | 9,352,225 |
| Non-current liabilities | 12,118,153 |
| | 21,470,378 |

# NOTES TO THE FINANCIAL STATEMENTS

## 23. BORROWINGS

| | Note | Group 2024 RM | Group 2023 RM |
|---|---|---|---|
| **Current** | | | |
| Bankers' acceptance | (a) | 9,169,000 | 5,676,000 |
| Trust receipts | (a) | 1,723,600 | 2,309,186 |
| RC-i | (a) | 4,359,463 | 491,005 |
| Bank overdraft | (a) | 12,980,866 | 1,146,138 |
| Term loans | (b) | 36,624,633 | 39,977,396 |
| Bridging loan | (c) | 135,157,523 | 15,005,959 |
| CMFTF-i | (d) | 54,000,000 | 54,000,000 |
| CMC-i | (d) | 15,137,031 | 3,802,295 |
| CMRC-i | (d) | 30,000,000 | 20,000,000 |
| | | 299,152,116 | 142,407,979 |
| **Non-current** | | | |
| Term loans | (b) | 54,244,409 | 23,654,272 |
| **Total borrowings** | | | |
| Bankers' acceptance | (a) | 9,169,000 | 5,676,000 |
| Trust receipts | (a) | 1,723,600 | 2,309,186 |
| RC-i | (a) | 4,359,463 | 491,005 |
| Bank overdraft | (a) | 12,980,866 | 1,146,138 |
| Term loans | (b) | 90,869,042 | 63,631,668 |
| Bridging loan | (c) | 135,157,523 | 15,005,959 |
| CMFTF-i | (d) | 54,000,000 | 54,000,000 |
| CMC-i | (d) | 15,137,031 | 3,802,295 |
| CMRC-i | (d) | 30,000,000 | 20,000,000 |
| | | 353,396,525 | 166,062,251 |

Included in borrowings amounting to RM171,645,892 and RM 66,564,557 (2023: RM54,857,001 and RM54,000,000), of which the first repayment for the borrowings shall be payable together with the interest commencing of the first day of 24 months and 120 months, respectively, after the first disbursement, or by way of redemption of the titles of its projects, whichever is earlier.

Given that the Group is required to repay the borrowings, either in full or partially, upon receiving the redemption sums from units sold or titles redeemed from its projects, and in accordance with MFRS 102 Presentation of Financial Statements, the borrowings are classified as current liabilities. Nevertheless, the Group is not obligated to repay the borrowings in full within 12 months from the reporting date, and repayment will occur as and when redemption sums are received.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. BORROWINGS (CONT'D)

The effective interest rates per annum of the borrowings are as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **%** | **%** |
| Bankers' acceptance | 3.75 - 4.68 | 3.84 - 4.03 |
| Trust receipts | 6.95 - 7.40 | 6.95 - 7.90 |
| RC-i | 7.00 | 6.85 - 7.00 |
| Bank overdraft | 6.85 - 7.00 | 7.65 - 7.90 |
| Term loans | 4.85 - 8.32 | 4.70 - 8.25 |
| Bridging loan | 8.25 | 8.25 |
| CMFTF-i | 6.82 - 8.65 | 7.14 - 7.39 |
| CMC-i | 7.39 | 7.14 - 7.99 |
| CMRC-i | 7.39 - 7.99 | 5.78 - 6.21 |

### (a) Bankers' acceptance, trust receipts, RC-i and bank overdrafts

These bank borrowings are secured by:-

(i) Leasehold lands and buildings as disclosed in Note 10(ii);

(ii) Fixed deposits as disclosed in Note 18;

(iii) Joint and several guaranteed by the Directors of the Group;

(iv) Third party first legal charge over a parcel of leasehold vacant land held under CL045115919, District of Tuaran, Sabah as disclosed in Note 12;

(v) Cash collateral or Commodity Murabahah Deposit of placement of 10% security margin to be collected proportionately prior to every utilization for the RC-I Line;

(vi) Property development units in progress and unsold completed units pledged as disclosed in Note 12; and

(vii) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) of 80% from the approved amount under the Pemulih Government Guarantee Scheme (PGGS).

### (b) Term loans

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| **Term loan** | | |
| Repayable within one year (current) | 36,624,633 | 39,977,396 |
| Repayable between one and two years | 8,609,763 | 135,078 |
| Repayable between two and five years | 29,769,354 | 23,519,194 |
| Repayable more than five years | 15,865,292 | - |
| Repayable after one year (non-current) | 54,244,409 | 23,654,272 |
| | 90,869,042 | 63,631,668 |
| **Bridging loan** | | |
| Repayable within one year (current) | 135,157,523 | 15,005,959 |

# NOTES TO THE FINANCIAL STATEMENTS

## 23. BORROWINGS (CONT'D)

### (b) Term loans (Cont'd)

The term loans are secured by:

(i) Freehold land and leasehold lands and buildings as disclosed in Note 10(ii);

(ii) Guaranteed by certain Directors of the Company in their personal capacities;

(iii) Memorandum of charge over existing Fixed Return Account-i ("FRIA-I") principal amount of not less than RM1,000,000.

(iv) Third party first legal charge over the project Land, being part of the Development Land held under Master Title Deed No. CL 015721276, situated in Luyang, Kota Kinabalu as disclosed in Note 12;

(v) Assignment over sales/end-finance proceed of the property development project. The Logg;

(vi) Assignment of rental proceeds of the commercial components of property, development project;

(vii) Assignment of all rights, title, interest and benefits of the Group under the insurance policies related to property development project;

(viii) Assignment of all rights, title, interest and benefits of the Group under the construction contract executed between the Group and the appointed contractor;

(ix) Debenture by way of fixed and floating charge on all the present and future fixed and floating assets of the Group;

(x) A deed of subordination of all present and future shareholders and Director advances to the Credit Facilities; and

(xi) Assignment and charge over debt service reserve account and project account.

### (c) Bridging loans

The bridging loans are secured by:

(i) Third party first legal charge over the project Land, being part of the Development Land held under Master Title Deed No. CL 015721276, situated in Luyang, Kota Kinabalu as disclosed in Note 12;

(ii) Assignment over sales/end-finance proceed of the property development project. The Logg;

(iii) Assignment of rental proceeds of the commercial components of property, development project;

(iv) Assignment of all rights, title, interest and benefits of the Group under the insurance policies related to property development project;

(v) Assignment of all rights, title, interest and benefits of the Group under the construction contract executed between the Group and the appointed contractor;

# NOTES TO THE FINANCIAL STATEMENTS

## 23. BORROWINGS (CONT'D)

### (c) Bridging loans (Cont'd)

The bridging loans are secured by:

(vi) Debenture by way of fixed and floating charge on all the present and future fixed and floating assets of the Group;

(vii) A deed of subordination of all present and future shareholders and Director advances to the Credit Facilities;

(viii) Assignment and charge over debt service reserve account and project account; and

(ix) Guaranteed by certain Directors of the Group in their personal capacities.

### (d) CMFTF-I, CMC-I and CMRC-I

The CMFTF-I, CMC-I and CMRC-i are secured by:-

(i) Freehold land and leasehold lands and buildings as disclosed in Note 10(ii);

(ii) Third party first legal charge over a parcel of leasehold vacant land held under CL045115919, District of Tuaran, Sabah;

(iii) First party legal charge over a leasehold residential land of the Group held under Country Lease 015719874 and infrastructure lots of the Group under Country Lease 015719918, Country Lease 015719909, Country Lease 015719892, all in Locality Alamesra, District of Kota Kinabalu, Sabah as disclosed in Note 12;

(iv) First party Letter of Set-off in the form and substance acceptable to the Bank over the cash deposit of RM4,000,000 together with all profits (if any) generated to be treated and form part of the Security placed with the Bank; and

(v) Joint and several guaranteed by certain Directors of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. LEASE LIABILITIES

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| **Minimum lease payments:** | | |
| Repayable within one year | 3,302,856 | 2,411,543 |
| Repayable between one and two years | 2,772,116 | 1,889,731 |
| Repayable between two and five years | 5,421,161 | 3,275,456 |
| Repayable more than five years | 208,157 | 527,813 |
| | 11,704,290 | 8,104,543 |
| Less: Future finance charges | (1,317,345) | (988,557) |
| Present value of lease liabilities | 10,386,945 | 7,115,986 |
| **Present value of lease liabilities:** | | |
| Repayable within one year (current) | 2,743,961 | 2,053,817 |
| Repayable between one and two years (non-current) | 2,401,710 | 1,631,400 |
| Repayable between two and five years (non-current) | 5,036,710 | 2,960,167 |
| Repayable more than five years (non-current) | 204,564 | 470,602 |
| | 7,642,984 | 5,062,169 |
| | 10,386,945 | 7,115,986 |

The lease liabilities of the Group bear effective interest rates ranging from 4.28% to 6.88% (2023: 4.28% to 6.60%) per annum.

## 25. NON-TRADE PAYABLES AND ACCRUALS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **RM** | **RM** | **RM** | **RM** |
| Non-trade payables | 2,314,383 | 1,354,821 | 99,667 | 227,815 |
| Accruals | 4,205,023 | 1,568,822 | 31,100 | 23,800 |
| Deposits received | 100,704 | 61,749 | - | - |
| | 6,620,110 | 2,985,392 | 130,767 | 251,615 |

## 26. AMOUNT DUE TO A RELATED COMPANY

This amount is trade in nature, unsecured and is subject to the normal trade credit terms granted to the Group of 30 (2023:30) days.

# NOTES TO THE FINANCIAL STATEMENTS

## 27. DIVIDENDS

| | Per ordinary share RM | Total amount RM | Date of payment |
|---|---|---|---|
| **2024** | | | |
| **Recognised during the financial year:** | | | |
| Interim single tier dividend for the financial year ended 31 December 2024 of approximately RM15.00 per ordinary share declared by KTID | 15.00 | 15,000,000 | 1 February 2024 |
| **2023** | | | |
| **Recognised during the financial year:** | | | |
| Interim single tier dividend for the financial year ended 31 December 2023 of approximately RM15.00 per ordinary share declared by KTID | 15.00 | 15,000,000 | 3 April 2023 |

## 28. SEGMENT INFORMATION

### 2024

For management purposes, the Group is organised into the following three (3) operating segments:

(i) Property development – Property development activities and sales of completed units
(ii) Construction – Construction activities
(iii) Others – Non-reportable segment including investment holding and corporate activities.

### (a) Reporting format

#### Segment revenue and results

Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

#### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("CODM"). Segment total asset is used to measure the return on assets of each segment.

#### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

#### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill. Segment capital expenditure information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. SEGMENT INFORMATION (Cont'd)

### (b) Allocation basis and transfers

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

### (c) Geographical information

No geographical segment is presented as the Group is principally involved in the property development and construction activities that are based in Malaysia.

### (d) Major customers

There is 1 major customer from the construction segment with revenue more than 10% of the Group's total revenue.

### <u>2023</u>

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to operating segment in Malaysia, namely property developer which comprise development of residential and commercial properties

### Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

Information regarding the Group's reportable segments is presented below:

| | Property development RM | Construction RM | Total reportable segment RM | Non-reportable segment RM | Elimination RM | Total RM |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| **Revenue** | | | | | | |
| Sale to external customers | 130,968,814 | 44,416,278 | 175,385,092 | - | (28,562) | 175,356,530 |
| Inter-segment revenue | - | 53,368,643 | 53,368,643 | - | (53,368,643) | - |
| Total revenue | 130,968,814 | 97,784,921 | 228,753,735 | - | (53,397,205) | 175,356,530 |
| **Segment profit before tax** | 12,695,137 | 2,841,234 | 15,536,371 | (2,597,386) | (4,480,653) | 8,458,332 |
| *Included in the measure of segment profit are:* | | | | | | |
| Cost of sales | 91,801,630 | 91,866,667 | 183,668,297 | - | (50,562,493) | 133,105,804 |
| Interest income | (2,797,245) | (41,085) | (2,838,330) | (1,174,218) | 3,050,711 | (961,837) |
| Interest expenses | 11,248,046 | 1,228,651 | 12,476,697 | 410,665 | (3,050,711) | 9,836,651 |
| Depreciation of property, plant and equipment | 1,221,999 | 115,356 | 1,337,355 | - | (4,167) | 1,333,188 |
| Tax expenses | 245,328 | 618,573 | 863,901 | 528 | (924,771) | (60,342) |

# NOTES TO THE FINANCIAL STATEMENTS

## 28. SEGMENT INFORMATION (Cont'd)

Information regarding the Group's reportable segments is presented below: (Cont'd)

| | Property development RM | Construction RM | Total reportable segment RM | Non-reportable segment RM | Elimination RM | Total RM |
|---|---|---|---|---|---|---|
| **2024 (Cont'd)** | | | | | | |
| **Assets** | | | | | | |
| Segment assets | 643,440,666 | 83,048,644 | 726,489,310 | 150,822,082 | (207,461,205) | 669,850,187 |
| Deferred tax assets | 4,442,729 | - | 4,442,729 | - | 1,379,124 | 5,821,853 |
| Current tax assets | 1,917,442 | - | 1,917,442 | 31,762 | - | 1,949,204 |
| Consolidated assets | 649,800,837 | 83,048,644 | 732,849,481 | 150,853,844 | (206,082,081) | 677,621,244 |

(a) Inter-segment revenues are eliminated on consolidation.

(b) Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

| | Group 2024 RM |
|---|---|
| **Segment profit** | 15,536,371 |
| Inter-segment profit | (3,841,920) |
| Elimination reversal of impairment loss of inter-segment balances | (90,759) |
| Interest income | (2,068,928) |
| Interest expenses | 2,737,093 |
| Other non-reporting segments | (3,813,525) |
| Profit before tax | 8,458,332 |
| | |
| **Segment assets** | 732,849,481 |
| Elimination of inter-segment transactions | (4,355,933) |
| Elimination of inter-segment balances | (69,773,177) |
| Other non-reportable segments | 18,900,873 |
| **Total assets** | 677,621,244 |

## 29. RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and 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 and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. RELATED PARTY DISCLOSURES (CONT'D)

Identity of related parties (Cont'd)

The Group and the Company have related party relationships with their subsidiaries, Directors, key management personnel and related companies. Related companies refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

Related party transactions

The related party transactions of the Group and of the Company are shown below. The related party balances are shown in Notes 17 and 26.

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| **Transactions with a subsidiary** | | | | |
| Accrued interest income | - | - | (981,784) | - |
| Accrued interest expense | - | - | 64,423 | - |
| Advances (to)/from | - | - | (23,451,610) | 1,031,002 |
| Repayment to | - | - | (1,635,268) | - |
| **Transactions with Related Parties** | | | | |
| Motor vehicle repair and maintenance | (530,724) | 493,848 | - | - |
| Sales | - | (2,200,000) | - | - |
| Trade in of property, plant and equipment | - | (50,000) | - | - |
| Purchase of motor vehicles | (297,800) | 190,000 | - | - |
| Lease payment | - | 36,000 | - | - |
| Repayment to | - | 2,200,000 | - | - |
| Advances from | (804,073) | (673,578) | - | - |
| **Transactions with Directors** | | | | |
| Short-term lease payment | 84,000 | 52,000 | - | - |
| Progress billing issued | - | (175,200) | - | - |
| Sales of land | - | (513,568) | - | - |
| Repayment from | (84,000) | (420,161) | - | - |
| Advances from | - | - | - | (18,070) |

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes all the Directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 28. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel (Cont'd)

The remuneration of the Directors are disclosed in Note 6(a). The remuneration of other members of key management personnel (other than the Directors) of the Group and of the Company during the financial year are as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| Salaries, overtime, allowances and bonus | 530,790 | 531,960 |
| Contributions to defined contribution plan | 63,759 | 63,899 |
| Social security contributions | 2,034 | 1,902 |
| Other benefit | 7,644 | - |
| | 604,227 | 597,761 |

## 30. CAPITAL COMMITMENTS

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| **Approved and contracted for:** | | |
| Landowners' entitlement from project development land | 22,547,879 | 46,935,269 |

## 31. FINANCIAL INSTRUMENTS

### Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised at amortised cost respectively.

### Financial Risk Management Objectives and Policies

The Group's and the Company's risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing their financial risks, including credit risk, interest rate risk and liquidity risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from their receivables (which consist of trade receivables, contract assets and other receivables). For other financial assets (including cash and cash equivalent), the Group and the company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objectives are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to minimise the Group's and the Company's exposure to bad debts.

#### Trade receivables and contract assets (trade in nature)

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cashflows to repay the amounts subject to write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

*Concentration of credit risk*

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an on-going basis.

At the reporting date, the Group has significant concentration of credit risk arising from the amounts owing by 1 customer (2023: Nil) which constitutes 37% (2023: Nil) of gross trade receivables of the Group.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk (Cont'd)

#### Trade receivables and contract assets (trade in nature) (Cont'd)

*Recognition and measurement of impairment loss*

#### Property development segment

The Group recognise a loss allowance for expected credit losses on a financial asset that is measured as receivable and a contract asset if the credit risk on that financial instrument has increased significantly since initial recognition. The Group assume that the credit risk on a financial instrument has not increased significantly since initial recognition as the trade receivable and contract asset are determined to have low credit risk at the reporting date.

For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralised financial instrument reflect the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (i.e. the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it).

The Group has possession of the legal rights to the properties sold and this deemed as a collateral and in the event of defaults by the purchaser, the expected cash shortfall from selling the deemed collateral less the cost of obtaining and selling the collateral is immaterial.

#### Construction contract segment

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due of more than 1 year are deemed to have higher credit risk.

The Group applied the simplified approach to provide for expected credit losses for all their trade receivables and contract assets. The Group assesses impairment of trade receivables and contract assets on individual basis. Individual assessment is used due to these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment risk individually. All these customers have low risk of default.

Loss rates are determined based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables and contract assets. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

*Impairment losses*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk (Cont'd)

### Trade receivables and contract assets (trade in nature) (Cont'd)

*Impairment losses (Cont'd)*

### Property development segment

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| *Trade receivables and contract assets* | | |
| Trade receivables | | |
| Neither past due nor impaired | 15,393,836 | 4,466,421 |
| Past due but not impaired: | | |
| 1 to 30 days | 2,527,391 | 2,755,397 |
| 31 to 60 days | 759,538 | 1,068,179 |
| 61 to 90 days | 951,769 | 644,930 |
| More than 90 days | 7,651,187 | 2,143,736 |
| | 11,889,885 | 6,612,242 |
| | 27,283,721 | 11,078,663 |
| Credit impaired | 96,985 | - |
| Less: impairment loss | (96,985) | - |
| | - | - |
| | 27,283,721 | 11,078,663 |
| Contract assets | | |
| Neither past due nor impaired | 46,569,348 | 16,993,507 |
| Total | 73,853,069 | 28,072,170 |

*Receivables that are neither past due nor impaired*

Trade receivables and contract assets that are neither past due nor impaired comprise property purchasers mostly with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records.

*Receivables that are past due but not impaired*

Trade receivables that are past due but not impaired are secured in nature. The Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk (Cont'd)

#### Trade receivables and contract assets (trade in nature) (Cont'd)

#### Property development segment (Cont'd)

*Impairment losses (Cont'd)*

*Credit impaired*

Trade receivables and contract assets that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties. These receivables are not secured by any collateral or credit enhancements.

#### Construction segment

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| *Trade receivables and contract assets* | | |
| Neither past due nor impaired | 5,878,872 | - |
| Trade receivables | | |
| Past due but not impaired: | | |
| 31 to 60 days | 1,129,174 | - |
| 61 to 90 days | 3,317,196 | - |
| More than 90 days | 3,889,262 | - |
| | 8,335,632 | - |
| Retention sum held by contract customer | 1,760,968 | - |
| | 15,975,472 | - |
| Contract assets | | |
| Neither past due nor impaired | 17,123,155 | - |
| Credit impaired | 447,337 | 447,337 |
| Less: Impairment loss | (447,337) | (447,337) |
| | - | - |
| | 17,123,155 | - |
| Total | 15,975,472 | - |

*Receivables that are neither past due nor impaired*

Trade receivables and contract assets that are neither past nor impaired are not secured in nature.

*Receivables that are past due but not impaired*

The Group has not provided for impairment loss for trade receivables as there has been no significant changes in their credit risk quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancement over these balances.

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk (Cont'd)

### Construction segment (Cont'd)

*Receivables that are past due but not impaired*

As at reporting date, these trade receivables that are past due have not been impaired as the past due amount have been substantially received from these debtors subsequent to year end.

*Credit impaired*

Contract assets that are collectively determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties. These contract assets are not secured by any collateral or credit enhancements.

### Non-trade receivables and deposits

Other receivables and deposits are neither past due nor impaired. The Group believe that generally no allowance for doubtful debts is necessary in respect of other receivables and deposits that are neither past due nor impaired as these receivables and deposits are mainly arising from debtors that have good records of payment in the past.

### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

### Inter-company loans and advances

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to a subsidiary. The Company monitors the ability of the subsidiary to repay the loans and advances on an individual basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

*Recognition and measurement of impairment loss*

Amount due from a subsidiary are collectible on demand. For loans that are collectible on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers loans and advances to a subsidiary have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. As the Company is able to determines the timing of payments of the subsidiary's loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary is not able to pay when demanded.

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (a) Credit risk (Cont'd)

### Inter-company loans and advances (Cont'd)

*Recognition and measurement of impairment loss*

The Company determines the probability of default for these loans and advances individually using internal information available.

At the reporting date, there were no indications of impairment loss in respect of amount due from subsidiary.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

### Exposure in interest rate risk

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

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **RM** | **RM** |
| **Floating rate interest** | | |
| Fixed deposits with licensed banks | 34,050,415 | 15,220,081 |
| Borrowings | (353,396,525) | (166,062,251) |
| Net financial liabilities | (319,346,110) | (150,842,170) |

The Group is exposed to interest rate risk through the impact of rate changes in floating rate investments and borrowings. The interest rates of deposits and borrowings are disclosed in Notes 18 and 23.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (b) Interest rate risk (Cont'd)

#### Interest rate risk sensitivity analysis

The following table detailed the sensitivity analysis to a reasonable possible change in the interest rates as the end of the reporting period, with all other variables held constant:.

| | Group 2024 RM | Group 2023 RM |
|---|---|---|
| | Increase/(Decrease) | |
| **Effect on profit after tax** | | |
| Increase of 100 basis points | (2,427,030) | (1,146,400) |
| Decrease of 100 basis points | 2,427,030 | 1,146,400 |
| **Effect on equity** | | |
| Increase of 100 basis points | (2,427,030) | (1,146,400) |
| Decrease of 100 basis points | 2,427,030 | 1,146,400 |

### (c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of financial assets and liabilities.

The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of funds at a reasonable level to its overall debt position to meet its working capital requirement.

All of the Company's liabilities at the reporting date mature within one year or repayable on demand.

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (c) Liquidity risk

The following table sets out the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows: -

| | Carrying amount RM | <---Contractual cash flows RM | Within 1 year RM | Between 1 and 2 years RM | Between 2 and 5 years RM | More than 5 years RM---> |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **2024** | | | | | | |
| Trade payables | 127,689,841 | 131,096,213 | 116,997,680 | 6,056,640 | 8,041,893 | - |
| Non-trade payables and accruals | 6,620,110 | 6,620,110 | 6,620,110 | - | - | - |
| Amounts due to related companies | 65,514 | 65,514 | 65,514 | - | - | - |
| Borrowings:- | | | | | | |
| - Bankers' acceptance | 9,169,000 | 9,290,345 | 9,290,345 | - | - | - |
| - Trust receipts | 1,723,600 | 1,765,184 | 1,765,184 | - | - | - |
| - RC-i | 4,359,463 | 4,664,625 | 4,664,625 | - | - | - |
| - Bank overdraft | 12,980,866 | 13,880,440 | 13,880,440 | - | - | - |
| - Term loans | 90,869,042 | 103,004,462 | 39,389,469 | 11,877,810 | 34,796,138 | 16,941,045 |
| - Bridging Loan | 135,157,523 | 144,157,304 | 144,157,304 | - | - | - |
| - CMFTF-i | 54,000,000 | 58,179,600 | 58,179,600 | - | - | - |
| - CMC-i | 15,137,031 | 16,255,658 | 16,255,658 | - | - | - |
| - CMRC-i | 30,000,000 | 30,912,658 | 30,912,658 | - | - | - |
| Lease liabilities | 10,386,945 | 11,704,290 | 3,302,856 | 2,772,116 | 5,421,161 | 208,157 |
| | 498,158,935 | 531,596,403 | 445,481,443 | 20,706,566 | 48,259,192 | 17,149,202 |

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management Objectives and Policies (Cont'd)

### (c) Liquidity risk (Cont'd)

The following table sets out the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows: (Cont'd)

| | | <------------------- | Contractual Cash Flows | | | -------------------> |
|---|---|---|---|---|---|---|
| | Carrying amount RM | Contractual cash flows RM | Within 1 year RM | Between 1 and 2 years RM | Between 2 and 5 years RM | More than 5 years RM |
| **Group** | | | | | | |
| **2023** | | | | | | |
| Trade payables | 46,964,780 | 46,964,780 | 46,964,780 | - | - | - |
| Non-trade payables and accruals | 2,985,392 | 2,985,392 | 2,985,392 | - | - | - |
| Amounts due to related companies | 41,063 | 41,063 | 41,063 | - | - | - |
| Borrowings:- | | | | | | |
| - Bankers' acceptance | 5,676,000 | 5,745,544 | 5,745,544 | - | - | - |
| - Trust receipts | 2,309,186 | 2,361,950 | 2,361,950 | - | - | - |
| - Revolving Credit | 491,005 | 525,375 | 525,375 | - | - | - |
| - Bank overdraft | 1,146,138 | 1,225,565 | 1,225,565 | - | - | - |
| - Term loans | 63,631,668 | 72,095,842 | 44,697,363 | 1,406,505 | 25,991,974 | - |
| - Bridging Loan | 15,005,959 | 16,965,375 | 16,965,375 | - | - | - |
| - CMFTF-i | 54,000,000 | 57,990,600 | 57,990,600 | - | - | - |
| - CMC-i | 3,802,295 | 4,106,098 | 4,106,098 | - | - | - |
| - CMRC-i | 20,000,000 | 21,242,000 | 21,242,000 | - | - | - |
| Lease liabilities | 7,115,986 | 8,104,543 | 2,411,543 | 1,889,731 | 3,275,456 | 527,813 |
| | 223,169,472 | 240,354,128 | 207,262,649 | 3,296,236 | 29,267,430 | 527,813 |

# NOTES TO THE FINANCIAL STATEMENTS

## 32. MATERIAL LITIGATIONS

(i) *Landmark Property Sdn Bhd ("LPSB") vs Inland Revenue Board ("LHDN")*

Potential contingent liabilities which may arise from the on-going litigation as further disclosed below:

LPSB filed a Judicial Review application on 25 November 2020 seeking for a declaration that the following notices are ultra vires the Income Tax (Exemption) (No.22) Order 2006 ("the Exemption Order"), section 127(3)(b) of the Income Tax Act 1967 ("the Act") and accordingly null and void in law:

(i) the Notice of Assessment for the Year of Assessment 2016;
(ii) the Notice of Assessment for the Year of Assessment 2017; and
(iii) the Notice of Additional Assessment for the Year of Assessment 2018.

(collectively, "the Impugned Assessments").

On 23 December 2020, the High Court granted LPSB leave to commence the said Judicial Review, subsequently on 9 July 2021, the Judicial Review application was allowed by the High Court. Following that, in August 2021, LHDN filed a Notice of Appeal to the Court of Appeal against the decision of the High Court ("Substantive Appeal") and the Substantive Appeal was stayed pending LPSB's appeal against the dismissal of their representing solicitor's ad hoc admission application ("the Ad Hoc Admission Appeal"). The Ad Hoc Admission Appeal was dismissed by the Court of Appeal, and LPSB applied to the Federal Court for leave to appeal against the Decision of the Court of Appeal but this was dismissed on 25 February 2025.

The Court of Appeal allowed the Substantive Appeal on 13 March 2025.

LPSB has made payment to LHDN up till July 2021 amounting to RM1,337,041 in accordance with an Impugned Assessments instalment scheme that was proposed for the settlement of the tax liabilities ("Amount Paid"), and LPSB has since ceased subsequent payments to be made in accordance with the abovementioned instalment scheme following the High Court's decision to allow the Judicial Review application. In light of the Substantive Appeal being allowed, the balance amount of the impugned Assessments due is RM14,670,037.27.

LPSB has on 25 March 2025 filed a Notice of Motion to Stay the Decision of the Court of Appeal. Further, LPSB has on 11 April 2025 filed (i) a Notice of Motion for Leave to Appeal to the Federal Court against the Decision of the Court of Appeal; and (ii) a Notice of Motion to Recall and Vary the Judgment of the Court of Appeal.

The representing solicitors are of the view that LPSB has a reasonable prospect of success in both Motions, given that on the same day the Court of Appeal delivered its decision in the Substantive Appeal, the Federal Court, in *Ketua Pengarah Hasil Dalan Negeri v. Kind Action (M) Sdn Bhd* (Civil Appeal No. 01(f)-18-05/2024(J)), issued a conflicting judgement which, if applied to the Substantive Appeal, would favour LPSB.

Therefore, the representing solicitors are of the opinion that the LHDN has no reasonable basis to issue the impugned Assessments.

(ii) *Landmark Property Sdn Bhd ("LPSB") vs GC Architect ("GC")*

LPSB and GC entered into a Memorandum of Agreement/Condition of Engagement dated 3 November 2010 ("Contract") for the provision of professional services by GC for LPSB's project called "Proposed Commercial & Housing Development on Country Lease No. 025341940 at Kinarut South, Papar, Sabah" ("Project"). The Project is divided into Phases 1 – 3 and Phase 4.

# NOTES TO THE FINANCIAL STATEMENTS

## 32. MATERIAL LITIGATIONS (CONT'D)

(ii) *Landmark Property Sdn Bhd ("LPSB") vs GC Architect ("GC") (Cont'd)*

In respect of Phases 1 – 3, GC claims an alleged total sum of RM2,490,342 as at 30 June 2021 for work done. In respect of Phase 4, GC claims an alleged total sum of RM7,659,460 as at 30 June 2021 for work done.

LPSB counterclaimed against GC for the following reliefs:

(i) a declaration that the suspension by GC's professional services in failing or refusing to issue the Board of Architects Malaysia ("BAM") Certification for Phase 4 of the Project was unlawful and a repudiation of the Contract;
(ii) a declaration that LPSB has lawfully terminated the Contract; and
(iii) that GC is to pay to LPSB the sum of RM3,825,461 (excluding interest and cost) as at 19 August 2021 comprising of financing costs/ interest charges, additional cost to carry out valuation/ quantity surveying works, additional cost incurred to appoint another prime consultant and two other consultant; interest; and costs.

On 2 June 2022, the final arbitration award was handed down. The final award was entered against LPSB in the following terms:

(i) the outstanding professional fees and 6% SST amounting to RM2,092,777 for Phase 1 – 3 was awarded to GC and the amount of RM2,192,523 for phase 4 was awarded to GC;
(ii) the simple interest at the rate of 5% per annum on the amounts awarded to GC calculated from the date the award was handed down to the date of full realisation;
(iii) LPSB will pay GC's cost and the cost of GC's solicitor on a client-solicitor basis taxed by the court, including all costs and expenses and payments already incurred and/or disbursed for this arbitration;
(iv) LPSB shall pay the arbitrator's costs, including the cost of the award, arbitrator's fees, administrative and other relevant costs incurred by BAM;
(v) LPSB shall pay its own cost and the cost of its solicitors for this arbitration; and
(vi) that the costs of this application and of any judgement or order which may be entered hereunder be borne by LPSB.

On 7 July 2022, the High Court registered the final award as a court order. LPSB's application to set aside the final award ("Main Suit") was dismissed on 16 January 2023. Subsequent thereto, LPSB fully paid the sums due, amounting to RM4,644,062 pursuant to the court order to GCA in early 2023. Despite having lost in the High Court in respect of the Main Suit, LPSB has filed a notice of appeal to the Court of Appeal. The parties received the grounds of judgment of the High Court on 3 October 2023, and the Court of Appeal has fixed the hearing on 13 November 2024, but this has been postponed and subsequently fixed on 21 May 2025.

(iii) *George Chong Ket Choi ("GC") vs K.T.I Development Sdn Bhd ("KTID")*

GC is an architect registered with the Board of Architects Malaysia. In 2013, KTID had intentions to submit a tender to the Ministry of Local Government & Housing for a project in Beaufort, Sabah. The tender was subject to the approval of various federal ministries and agencies. GC and KTID entered into an oral agreement for GC to prepare a preliminary schematic and development plan ("Plan") for the Project. In early 2014, the plan was prepared and subsequently submitted to various local authorities. Following that, pursuant to requests from the local authorities, a revised Plan was prepared and submitted in 2016.

## 32. MATERIAL LITIGATIONS (CONT'D)

(iii) *George Chong Ket Choi ("GC") vs K.T.I Development Sdn Bhd ("KTID") (Cont'd)*

Albeit the tender being unsuccessful, GC's contention is that KTID had orally agreed to pay GC professional fees for the preparation and submission of the Plan, whereas it is KTID's contention that the parties had orally agreed that GC would only be remunerated if the Company's tender was successful.

GC filed a writ of summons on 14 January 2021. In the amended statement of claim, GC claims that the Company purportedly owes him a total sum of RM431,118 as of 31 December 2020, being the alleged outstanding professional fees for work done.

On 26 June 2024, the Kota Kinabalu Sessions Court rendered its Judgment in favour of GC. As a result, KTID has paid a total sum of RM522,236.07 (inclusive of statutory interests and fixed costs) to GC. KTID has therefore fully satisfied and settled the Judgment.

Although an appeal against the Judgment was previously filed, KTID has instructed its solicitors to withdraw and discontinue the appeal. Thus, there will be no further amount due to be paid to GC or its solicitors for the matter.

## 33. FAIR VALUES INFORMATION

In respect of the fair value hierarchy, there were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

*Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values*

The carrying amounts of the financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments and insignificant impact of discounting.

The carrying amounts of long-term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amounts of long-term trade payables approximate its fair value due to insignificant changes in fair value.

## 34. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their business and maximise shareholder value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as total borrowings and lease liabilities divided by total equity.

# NOTES TO THE FINANCIAL STATEMENTS

## 34. CAPITAL MANAGEMENT

The debt-to-equity ratios of the Group and of the Company as at the end of the reporting period were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Borrowings | 353,396,525 | 166,062,251 | - | - |
| Lease liabilities | 10,386,945 | 7,115,986 | - | - |
| Total debts | 363,783,470 | 173,178,237 | - | - |
| Total equity | 176,166,025 | 136,606,787 | 150,614,257 | (686,819) |
| Debt-to-equity ratio (%) | 207% | 127% | * | * |

* *Not meaningful*

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

The Group and the Company are in compliance with all externally imposed capital requirements as below:

(i) LPSB shall keep and maintain its present paid up share capital and any increases thereof;

(ii) Subordination of advances of RM20,000,000 from related parties (director/shareholders/related company) throughout the tenure with the financier;

(iii) Paid-up capital of KTIHR and has been increased to at least RM10,000,000;

(iv) KTID and KTISB must not declare and/or pay dividend in excess of 50% of its corresponding annual net income after tax or such other threshold without consent; and

(v) KTISB shall not reduce its share capital or permit changes in its ownership structure.

# NOTES TO THE FINANCIAL STATEMENTS

## 35. IPO REORGANISATION

In conjunction with, and as integral part of the listing of the Company's shares on ACE Market of Bursa Malaysia Securities Berhad, the Company has undertaken the IPO reorganisation.

On 19 June 2023, the Company entered into conditional share sale agreements ("SSA") to acquire the entire issued share capital of KTISB (including KTISB's subsidiaries) and KTID (including KTID's subsidiaries) for a consideration of RM51,864,230 and RM55,719,770 by way of issuance of 308,532,000 and 331,467,997 new ordinary shares respectively at an issue price of RM0.1681 each share (herein referred to as the "Internal Reorganisation"). The Internal Reorganisation was completed on 2 April 2024. Consequent thereon, KTISB and KTID become the wholly-owned subsidiaries of the Company.

The Group is regarded as a continuing entity resulting from the IPO reorganisation exercise as set out above because the Directors of all the entities within the Group, which took part in the IPO reorganisation exercise, was under the common control before and immediately after the IPO reorganisation exercise. The combined entities refer to KTISB (including KTISB' subsidiaries) and KTID (including its subsidiaries).

For the purpose of accounting for the IPO reorganisation, the Group has applied merger method of accounting on the basis that the IPO reorganisation does not constitute a business combination to which acquisition accounting can be applied. Under merger method of accounting, the difference between cost of investment recorded by the Company and the share capitals of KTISB and KTID is accounted for as reorganisation reserve (Note 21) as follow:

| | Number of new shares unit | RM |
|---|---|---|
| **New shares issued by the Company as consideration for the acquisition of subsidiaries** | | |
| - KTISB | 308,532,000 | 51,864,230 |
| - KTID | 331,467,997 | 55,719,770 |
| | 639,999,997 | 107,584,000 |
| **Reversal of issued and paid-up share capital (Invested equity):** | | |
| - KTISB | | (1,000,000) |
| - KTID | | (1,000,000) |
| | | (2,000,000) |
| **Reorganisation reserve** | | 105,584,000 |

The additions in investments in subsidiaries of the Company (Note 11) from IPO reorganisation is satisfied by issuance of new shares amounted to RM107,584,090.

## 36. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

***Initial Public Offering***

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 23 November 2023, approved the admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Securities.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

***Initial Public Offering (Cont'd)***

On 21 May 2024, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of shares ("Listing") of the Company on the ACE Market of Bursa Securities. The IPO and Listing involved the following events:-

(a) IPO reorganisation exercise as disclosed in Note 35. On 19 June 2023, the Company entered into 3 conditional share sale agreements ("SSA") to acquire the entire issued share capital of KTISB and KTID for a consideration of RM107,584,000 by way of issuance of 308,532,000 and 331,467,997 new ordinary shares respectively at an issue price of RM0.1681 each share. The acquisition was completed on 2 April 2024. Consequent thereon, KTISB and KTID become the wholly-owned subsidiaries of the Company.

(b) Public issue of 160,000,000 new ordinary shares ("Issued Shares") at an issue price of RM0.30 per share ("IPO Price"), representing approximately 20.00% of the entire enlarged shares in the following manner:

(i) 40,000,000 Issued Shares made available for application by the Malaysian Public
(ii) 40,000,000 Issued Shares made available for application by the Eligible Directors and employees;
(iii) 80,000,000 Issued Shares made available by way of private placement to selected investors.

(c) Offer for sale of 45,000,000 Offer Shares, representing 5.60% of the entire enlarged shares, made available at IPO Price by way of private placement to selected investors.

On 19 June 2024, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM153,624,567 comprising 800,000,000 ordinary shares on the ACE Market of Bursa Securities.

## 37. EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Dividend

On 14 March 2025, the Directors of the Company declared an interim single tier dividend of RM0.003 per ordinary share for the financial year ended 31 December 2024 amounting to RM2,400,000 which was paid on 27 March 2025.

## 38. COMPARATIVE FIGURES

(a) The Group

The acquisition of the entire issued share capital of KTISB and KTID is a business combination involving entities under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows:

(i) The assets and liabilities of the acquired entities are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;

(ii) The retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and

# NOTES TO THE FINANCIAL STATEMENTS

## 38. COMPARATIVE FIGURES (CONT'D)

(a) The Group (Cont'd)

The acquisition of the entire issued share capital of KTISB and KTID is a business combination involving entities under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows: (Cont'd)

(iii) The equity structure of the Group reflects the share capital of the Company and the invested equity of the acquired subsidiaries. The comparative figures of the Group are based on the combined financial statements as at 31 December 2023, as disclosed in Prospectus dated 21 May 2024. The Group was not in legal existence in the previous financial year as the acquisition of the subsidiaries was completed during current financial year as disclosed in Note 35.

(b) Certain comparative figures have been restated and reclassified to conform with current year's presentation as follows:

| | As previously reported RM | As reclassified RM |
|---|---|---|
| **Company** | | |
| **2023** | | |
| **Statements of Comprehensive Income** | | |
| Other expenses | (44,642) | - |
| Administrative expenses | - | (44,642) |
| **Statements of Cash flows** | | |
| **Cash Flows From Financing Activities** | | |
| Advance from a related company | 1,031,002 | - |
| (Repayment to)/Advance from a subsidiary | - | 1,031,002 |
| **Group** | | |
| **Statements of Financial Position** | | |
| **Current assets** | | |
| Trade receivables | 9,451,017 | 11,078,663 |
| Contract assets | 18,319,560 | 16,993,507 |
| **Equity** | | |
| Share capital | - | 3 |
| Invested equity | 2,000,003 | 2,000,000 |
| **Current liabilities** | | |
| Trade payables | 42,551,293 | 46,964,780 |
| Non-trade payables and accruals | 7,157,296 | 2,985,392 |
| Contract liabilities | 15,068,142 | 15,128,152 |
| **Statements of Cash flows** | | |
| **Cash Flows from Operating Activities** | | |
| Contract assets/liabilities | (5,385,136) | (3,999,073) |
| Receivables | 2,772,595 | 1,144,949 |
| Payables | 15,801,398 | 16,042,981 |

# LIST OF PROPERTIES

The properties mentioned below are from the remaining units from our completed projects, ongoing projects as well as land held for development. Save as disclosed below, the completed units are currently vacant. Our strategy for investment properties is to dispose them in the secondary market or to deploy them for our own use such as for staff accommodation, if suitable. The timing for the disposal of these properties will depend on the market value of the investment properties, impact of real properties gain tax and whether we are able to identify suitable purchasers for these properties. Pending the disposal of such properties, we may rent those properties out to suitable tenants.

The summary of the material properties owned by our Group as at 31 December 2024 are set out below:

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (a) | Lot 201, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah<br><br>Title no.: CL015654743 | A detached house plot forming part of 4 adjoining detached house plots / Vacant / Leasehold of 99 years expiring on 31 December 2103 / For the purpose of erecting thereon for use as such one dwelling house | KTID | 22,390 / Not applicable | Not applicable / Not applicable | Nil | 596 |
| (b) | Lot 204, Taman Lavender Off Jalan Lintas 88300 Kota Kinabalu Sabah<br><br>Title no.: CL015654770 | A detached house plot forming part of 4 adjoining detached house plots/ Vacant / Leasehold of 99 years expiring on 31 December 2103 / For the purpose of erecting thereon for use as such one dwelling house | KTID | 9,599 / Not applicable | Not applicable / Not applicable | Nil | 255 |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (c) | Lot 223 (Building No. 32A) Lorong Nelly 9/2 Taman Nelly 9 (Sub-Phase 1) Kampung Nountun Inanam 88844 Kota Kinabalu Sabah<br><br>Title no.: CL015646867 | Double-storey office / showroom with double volume storage space / Storage of documents / Leasehold of 99 years expiring on 31.12.2107 / For the purpose of erecting thereon for use as such one 2-storey showroom | KTID / Edward S Jaip | 65,787 / 48,583 | Nil / 7 March 2018 | Nil | 1,323 |
| (d) | Lot No. 69 Lorong Buah Pala 3 Wisma LTF Taman Nelly 88450 Kota Kinabalu Sabah<br><br>Title no.: CL015479204 | 1st and 2nd floor of a 3-storey corner shopoffice / Rented by Viktori Holdings Sdn Bhd for office use / Leasehold of 999 years expiring on 16 June 2925 / For the purpose of erecting thereon for use as such one 3-storey shop house | KTISB, Chong Nyuk Oi, Kong En Leong, Kong En Phin(3) | 1,587 / 3,174 | 2 June 2003 / March 1987 | Charged to United Overseas Bank (Malaysia) Berhad | 104 |
| (e) | Lot No. 68 Lorong Buah Pala 3 Wisma LTF, Taman Nelly 88450 Kota Kinabalu Sabah<br><br>Title no.: CL015479197 | A corner 3-storey shopoffice / Vacant / Leasehold of 999 years expiring on 16 June 2925 / For the purpose of erecting thereon for use as such one 3-storey shop house | KTISB | 1,174 / 3,702 | 16 December 1997 / March 1987 | Charged to United Overseas Bank (Malaysia) Berhad | 162 |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (f) | Lot 222, Taman Nelly 9 Phase 4 Shoplot Lorong Nelly Plaza Jalan Nountun, Kolombong 88444 Kota Kinabalu Sabah | A corner 4-storey corporate office building / Our headquarters / Leasehold of 99 years expiring on 31.12.2107 / For the purpose of erecting thereon for use as such one 4-storey shop office | Landmark Property | 3,607 / 14,072 | Not applicable [10] / 10 September 2012 | Charged to Hong Leong Islamic Bank Berhad | 1,125 |
| (g) | D-2-26 / D-2-28 / D-2-08 / D-3-05 / D-3-12, Taman Nelly Phase 8D Jalan Nountun Kolombong 88450 Kota Kinabalu Sabah<br><br>Title no.: CL015605419 [11] | 5 units of studio apartment in an establish locality / Rented out to non-related parties for residential use / Leasehold of 99 years expiring on 31 December 2101 / 4-storey medium cost walk-up flats / shop | Edward S Jaip and Landmark Property | 500,940 / 1,225 | Not applicable / 17 May 2013 | Nil | 438 |
| (h) | Along Jalan Tuaran – Kota Belud 89208 Tuaran Sabah<br><br>Title no.: CL045115919 | Ongoing development of 9 phases 1A to 1I comprising 811 units of double storey terraced house known as "Taman Seri Lemawang" / Ongoing development / Leasehold of 999 years commencing from 12 February 1920 | KTISB / LPPB | 2,279,495 / Not applicable | Not applicable / Not applicable | Charged to Hong Leong Islamic Bank Berhad | - |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (i) | Along Jalan Tuaran – Kota Belud 89208 Tuaran Sabah<br><br>Title no.: CL045115919 (Cont'd) | Ongoing development of 3 phases comprising 480 units in 6 blocks of 5-storey apartment known as "Residensi Seri Akasia" / Ongoing development / Leasehold of 999 years commencing from 12 February 1920 | KTISB / LPPB | 737,289 / Not applicable | Not applicable / Not applicable | Charged to Hong Leong Islamic Bank Berhad | 12,305 |
| (j) | | Ongoing development of 3 2 - 5 blocks comprising 41 units of 2-storey shop houses known as "Plaza Lemawang 2" / Ongoing development / Leasehold of 999 years commencing from 12 February 1920 | KTISB / LPPB | 204,265 / Not applicable | Not applicable / Not applicable | Charged to Hong Leong Islamic Bank Berhad | 5,155 |
| (k) | | Vacant land for future and proposed developments along Jalan Tuaran, Sabah / Vacant / Leasehold of 999 years commencing from 12 February 1920 | KTISB / LPPB | 3,566,257 (81 acres) / Not applicable | Not applicable / Not applicable | Charged to Hong Leong Islamic Bank Berhad | 11,194 |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (l) | Lintas Commercial Area Luyang 88300 Kota Kinabalu Sabah<br><br>Title no.: CL015721276 | Ongoing mixed commercial / residential development known as The Logg comprising 1 block of 28 levels affordable homes (250 units), 2 levels of commercial lots, 9 levels of carparks cum 3 levels of offices, 1 level of basement carpark, 2 blocks of serviced suites (542 units) and 1 block of hotel suites (370 rooms) / Ongoing mixed development / Leasehold of 99 years expiring on 31 December 2115 / For the purpose of housing and commercial development | KTISB and KTI Hotel & Resort / LPPB | 190,357 / Not applicable | Nil / Not applicable | Charged to Hong Leong Bank Berhad, Sabah Development Bank Berhad and caveat by CIMB Bank Berhad | 288,944 |
| (m) | Fronting Jalan Penampang -Papar Lama Kampung Nagapas 89600 Papar Sabah<br><br>Title no.: CL025346507 | 107 units of 2-storey terraced houses known as Taman Bukit Alamanda / Leasehold of 99 years expiring on 31 December 2088 | Landmark Property / LPPB | 1,734,123 / Not applicable | Nil / Not applicable | Charged to Hong Leong Islamic Bank Berhad | - |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (n) | Off Jalan Airport 90000 Sandakan Sabah<br><br>Title no.: CL075428027 | A land parcel proposed for a landed housing scheme for 310 units of double-storey terraced houses / Proposed development / Leasehold of 99 years expiring on 31 December 2037 / For the purpose of erecting thereon for use as such one dwelling house | Landmark Property / LPPB | 876,427 / Not applicable | Nil / Not applicable | Charged to Maybank Islamic Bank Berhad and caveat by Borneo Housing Mortgage Finance Sdn Bhd | 8,846 |

# LIST OF PROPERTIES

| No. | Postal address / Title No. | Description of property / Existing use / Expiry of lease (if any) / Category of land use (if any) | Beneficial Owner / Registered Owner | Land area / Built-up area | Date of purchase / Date of CCC | Encumbrance | Audited NBV as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| | | | | sq ft | | | RM'000 |
| (o) | Alamesra, Off Jalan Sulaiman Coastal highway, Kota Kinabalu, Sabah<br><br>Title no: One (1) residential lot under CL015719874 with infrastructure lot, CL015719909, CL015719892, CL015719918 | A land parcel proposed for a landed housing scheme of 42 units of super link house, 4 units of double storey shophouses, 5 tower block comprise of 2,195 units in which comprise 439 units per block / Proposed development / Leasehold of 99 years expiring on 31 December 2098 / CL015719874 (for the purpose of undertaking the development of residential buildings in accordance with such plans and specifications as may be approved by the local authority under the Local Government Ordinance 1961, the City of Kota Kinabalu Enactment 1966 and the Town and Country Planning Ordinance Cap 141), CL015719909 (for the purpose of road reserve, CL015719892 (for the purpose of power point unit), CL015719918 (for the purpose of sewerage treatment plant reserve) | KTID / CL015719874 – KTID, CL015719909, CL015719892, CL015719918 K.T.I Development Sdn Bhd | 887,497.3 sq. ft / Not applicable | 9 January 2023 / Not applicable | CL015719874– Charged to Hong Leong Islamic Bank Berhad, CL015719909, CL015719892, CL015719918 – Caveat by Hong Leong Islamic Bank Berhad | 111,917 |
| | | | | | | **Total** | **442,364** |

# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2025

| | | |
|---|---|---|
| Total Number of Issued Shares | : | 800,000,000 |
| Class of Shares | : | Ordinary Shares |
| Voting Rights | : | One (1) Vote Per Ordinary Share |

## Distribution of Shareholders

| Size of Holdings | No. of Holders | % of Holders | No. of Shares | % of Shares |
|---|---|---|---|---|
| 1 - 99 | 2 | 0.178 | 6 | 0.000 |
| 100 - 1,000 | 268 | 23.864 | 111,500 | 0.013 |
| 1,001 - 10,000 | 469 | 41.763 | 2,843,894 | 0.355 |
| 10,001 - 100,000 | 285 | 25.378 | 8,859,600 | 1.107 |
| 100,001 – 39,999,999 (*) | 97 | 8.637 | 193,185,000 | 24.148 |
| 40,000,000 and above (**) | 2 | 0.178 | 595,000,000 | 74.375 |
| **Total** | **1,123** | **100.000** | **800,000,000** | **100.000** |

Remarks:
(*) Less than 5% of issued shares
(**) 5% and above of issued shares

## Substantial Shareholders (Based on the Register of Substantial Shareholders)

| Name | Direct Holdings | % | Indirect Holdings | % |
|---|---|---|---|---|
| DATIN CHIN MEE LEEN | 485,640,500 | 60.705 | 109,359,500 | 13.669 |
| DATUK LOKE THEEN FATT | 109,359,500 | 13.669 | 485,640,500 | 60.705 |
| **Subtotal** | | | **595,000,000** | **74.375** |

## Directors' Shareholdings (Based on the Register of Directors' Shareholding)

| Name | Direct Holdings | % | Indirect Holdings | % |
|---|---|---|---|---|
| CHUA CHAI HUA | 350,000 | 0.043 | | |
| DATUK LOKE THEEN FATT | 109,359,500 | 13.669 | | |
| DATO' HAJI HAMZAH BIN HAJI GHAZALLI | 1,250,000 | 0.156 | | |
| LIM GUIK MOI | - | - | | |
| STELLA LOKE PEI WEN | - | - | | |
| DATUK TAN KOK LIANG | 450,000 | 0.056 | | |
| WILSON LOKE CHOO SYN | - | - | | |
| **Subtotal** | **111,409,500** | **13.926** | | |

# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2025

## List of Top Thirty (30) Largest Shareholders (Based on Record of Depositors)

| No. | Name of Shareholders | Total No. of Shares Held | % |
|---|---|---|---|
| 1 | CHIN MEE LEEN | 485,640,500 | 60.705 |
| 2 | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LOKE THEEN FATT | 109,359,500 | 13.669 |
| 3 | RHB NOMINEES (TEMPATAN) SDN BHD<br>OSK CAPITAL SDN BHD FOR LIM CHENG LING | 33,300,000 | 4.162 |
| 4 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING | 22,750,000 | 2.843 |
| 5 | MAYBANK INVESTMENT BANK BERHAD | 16,700,000 | 2.087 |
| 6 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING | 13,500,000 | 1.687 |
| 7 | HSBC NOMINEES (ASING) SDN BHD<br>J.P. MORGAN SECURITIES PLC | 10,140,800 | 1.267 |
| 8 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD | 8,300,000 | 1.037 |
| 9 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG AH HIN | 6,850,000 | 0.856 |
| 10 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG KET HUNG | 6,115,000 | 0.764 |
| 11 | PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS) | 4,025,400 | 0.503 |
| 12 | PHILLIP NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT) | 3,732,700 | 0.466 |
| 13 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YAP ZE MING @ ELTON | 3,588,600 | 0.448 |
| 14 | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KANG KET HUNG | 3,500,000 | 0.437 |
| 15 | TA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR MOHD REZAL BIN ABDULLAH | 3,333,400 | 0.416 |
| 16 | TA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TEOH ZI YI | 3,250,000 | 0.406 |
| 17 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YAP KIM LENG | 3,166,700 | 0.395 |
| 18 | HO SOW KUAN | 2,675,600 | 0.334 |
| 19 | CITIGROUP NOMINEES (ASING) SDN BHD<br>UBS AG | 2,444,600 | 0.305 |
| 20 | CARTABAN NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD | 2,273,500 | 0.284 |
| 21 | ONG SIN AIK | 2,000,000 | 0.250 |
| 22 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR TAN HUEY LING | 1,833,334 | 0.229 |
| 23 | HARRISONS HOLDINGS (MALAYSIA) BERHAD | 1,666,700 | 0.208 |
| 24 | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR CHAN SEE THENG | 1,633,334 | 0.204 |
| 25 | HOH NGEE KHI @ HOH YU CHOI | 1,630,000 | 0.203 |
| 26 | TA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YAP KIM LENG | 1,600,000 | 0.200 |
| 27 | TA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIOU CHOON FAH | 1,563,200 | 0.195 |
| 28 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR COLFORM SDN BHD | 1,500,000 | 0.187 |
| 29 | WONG CHOONG LOONG | 1,500,000 | 0.187 |
| 30 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING | 1,499,998 | 0.187 |

# NOTICE OF 2025 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 Annual General Meeting ("AGM") of the Company will be conducted at Ballroom 1, Level 2, Hilton Hotel Kota Kinabalu, Jalan Tunku Abdul Rahman, Asia City, 88000 Kota Kinabalu, Sabah, Malaysia on Thursday, 29 May 2025 at 10.00 a.m. to transact the following businesses:-

**AGENDA**

**Ordinary Business**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note)

2. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution, as Directors of the Company:-

   (i) Stella Loke Pei Wen (Resolution 1)
   (ii) Datuk Tan Kok Liang (Resolution 2)

3. To approve and ratify the additional payment of Directors' benefits amounting to RM13,500 which was in excess of the earlier approved amount of RM32,000 for the period commencing from 1 January 2024 until the conclusion of 2025 AGM of the Company. (Resolution 3)

4. To approve the payment of Directors' fees to each of the following Non-Executive Directors for the period from 1 June 2025 until the next 2026 AGM of the Company:-

   (i) Dato' Haji Hamzah Bin Haji Ghazalli – RM60,000 (Resolution 4)
   (ii) Datuk Tan Kok Liang – RM36,000 (Resolution 5)
   (iii) Lim Guik Moi – RM36,000 (Resolution 6)
   (iv) Chua Chai Hua – RM36,000 (Resolution 7)

5. To approve the payment of Directors' benefits up to an amount of RM53,000 to the Non-Executive Directors for the period from 1 June 2025 until the next 2026 AGM of the Company. (Resolution 8)

6. To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 9)

# NOTICE OF 2025 ANNUAL GENERAL MEETING

**Special Business**

To consider and if thought fit, to pass the following resolution with or without modifications:

7. **ORDINARY RESOLUTION** (Resolution 10)
**AUTHORITY TO ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant governmental/ regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to allot shares in the Company at any 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 allotted pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

8. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

By Order of the Board
**NUR SHAHFAIZA BINTI MD YUSOFF (MAICSA 7052006) (SSM PC NO. 202008000953)**
**FOO JIA YEE (MAICSA 7071771) (SSM PC NO. 202108000268)**
Company Secretaries
Kuala Lumpur

29 April 2025

## Notes:-

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 22 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend in this General Meeting or appoint proxy(ies) to attend, speak and vote on his/her/its behalf.

2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.

4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

# NOTICE OF 2025 ANNUAL GENERAL MEETING

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) By electronic means

   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the 2025 AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

11. Last date and time for lodging the proxy form is on Tuesday, 27 May 2025 at 10.00 a.m.

12. Please bring the **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-

   (i) Identity card (NRIC) (Malaysian), or
   (ii) Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
   (iii) Passport (Foreigner).

# NOTICE OF 2025 ANNUAL GENERAL MEETING

13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been deposited with the Company's Share Registrar earlier.

## EXPLANATORY NOTES TO THE AGENDA

### 1. Audited Financial Statements for the financial year ended 31 December 2024

This agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 ("the Act") do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting by shareholders.

### 2. Resolutions 1 and 2 – Re-election of Directors

Stella Loke Pei Wen and Datuk Tan Kok Liang ("Retiring Directors") are standing for re-election as Directors pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election at the 2025 Annual General Meeting ("AGM").

The Retiring Directors had provided the fit and proper declarations and the Board had through the Nominating and Remuneration Committee carried out the assessment on the Retiring Directors and agreed that they met the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time to effectively discharge their role as Directors.

### 3. Resolution 3 – Additional Payment of Directors' Benefits

At the 2024 AGM of the Company held on 7 June 2024, the shareholders of the Company had approved RM32,000 as total Directors' benefits payable to the Non-Executive Directors of the Company for the period commencing from 1 January 2024 up to the next AGM of the Company.

The total Directors' benefits incurred for the aforementioned period was amounted to RM45,500. The request on the additional amount of RM13,500 in excess of the RM32,000 is required due to the Company incurred an additional Directors' benefits resulted from the additional meetings held during the financial year.

### 4. Resolutions 4 to 8 – Non-Executive Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, 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.

Resolutions 4 to 7 are to seek shareholders' approval to facilitate the payment of the Directors' fees to the Non-Executive Directors from 1 June 2025 until the next 2026 AGM of the Company.

The proposed Directors' benefits under Resolution 8 are calculated based on the current Board size and the number of scheduled Board and Committee meetings from 1 June 2025 until the next 2026 AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next 2026 AGM for the shortfall.

# NOTICE OF 2025 ANNUAL GENERAL MEETING

## 5. Resolution 9 – Re-appointment of Auditors

The Board had through the Audit and Risk Management Committee, assessed the suitability, objectivity and independence of the External Auditors, Messrs Moore Stephens Associates PLT and considered the re-appointment of Messrs Moore Stephens Associates PLT as Auditors of the Company.

## 6. Resolution 10 – Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

This resolution, if passed, will empower the Directors to issue and allot up to a maximum of ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

This mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of the proposed general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for any possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

This is the first general mandate to be sought by the Company since its listing on the ACE Market of Bursa Securities on 19 June 2024. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

## PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Authority for Directors to allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Kindly refer to item (6) of Explanatory Notes on Special Business on page 166 to 167.

# ADMINISTRATIVE GUIDE

FOR THE 2025 ANNUAL GENERAL MEETING ("AGM") OF KTI LANDMARK BERHAD

| | | |
|---|---|---|
| Day and Date | : | Thursday, 29 May 2025 |
| Time | : | 10:00 a.m. |
| Venue of Meeting | : | Ballroom 1, Level 2, Hilton Hotel Kota Kinabalu, Jalan Tunku Abdul Rahman, Asia City, 88000 Kota Kinabalu, Sabah, Malaysia |

## 1. CORPORATE MEMBERS

a. Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original certificate of appointment of authorised representative to Tricor Investor & Issuing House Services Sdn. Bhd. (**"Tricor"**) on or before the AGM.

b. Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.

## 2. GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at 22 May 2025 shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend and/or vote on his/her behalf.

## 3. PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:-

a. <u>In hard copy form</u>

In the case of an appointment made in hard copy form, this Proxy Form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

b. <u>By electronic means</u>

You may also submit the Proxy Form electronically via TIIH Online website at https://tiih.online not later than 27 May 2025 at 10.00 a.m. Please do read and follow the procedures below to submit Proxy Form electronically.

## 4. ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor's **TIIH Online** website are summarised below:

| Procedure | Action |
|---|---|
| **1. Steps for Individual Members** | |
| (a) Register as a User with **TIIH Online** | • Please access the website at <u>https://tiih.online</u>. Register as a user under the **"e-Services"**. Select the **"Sign Up"** button and followed by **"Create Account by Individual Holder"**. Please refer to the tutorial guide posted on the homepage for assistance.<br>• If you are already a user with **TIIH Online**, you are not required to register again. |

# ADMINISTRATIVE GUIDE
## FOR THE 2025 ANNUAL GENERAL MEETING ("AGM") OF KTI LANDMARK BERHAD

| Procedure | Action |
|---|---|
| **1. Steps for Individual Members (Cont'd)** | |
| (b) Proceed with submission of Proxy Form | • After the release of the Notice of 2025 Annual Meeting by the Company, login with your username (i.e. email address) and password.<br>• Select the corporate event: "**KTI LANDMARK BERHAD AGM 2025 - SUBMISSION OF FORM OF PROXY**".<br>• Read and agree to the terms and conditions and confirm the Declaration.<br>• Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.<br>• Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.<br>• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.<br>• Review and confirm your proxy(s) appointment.<br>• Print Proxy Form for your record. |
| **2. Steps for Corporation or Institutional Members** | |
| (a) Register as a User with **TIIH Online** | • Access **TIIH Online** website at https://tiih.online<br>• Under e-Services, the authorised or nominated representative of the corporation or institutional member selects the "Sign Up" button and followed by **"Create Account by Representative of Corporate Holder"**.<br>• Complete the registration form and upload the required documents.<br>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.<br>• Proceed to activate your account with the temporary password given in the email and re-set your own password.<br><br>*(Note: The authorised representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)* |
| (b) Proceed with submission of Proxy Form | • Login to **TIIH Online** website at https://tiih.online.<br>• Select the corporate event: **"KTI LANDMARK BERHAD AGM 2025 - SUBMISSION OF FORM OF PROXY"**.<br>• Read and agree to the terms and conditions and confirm the Declaration.<br>• Proceed to download the file format for "Submission of Form of Proxy" in accordance with the Guidance Note set therein.<br>• Prepare the file for the appointment of proxies by inserting the required data.<br>• Proceed to upload the duly completed proxy appointment file.<br>• Select "Submit" to complete your submission.<br>• Print the confirmation report of your submission for your record. |

## 5. POLL VOTING

a. The voting at the AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the polling process and Scrutineer Solutions Sdn Bhd as the Independent Scrutineer to verify the poll results

# ADMINISTRATIVE GUIDE

## FOR THE 2025 ANNUAL GENERAL MEETING ("AGM") OF KTI LANDMARK BERHAD

b. During the AGM, the Chairman will invite the Poll Administrator to brief on the voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

c. Upon completion of the voting session for the AGM, the Scrutineer will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

### 6. ANNUAL REPORT 2024

a. The Company's Annual Report 2024 is available at the Company's website at https://ktilandmark.com/investor-relations/.

b. Should you require a printed copy of the Annual Report 2024, please request at our Share Registrar's website at https://tiih.online by selecting "Request for Annual Report/Circular" under the "Investor Services" or kindly contact Tricor. Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.

### 7. REGISTRATION

a. The registration will commence at 9.00 a.m. on Thursday, 29 May 2025 and will remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the meeting.

b. Please present your original National Registration Identity Card ("NRIC") or passport (for non-Malaysian) to the registration staff for verification.

c. Upon verification, you are required to write your name and sign the attendance list placed on the registration table. You will be given a voting slip for voting purposes.

d. No person will be allowed to register on behalf of another person even with the original NRIC or passport of the other person.

### 8. DOOR GIFT

Corporate gift set.

### 9. RECORDING OR PHOTOGRAPHY

a Strictly **NO** unauthorised recording or photography of the AGM proceedings is allowed.

### 10. ENQUIRY

a. If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

**Tricor Investor & Issuing House Services Sdn. Bhd.**
General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : *is.enquiry@vistra.com*

This page is intentionally left blank.

| CDS Account No. |
|---|
| |

| Number of Shares Held |
|---|
| |

**KTI LANDMARK BERHAD**
[Registration No. 201601008159 (1179087-X)]
(Incorporated in Malaysia)

# PROXY FORM

*I/We ______________________________ NRIC/Passport/Registration No. ______________
*[Full name in block and as per NRIC/Passport/Registration No.]*

of ______________________________________________
*[Address]*

being member(s) of **KTI Landmark Berhad**, hereby appoint:-

| **Full Name (in block capitals and as per NRIC/Passport)** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| **Address:** | | **No. of Shares** | **%** |
| **Email Address:** | **Mobile Phone No.:** | | |

^and/or

| **Full Name (in block capitals and as per NRIC/Passport)** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| **Address:** | | **No. of Shares** | **%** |
| **Email Address:** | **Mobile Phone No.:** | | |

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 2025 Annual General Meeting of the Company, which will be held at Ballroom 1, Level 2, Hilton Hotel Kota Kinabalu, Jalan Tunku Abdul Rahman, Asia City, 88000 Kota Kinabalu, Sabah, Malaysia on Thursday, 29 May 2025 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

| DESCRIPTION OF RESOLUTION | | FOR | AGAINST |
|---|---|---|---|
| **A)** | **ORDINARY BUSINESS** | | |
| 1. | Re-election of Stella Loke Pei Wen as Director of the Company. | | |
| 2. | Re-election of Datuk Tan Kok Liang as Director of the Company. | | |
| 3. | Approval and Ratification of the additional payment of Directors' benefits amounting to RM13,500. | | |
| 4. | Approval on payment of Director's fees to Dato' Haji Hamzah Bin Haji Ghazalli amounting to RM60,000 for the period from 1 June 2025 until the next 2026 Annual General Meeting of the Company. | | |
| 5. | Approval on payment of Director's fees to Datuk Tan Kok Liang amounting to RM36,000 for the period from 1 June 2025 until the next 2026 Annual General Meeting of the Company. | | |
| 6. | Approval on payment of Director's fees to Lim Guik Moi amounting to RM36,000 for the period from 1 June 2025 until the next 2026 Annual General Meeting of the Company. | | |
| 7. | Approval on payment of Director's fees to Chua Chai Hua amounting to RM36,000 for the period from 1 June 2025 until the next 2026 Annual General Meeting of the Company. | | |
| 8. | Approval on payment of Directors' benefits up to an amount of RM53,000 to the Non-Executive Directors for the period from 1 June 2025 until the next 2026 Annual General Meeting of the Company. | | |
| 9. | Re-appointment of Messrs Moore Stephens Associates PLT as Auditors of the Company. | | |
| **B)** | **SPECIAL BUSINESS** | | |
| 10. | Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. | | |

*Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions.*
*In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.*

Signed this __________ day of ______________ 2025

______________________________
Signature/ Common Seal*
**Member**

^ *Delete whichever is inapplicable*

* *Manner of execution:*

(a) *If you are an individual member, please sign where indicated.*

(b) *If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*

(c) *If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*

(i) *at least two (2) authorised officers, of whom one shall be a director; or*

(ii) *any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

**Notes:**

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 22 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend in this General Meeting or appoint a proxy(ies) to attend, speak and vote on his/her/its behalf.

2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.

4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

   (i) **In hard copy form**
   In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) **By electronic means**
   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the 2025 AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

11. Last date and time for lodging the proxy form is on Tuesday, 27 May 2025 at 10.00 a.m.

12. Please bring the **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-
    (i) Identity card (NRIC) (Malaysian), or
    (ii) Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
    (iii) Passport (Foreigner).

13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been deposited with the Company's Share Registrar earlier.

*Please fold here*

AFFIX
STAMP

**The Share Registrar**
**KTI LANDMARK BERHAD**
**[Registration No. 201601008159 (1179087-X)]**
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

*Please fold here*

*Please fold here*

KTI
Keep Transcending Ideas
www.ktilandmark.com

Lot 220 (Ground Floor), 221 (Ground Floor and 1st Floor) and 222 (Ground Floor to 3rd Floor), Taman Nelly 9, Phase 4 Shoplot, Lorong Nelly Plaza, Jalan Nountun, Kolombong, 88844 Kota Kinabalu, Sabah

+60 88 431 366

hello@kti.com.my