

**M K LAND HOLDINGS BERHAD**  
(INCORPORATED IN MALAYSIA) - 197801003984 (40970 H)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 Mths)	
		CURRENT YEAR QUARTER 30/06/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2021 RM'000	CUMULATIVE CURRENT YEAR 30/06/2022 RM'000	CUMULATIVE PRECEDING YEAR 30/06/2021 RM'000
Revenue	9	58,104	20,723	197,519	185,796
Cost of sales		(50,753)	(12,718)	(143,398)	(127,365)
Gross profit		7,351	8,005	54,121	58,431
Other operating income		26,008	36,848	30,117	41,121
Administrative expenses		(11,045)	(9,996)	(36,794)	(40,163)
Selling and marketing expenses		(455)	(296)	(1,189)	(1,072)
Other operating expenses		(8,637)	(17,116)	(20,122)	(29,913)
Profit from operations	9	13,222	17,445	26,133	28,404
Finance costs		(1,066)	(1,639)	(4,917)	(3,741)
Profit before taxation	10	12,156	15,806	21,216	24,663
Taxation	20	(3,419)	(2,961)	(5,030)	(5,248)
Profit for the year		8,737	12,845	16,186	19,415
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		8,737	12,845	16,186	19,415
<b>Profit attributable to:</b>					
Owners of the parent		8,744	13,302	16,512	20,351
Non-controlling interests		(7)	(457)	(326)	(936)
		8,737	12,845	16,186	19,415
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		8,744	13,302	16,512	20,351
Non-controlling interests		(7)	(457)	(326)	(936)
		8,737	12,845	16,186	19,415
<b>Basic earnings per share (sen)</b>	24	0.73	1.10	1.37	1.69

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

**M K LAND HOLDINGS BERHAD**  
(INCORPORATED IN MALAYSIA) - 197801003984 (40970 H)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

(The figures have not been audited)

	Note	UNAUDITED AS AT END OF CURRENT QUARTER 30/06/2022 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 30/06/2021 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		189,714	167,402
Investment properties	11	326,325	244,325
Inventories - land held for property development		747,594	749,878
Deferred tax assets		9,386	19,475
		1,273,019	1,181,080
<b>Current Assets</b>			
Inventories - property development costs		86,618	94,871
Inventories - completed properties and others		63,014	113,606
Trade receivables		42,757	42,630
Other receivables		6,705	5,605
Contract assets		35,986	62,326
Tax recoverable		5,457	5,153
Other financial assets		7,806	4,588
Cash and bank balances		77,125	53,683
		325,468	382,462
Asset classified as held for sale		52,125	51,775
		377,593	434,237
<b>Total Assets</b>		1,650,612	1,615,317
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		1,216,296	1,216,296
Reserves		14,710	(1,802)
		1,231,006	1,214,494
Non-controlling interests		(1,448)	(1,122)
<b>Total Equity</b>		1,229,558	1,213,372
<b>Non-Current Liabilities</b>			
Long term borrowings	23	16,979	5,371
Deferred tax liabilities		27,513	35,550
Long term payables		42,785	39,019
		87,277	79,940
<b>Current Liabilities</b>			
Trade payables		87,236	83,167
Other payables		199,883	166,736
Contract liabilities		24,848	36,287
Short term borrowings	23	12,506	25,479
Current tax liabilities		9,304	10,336
		333,777	322,005
<b>Total Liabilities</b>		421,054	401,945
<b>Total Equity and Liabilities</b>		1,650,612	1,615,317
<b>Net assets per share attributable to owners of the parent (sen)</b>		102	101

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

**M K LAND HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

	<----- Attributable to owners of the parent ----->						
	<-----Non-distributable----->			Distributable		Non-	
	Share Capital	Treasury	Merger	Retained	Total	controlling	Total
	RM'000	Shares	Deficit	Profits	RM'000	Interest	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2021</b>	1,216,296	(1,904)	(39,441)	39,543	1,214,494	(1,122)	1,213,372
Total comprehensive income for the year	-	-	-	16,512	16,512	(326)	16,186
<b>At 30 June 2022</b>	1,216,296	(1,904)	(39,441)	56,055	1,231,006	(1,448)	1,229,558
<b>At 1 July 2020</b>	1,216,296	(1,904)	(39,441)	21,905	1,196,856	(186)	1,196,670
Effects on adoption of the IFRIC Agenda Decision	-	-	-	(2,713)	(2,713)	-	(2,713)
As at 1 July 2020 (restated)	1,216,296	(1,904)	(39,441)	19,192	1,194,143	(186)	1,193,957
Total comprehensive income for the year	-	-	-	20,351	20,351	(936)	19,415
<b>At 30 June 2021</b>	1,216,296	(1,904)	(39,441)	39,543	1,214,494	(1,122)	1,213,372

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

(The figures have not been audited)

	<b>12 Months Ended 30/06/2022 RM'000</b>	<b>12 Months Ended 30/6/2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	21,216	24,663
Adjustments for non-cash and non-operating items	(13,118)	(23,316)
Operating profit before working capital changes	8,098	1,347
Decrease in land held for property development and property development costs	10,537	48,099
Decrease in inventories - completed properties and others	38,769	3,193
Decrease in receivables	16,400	7,222
Decrease in payables	(19,332)	(29,856)
Net cash from operations	54,472	30,005
Net interest paid	(4,532)	(1,488)
Taxes paid	(4,314)	(7,072)
<b>Net cash from operating activities</b>	45,626	21,445
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(17,601)	(1,195)
Proceeds from disposal of investment properties	-	150
(Placement)/Withdrawal of fixed deposits	(3,237)	2,985
(Placement)/Withdrawal from money market fund	(3,218)	2,235
<b>Net cash (used in)/from investing activities</b>	(24,056)	4,175
<b>Cash flows from financing activities</b>		
Drawdown from borrowings	13,030	7,489
Repayment of borrowings	(9,304)	(26,002)
<b>Net cash used in financing activities</b>	3,726	(18,513)
<b>Net increase in cash and cash equivalents</b>	25,296	7,107
<b>Cash and cash equivalents at beginning of financial year</b>	41,762	34,655
<b>Cash and cash equivalents at end of financial year</b>	67,058	41,762
<b>Cash and cash equivalents at end of financial year comprise the following:</b>		
Cash and bank balances	77,125	53,683
Less: Deposits with licensed banks for more than 3 months	(6,394)	(3,157)
Bank overdraft	(3,673)	(8,764)
	67,058	41,762

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART A - EXPLANATORY NOTES**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

**2 Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2021 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2021. The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations did not have any material impact on the financial position and results of the Group.

**3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 30 June 2021 was not qualified.

**4 Comments About Seasonal or Cyclical Factors**

The business operations of the Group is generally affected by the nation's state of economy.

**5 Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence during the current quarter.

**6 Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**7 Debt and Equity Securities**

There were no issuance of debt and equity securities, share buy backs, share cancellations, shares held as treasury share and resale of treasury shares during the current quarter.

**8 Dividends**

There was no payment of dividend during the current quarter.

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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART A - EXPLANATORY NOTES (CONT'D)**

**9 Segmental Information**

	12 Months Ended		Changes (%)
	30/06/2022 RM'000	30/06/2021 RM'000	
<b>Segment Revenue</b>			
Property development	179,016	175,177	2
Leisure	17,697	9,348	89
Education	806	1,267	(36)
Investment	16,094	38,431	(58)
	<u>213,613</u>	<u>224,223</u>	(5)
Eliminations on consolidation	(16,094)	(38,427)	(58)
Total revenue	<u>197,519</u>	<u>185,796</u>	6
<b>Segment Results</b>			
Property development	21,612	32,599	(34)
Leisure	1,887	(6,398)	129
Education	(530)	1	(53,100)
Investment	3,404	2,442	39
	<u>26,373</u>	<u>28,644</u>	(8)
Eliminations on consolidation	(240)	(240)	-
Profit from operations	<u>26,133</u>	<u>28,404</u>	(8)

Segment reporting by geographical segments has not been prepared as all activities of the Group are carried out in Malaysia only.

**10 Profit Before Taxation**

	3 Months Ended		12 Months Ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
The following have been (credited)/charged in arriving at profit before tax:				
Rental income	(1,202)	(1,336)	(4,674)	(4,294)
Interest income	(147)	(53)	(385)	(333)
Interest expense	1,066	1,639	4,917	3,741
Depreciation and amortisation	1,959	1,607	6,702	6,206
Provision for impairment loss (net of reversal) of receivables	(23,278)	(451)	(24,531)	441
Provision for impairment of inventories	60	12	60	12

As stated above, the other items as required to be disclosed by Chapter 9 (Appendix 9B, no. 16) are not applicable.

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**NOTES TO THE ACCOUNTS**  
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(The figures have not been audited)

**PART A - EXPLANATORY NOTES (CONT'D)**

**11 Carrying Amount of Revalued Assets**

The fair value of investment properties is assessed annually and were revalued at the end of the financial year ended 30 June 2022.

**12 Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the current financial period.

**13 Subsequent events**

There were no material events subsequent to the end of the current financial period.

**14 Commitments**

There were no commitments at the end of the current financial period.

**15 Changes in Contingent Liabilities and Contingent Assets**

**a) Corporate guarantees**

Contingent liabilities in respect of corporate guarantees issued by the holding company to licensed banks for credit facilities granted to subsidiaries amounted to RM27.3 million as at 30 June 2022.

**b) Gain on sale of investment properties and development costs - Saujana Triangle Sdn Bhd**

Saujana Triangle Sdn Bhd ("STSB"), a wholly-owned subsidiary of M K Land Holdings Berhad ("M K Land"), was served with Notices of Assessment dated on 4 May 2017 for the years of assessment (YA) of 2009, 2010, 2011 and 2013 respectively, for an additional income tax of RM55,702,224 and 45% penalty of RM25,066,001 totalling RM80,768,225.

The above mentioned income tax and penalty imposed by the Inland Revenue Board of Malaysia ("IRB") are in relation to:

- i) IRB took the view that the gains from the disposal of land held under investment properties in the year of assessment 2009 were to be treated as revenue in nature, instead of capital in nature;
- ii) IRB disregarded the 5 years' time barred period to raise the assessments in respect of the land disposal; and
- iii) IRB disallowed certain development costs on the basis that these were only provisions and the amounts have not been paid. Thus, IRB did not treat them to be incurred for the purpose of Section 33 (1) of the Income Tax Act, 1967.

Based on advice from both its tax consultants and solicitors, STSB is of the view that:

- i) The land sales of the investment properties were capital transactions which were liable to real property gains tax ("RPGT") in the year of assessment 2009 (which was a RPGT exempt year);
- ii) The Notices of Assessment raised by the IRB were statute barred and erroneous in Law; and
- iii) The accrual of development costs were allowable according to accounting standards and IRB's public ruling on property development.

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART A - EXPLANATORY NOTES (CONT'D)**

**15 Changes in Contingent Liabilities and Contingent Assets (Continued)**

**b) Gain on sale of investment properties and development costs - Saujana Triangle Sdn Bhd (Continued)**

STSB disagreed with the assessment raised by the IRB and on 1 June 2017, filed a Notice of Appeal to the Special Commissioners of Income Tax (SCIT) pursuant to Section 99(1) of the Income Tax Act 1967 (Form Q) with the Director General of Inland Revenue to appeal against the Notices of Assessment. A case management was held on 16 August 2018 whereby SCIT directed the parties to attend the next case management fixed on 19 November 2018.

During the case management on 19 November 2018, the SCIT fixed another case management on 26 February 2019 for parties to update on the status of settlement as IRB required more time to consider the settlement proposal.

On 26 February 2019, IRB requested for a 3 months mention date. In that regards, the SCIT fixed a next mention date on 10 May 2019 for the parties to update the Court on the progress of settlement, however the mention was not reflected in SCIT's diary and a new mention date will be fixed and informed by SCIT. Subsequently, case management was held on 24 September 2019 and 1 November 2019. On 1 November 2019, the Court informed the parties to attend case management on 21 November 2019 as more time is given to IRB to respond to STSB's settlement proposal.

During case management on 21 November 2019, the IRB requested for more time to consider the settlement proposal. Accordingly, the Court allowed the IRB's request and fixed another case management on 25 February 2020 for the IRB to update the Court.

During case management on 25 February 2020, the Appellant informed the Court that it has issued a letter to the Respondent on 20 January 2020 to which the Respondent has only reverted on 25 February 2020. As such, another case management date was fixed on 25 March 2020 for parties to update the Court on the status of the settlement and to allow further negotiations between the parties.

The case management date fixed on 25 March 2020 was further adjourned to 6 May 2020, which was subsequently vacated as the Movement Control Order was still in effect. The Court fixed the next case management date on 6 July 2020.

During case management on 6 July 2020, the Court was informed that parties are still in the midst of settlement discussions and that additional time is needed due to the Movement Control Order. The Court directed parties to attend the next case management on 4 September 2020 for parties to update the Court on the status.

At the case management on 4 September 2020, the Court fixed the next case management on 11 November 2020 for parties to update the Court on the status. The case management fixed on 11 November 2020 was subsequently vacated in light of the Conditional Movement Control Order. The Court fixed the next case management date on 4 January 2021. On 4 January 2021, the Court set a new case management date on 12 March 2021. On 12 March 2021, the court fixed the next case management date on 25 May 2021 to update the Court on the status of settlement.

In light of the Movement Control Order, the Court vacated the case management fixed on 25 May 2021 and set the next case management on 5 October 2021. On 5 October 2021, the court fixed the next case management on 2 December 2021. Subsequent to the case management on 9 February 2022, 9 March 2022 and 10 May 2022, the next case management was fixed on 13 July 2022.

On 13 July 2022, the Court fixed a next case management date on 23 August 2022.

Upon consulting its solicitors, the Board is of the view that there are grounds to disagree with the Notices of Assessment raised including the imposition of penalties as explained above.

On a prudent and without prejudice basis, a provision of tax and penalty amounting RM4,579,771 and RM4,534,737 respectively have been made in the financial year ended 30 June 2017, solely for reporting purposes. STSB maintains the view that the basis of the assessment that the gain on disposal of this investment properties should be subjected to RPGT and the development costs accrued be allowed according to accounting standards and IRB's public ruling on property development.



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**NOTES TO THE ACCOUNTS**  
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(The figures have not been audited)

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**16 Performance Analysis**

	3 Months Ended			12 Months Ended		
	30/06/2022 RM'000	30/06/2021 RM'000	Changes (%)	30/06/2022 RM'000	30/06/2021 RM'000	Changes (%)
<b>Revenue</b>						
Property development	52,909	18,907	180	179,016	175,177	2
Leisure	5,020	1,552	223	17,697	9,348	89
Education	175	264	(34)	806	1,267	(36)
Investment	4,051	25,210	(84)	16,094	38,431	(58)
	62,155	45,933	35	213,613	224,223	(5)
Elimination on consolidation	(4,051)	(25,210)	84	(16,094)	(38,427)	58
	58,104	20,723	180	197,519	185,796	6
<b>Profit before taxation</b>						
Property development	12,281	20,245	(39)	17,400	29,519	(41)
Leisure	66	(1,046)	106	1,874	(6,400)	129
Education	(223)	86	(359)	(530)	(19)	(2,689)
Investment	92	(3,419)	103	2,712	1,803	50
	12,216	15,866	(23)	21,456	24,903	(14)
Elimination on consolidation	(60)	(60)	-	(240)	(240)	-
	12,156	15,806	(23)	21,216	24,663	(14)

The Group registered RM58.1 million in revenue and profit before tax of RM12 million for the current quarter under review. Property development segment generated revenue amounting to RM52.9 million, representing 91% of the total revenue of the Group. Revenue is mainly generated from the sale of properties and construction progress from the projects in Damansara Perdana, Damansara Damai, Taman Bunga Raya (in Central region) and Klebang Putra (in Northern region).

Revenue for the property development segment recorded an increase of RM34 million or 180% as compared to the previous year corresponding quarter, mainly due to higher sales in Damansara Damai & Damansara Perdana. Revenue and profit before tax from leisure segment in current quarter has increased by 223% and 106% respectively as compared to the previous year corresponding quarter mainly due to the re-opening of resort operation after the uplift of interstate travel ban.

The Group's profit before taxation decreased slightly by RM3.6 million for the current quarter. This was mainly due to lower other operating income from property development segment.

**17 Variations of Results Against The Preceding Quarter**

	3 Months Ended		Changes (%)
	30/06/2022 RM'000	31/3/2022 RM'000	
<b>Profit before taxation</b>			
Property development	12,281	2,642	365
Leisure	66	838	(92)
Education	(223)	(174)	(28)
Investment	92	58	59
	12,216	3,364	263
Eliminations on consolidation	(60)	(60)	-
	12,156	3,304	268

The Group recorded profit before taxation of RM12 million for the current quarter as compared to RM3.3 million for the preceding quarter. Profit before tax for the property development segment in the current quarter of RM12.3 million is higher as compared to the preceding quarter, mainly due to higher other operating income from property development segment. Profit before tax for leisure segment in the current quarter decreased by 92% due to slightly lower turnover from resorts operation as compared to preceding quarter.

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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**18 Commentary on Prospects**

Over the past year, Movement Control Order and Total Lockdown have affected the Malaysian economy and property market. Since the interstate travel ban was lifted on October 2021 and subsequently COVID-19 restriction was broadly lifted on May 2022, Government has allowed the full resumption of business activities which has set the stage for economic rebound. The World Bank expects Malaysia's economy to grow by 5.5 per cent this year, driven by the recovery in domestic demand, expansion in exports, and reopening of borders.

The Group anticipates the entrance of buyers who have delayed buying for the last two years to the market to scout for good deals. The Group will continue to focus on sales of its products and the timely completion of its on-going projects while remaining cautious on new launches.

**19 Profit Forecast and Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and forecast profit after tax and for the shortfall in profit guarantee are not applicable.

**20 Taxation**

	12 Months Ended	
	30/06/2022	30/06/2021
	RM'000	RM'000
Current tax		
- for the current period	3,638	5,920
- in respect of prior periods	(660)	205
Deferred tax		
- for the current period	2,052	(877)
- in respect of prior periods	-	-
	5,030	5,248

The effective tax rate of the Group is higher than the statutory tax rate of 24% mainly due to certain expenses are not deductible for tax purpose and losses of certain subsidiaries cannot be fully off-set against taxable profits made by other subsidiaries.

**21 Status of Corporate Proposals**

There was no corporate proposal announced but not completed at the end of the current financial period.

**22 Changes in Material Litigation**

As at 19 August 2022, there was no change in material litigation which exceed 5% of the net assets of the Group since the last audited statement of financial position as at 30 June 2021, save as disclosed below and in Section 15.

***Medan Prestasi Sdn Bhd vs. Inland Revenue Board***

**Appeal to Special Commissioners of Income Tax ("SCIT")**

Between financial years 2002 and 2004, a wholly owned subsidiary, Medan Prestasi Sdn Bhd ("MPSB") disposed off certain investment properties and filed the necessary forms as required by the Real Property Gains Tax Act, 1976 ("RPGT"). The Inland Revenue Board ("IRB") contended that the gain from the sale should be subject to income tax instead of the Real Property Gains Tax and raised an assessment of about RM12.6 million (inclusive of a penalty of RM3.9 million). MPSB, after due consideration and in consultation with its tax agent, disagreed with the IRB position and appealed against the assessment. The IRB rejected MPSB's appeal and demanded MPSB to pay the outstanding tax and additional penalties amounting to RM14.6 million. In response, MPSB submitted a Notice of Appeal to the Special Commissioners of Income Tax.

Subsequent to the initial appeal to the IRB, the IRB initiated a civil suit against MPSB and served a Writ of Summons and Statement of Claim of RM13.5 million to MPSB. MPSB then filed an application for Stay of Proceedings. On 11 February 2010, the Shah Alam High Court granted a Stay of Proceedings until the final disposal of the appeal before the SCIT. On 5 March 2010, the IRB filed a notice of appeal to the High Court on the decision to grant the Stay of Proceedings. On 16 March 2011, the High Court allowed IRB's appeal. On 15 April 2011, MPSB filed a defense at the High Court against the civil suit.

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**22 Changes in Material Litigation (Continued)**

*Medan Prestasi Sdn Bhd vs. Inland Revenue Board (Continued)*

On 2 June 2009, the IRB forwarded MPSB's appeal to the Special Commissioners of Income Tax ("SCIT") and on 6 May 2011, SCIT dismissed the appeal and MPSB filed an appeal to the High Court on 24 May 2011. Case management was held on 21 November 2011 and the hearing was held on 6 April 2012 and 23 May 2012. The High Court, on 14 September 2012, ordered for a new Hearing to be fixed and determined before a new panel of SCIT.

The new panel of SCIT heard the oral submissions by parties concerned and the last hearing was on 22 February 2019. The SCIT then set a date of 10 May 2019 for an oral decision on the case. On 10 May 2019, the SCIT opined that since there are no firm evidence to show that the lands were meant for other uses in the future, or that it was intended for the construction of commercial buildings and showrooms for rental income, the Appellant's appeal is dismissed.

Upon review of the SCIT's Deciding Order and consulting its solicitors, MPSB filed an appeal against the SCIT's decision to the High Court on 28 May 2019 via a case stated.

On 4 March 2021, MPSB received the case stated (i.e. the ground of judgement) issued by the SCIT. MPSB has sought for some amendments on the case stated. During the case management on 7 May 2021, the High Court set the next case management on 3 June 2021. During the case management held on 15 September 2021, the Court instructed the parties to file respective affidavits in reply in respect of MPSB's application to amend the Case Stated. The parties are instructed to attend a new case management on 18 October 2021. The next case management was fixed on 7 February 2022. On 7 February 2022, the Court instructed the parties to attend the decision and case management fixed on 11 April 2022 and 12 April 2022 respectively.

On 11 April 2022, the High Court dismissed the application to amend the Case Stated with costs in the cause and instructed the parties to attend the next hearing on 21 June 2022, which subsequently has been rescheduled to 27 July 2022. On 19 August 2022, the Court fixed the hearing date for Medan Prestasi's appeal on 29 November 2022.

**Stay of proceedings**

On 6 July 2020, the IRB issued a Writ of Summon and Statement of Claim of RM10,107,364.56 to MPSB. MPSB then filed an application for Stay of Proceedings on 14 August 2020.

During case management on 28 August 2020, the Court had fixed the date for case management for the Defendant's Application for Stay of Proceedings on 30 September 2020 and hearing on 15 October 2020.

During case management on 10 September 2020 to update the Court on the filing of cause papers, the Plaintiff requested for an extension of time to file an Application for Summary Judgment. The Defendant informed the Court that the Defendant's Application for Stay of Proceedings should be disposed of first before an Application for Summary Judgment could be filed. The Court granted an extension of 2 weeks for the Plaintiff to file its application for Summary Judgment and reminded parties that the Defendant's Application for Stay of Proceedings is to be disposed of first. The Court fixed the next case management on 15 October 2020, after the hearing of the Defendant's Application for Stay of Proceedings.

During case management on 30 September 2020 to update the Court on the status of the Defendant's Application for Stay of Proceedings, parties had served the cause papers to the Court in respect of the Defendant's Application for Stay of Proceedings and subsequently exchanged their respective Written Submission and Bundle of Authorities.

During the hearing of the Defendant's Application for Stay of Proceedings on 15 October 2020, the hearing was adjourned in view of the recent spike in Covid-19 cases and the enforcement of Conditional Movement Control Order ("CMCO") from 14 October 2020 to 27 October 2020. The Court fixed the hearing of the Application for Stay of Proceedings on 3 November 2020.

During the hearing of the Defendant's Application for Stay of Proceedings on 3 November 2020, owing to the extension of the CMCO from 27 October 2020 to 9 November 2020, the hearing was adjourned and a new hearing date for the Application for Stay of Proceedings was fixed on 9 December 2020. Additionally, the Court fixed the next case management in respect of the Plaintiff's Application for Summary Judgment on 9 December 2020, after the disposal of the Defendant's Application for Stay of Proceedings. On 9 December 2020, the Court set the next case management date on 25 February 2021. On 25 February 2021, the case management was adjourned to 5 May 2021 due to Movement Control Order ("MCO").

**M K LAND HOLDINGS BERHAD**  
(INCORPORATED IN MALAYSIA) - 197801003984 (40970 H)

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
(The figures have not been audited)

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**22 Changes in Material Litigation (Continued)**

*Medan Prestasi Sdn Bhd vs. Inland Revenue Board (Continued)*

On 5 May 2021, the Court fixed the next case management on 4 June 2021. After the case management on 4 June 2021 and 8 July 2021, the Court fixed the hearing of the Defendant's Application for Stay and Extension of Time to file Defence on 28 October 2021. On 28 October 2021, the Court instructed the parties to attend the next hearing on 16 December 2021.

On 17 December 2021, the Court dismissed the Defendant's Application. A Notice of Appeal has been filed to the Court of Appeal on 13 January 2022. Subsequent to the last case management on 19 July 2022, the next case management was fixed on 14 September 2022 to update about the grounds of judgement.

On a prudent and without prejudice basis, a provision of tax and penalty amounting RM8,709,121 and RM5,876,480 respectively have been made in the financial year ended 30 June 2019, solely for reporting purposes. MPSB maintains the view that the basis of the assessment that the gain on disposal of this investment properties should be subjected to RPGT.

**23 Borrowings and Debt Securities**

	As At	
<b>Secured</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short Term Borrowings :</b>		
Term and bridging loans	8,833	16,715
Bank overdraft	3,673	8,764
	12,506	25,479
<b>Long Term Borrowings :</b>		
Term and bridging loans	16,979	5,371
	16,979	5,371
<b>Total Borrowings</b>	29,485	30,850

The weighted average effective interest rate during the current quarter for borrowings and debt securities was 6.18%. There is no foreign denominated borrowing.

**24 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to owners of the parent for the period by the weighted average number of ordinary shares in issue during the period. There was no potential dilutive shares outstanding at reporting date.

	3 Months Ended	
	<b>30/06/2022</b>	<b>30/06/2021</b>
Net profit attributable to owners of the parent for the period (RM'000)	8,744	13,302
Weighted average no. of ordinary shares in issue ('000)	1,204,590	1,204,590
Basic earnings per share (sen)	0.73	1.10

**25 Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 August 2022.