IPMUDA BERHAD

FOR A SUSTAINABLE FUTURE

2021

ANNUAL REPORT 2021
YEAR OF TRANSFORMATION

ANNUAL REPORT 2021

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CONTENT

About Our Report

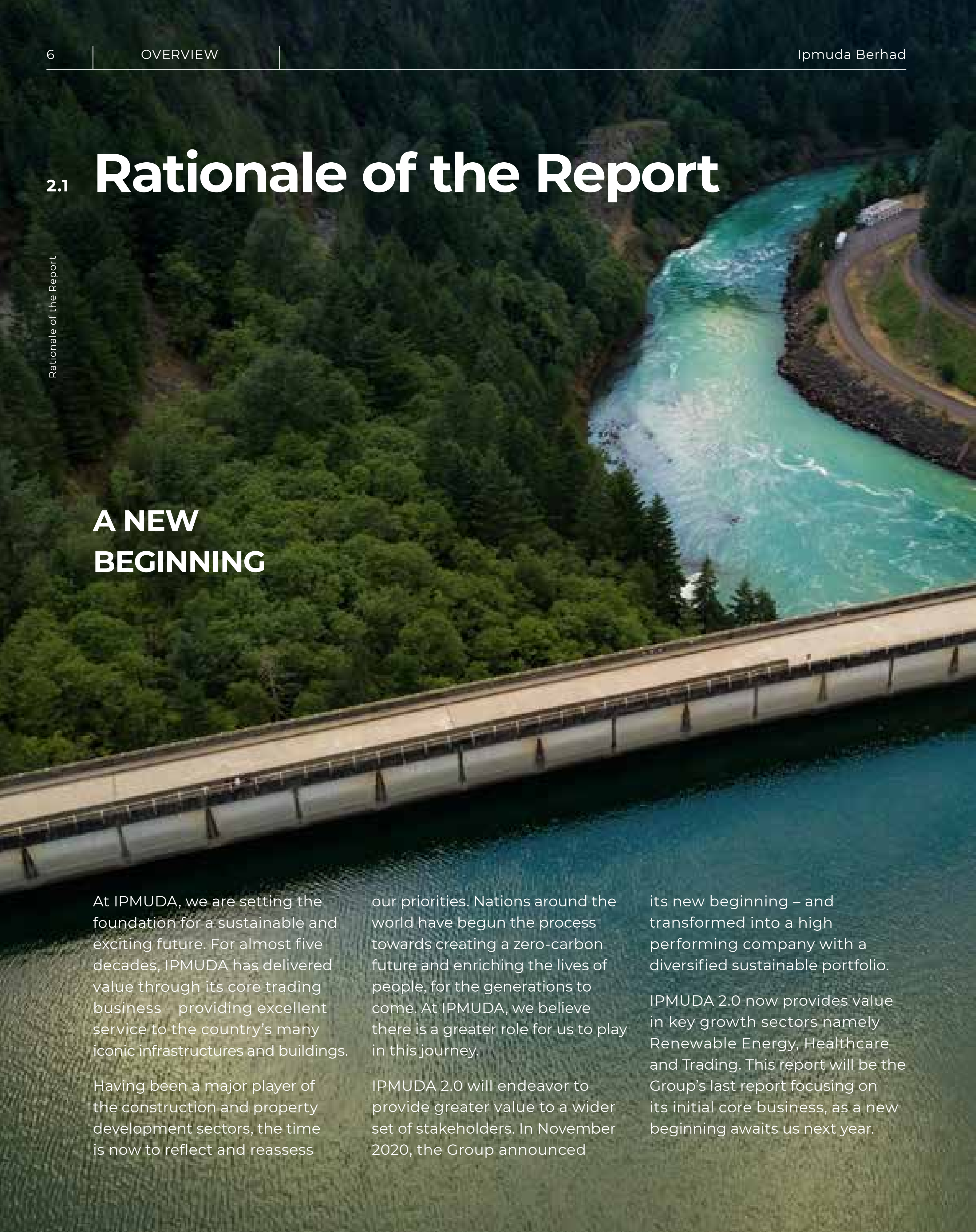
The Annual Report 2021 includes information on our financial and non-financial performances, with a clear articulation of strategies and outlook, various risks and opportunities, mitigation plans and future-proofing initiatives as well as the team spearheading the Group's main activities.

The report was prepared in compliance with Bursa Malaysia Main Market Listing Requirements, Malaysian Financial Reporting Standards, and the Companies Act 2016. This will be the Group's 27th report since its listing in 1993.

The report also includes the main activities of the business, key business areas, and discusses our outlook and aspirations.

04 — 37

OVERVIEW



2.1 Rationale of the Report

A NEW BEGINNING

At IPMUDA, we are setting the foundation for a sustainable and exciting future. For almost five decades, IPMUDA has delivered value through its core trading business – providing excellent service to the country's many iconic infrastructures and buildings.

Having been a major player of the construction and property development sectors, the time is now to reflect and reassess our priorities. Nations around the world have begun the process towards creating a zero-carbon future and enriching the lives of people, for the generations to come. At IPMUDA, we believe there is a greater role for us to play in this journey.

IPMUDA 2.0 will endeavor to provide greater value to a wider set of stakeholders. In November 2020, the Group announced its new beginning – and transformed into a high performing company with a diversified sustainable portfolio.

IPMUDA 2.0 now provides value in key growth sectors namely Renewable Energy, Healthcare and Trading. This report will be the Group's last report focusing on its initial core business, as a new beginning awaits us next year.

Our New Logo and Tagline 2.2

The new logo and tagline reflect who we are today, and the ongoing evolution towards delivering a sustainable future.

IPMUDA BERHAD

FOR A SUSTAINABLE FUTURE

The Jentayu Head and Wing visual element symbolises the rise and dynamism of the Company, growing from strength to strength and spreading its wings into new areas of interest and business.

IPMUDA BERHAD

The solid typography symbolises the strong base that holds the Company and its people together, taken into guidance under its wings.

The colours used in the logo are a representation of the Company's strong commitment towards nature, its resources and towards ensuring a sustainable future.

2.3 Our Vision

TO BE A VALUED AND RELIABLE PARTNER IN CREATING A SUSTAINABLE FUTURE.

Our Mission 2.4

01 To deliver sustainability solutions in our building and infrastructure materials through the trading division.

02 To champion and advocate sustainability innovations in our energy generation through the renewable energy division.

03 To promote sustainable communities supported by our healthcare and wellness services through the healthcare division.

2.5 Our Shared Values

Performance Driven

- Generate stable and recurring income through sustainable revenue streams.
- Continuous future-proofing and scaling efforts through innovation.
- Ensure strong financial position through effective and agile management.

Unlocking Value

- Formulate a strong business model with ability to withstand challenges.
- Anchored by a long-term strategy and uncompromising governance structure.
- Efficient stewardship through thought leadership with experience and expertise.

Stakeholder Capitalism

- Effective two-way stakeholder management towards mutual benefits.
- Capitalising on strong fundamentals, strengths and capabilities.
- Integrated approach towards increased productivity and efficiency.

Sustainability

- Cognisant of Environmental, Social and Governance (ESG) best practices and standards across our value chain.
- Provide tangible returns through corporate social responsibility and social performance.

Our Core Values 2.6

S — **Sharing** of knowledge, experience, resources and effort in the community, workplace and home. This is reflected in our Corporate Social Responsibility (CSR) work where we work to share with future generations through commitment to environmental sustainability. Sharing with the underprivileged and the challenged.

C — Out of the box **creative** and innovative solutions. Effective value adding ideas are only possible through the meeting of many minds and ideas. It helps if one desires to learn continuously.

R — **Respect** is due to every person regardless of role, age, creed, ethnicity or position. Everyone plays a role. Everyone is either a son, a daughter, a parent, a spouse or someone's partner.

I — Honesty, **integrity** and transparency are the foundation of building up of lasting and trusting relationships with each other.

P — We are **passionate** and care about all that we do in our work and our daily lives. Passion turn chores to enjoyable tasks. Be the best you can be! Always be ready, willing and able to take on challenges.

T — It takes a **team** to achieve greatness. Everyone in the team plays a role and everyone is as important as the next person. We believe in inclusivity.

2.7

Who We Are

2.7

Who We Are

Driven by stakeholder value creation, IPMUDA has evolved from being the premier supplier of customised building solutions to a sustainable high-performing diversified organisation, involved in key growth sectors namely renewable energy, healthcare and trading.

Since its inception in 1975, and the ensuing listing on the Kuala Lumpur Stock Exchange (Bursa Malaysia) in 1993, IPMUDA has undergone a comprehensive transformation to inject vigour to our journey of continuous and sustainable growth.

The Group is expanding its stable of assets and operations to include renewable energy and healthcare through its solar and hydro plants as well as private healthcare facility. The Group will continue to meet the growing clean energy and healthcare needs of the communities and future generations.

IPMUDA remains steadfast in achieving its aspiration to become a leading regional player, with a focus on governance and sustainability in all that we do.

2.8 What We Do

Trading of Building Material Solutions

IPMUDA is a one stop building materials and solutions provider for property development and construction industries. With a nationwide network coverage throughout the region, IPMUDA is able to provide quality products under its various product portfolio and in-house brands.

Throughout the years, IPMUDA has provided curated solutions to major national projects and developments catalysing growth in Malaysia.

Today, it specialises in providing ironmongery, sanitary and fittings, tiles and finishing products. It has also ventured into providing Industrial Building System (IBS) blocks.

Trading of Ancillary Products

Lubricants and Fuel

IPMUDA provides a full range of lubricants with a customer base of industrial and commercial players such as workshops, factories and contractors.

Healthcare Products

IPMUDA diversified its trading arm by expanding into healthcare products under the brand of MUDAcare with an objective to market and distribute wellness products and services. This includes products such as facemask, sanitiser, thermometer, nano disinfection service , Rapid Test Kits (RTK) and face shield among others.

Diversification

In line with our brand promise of delivering a sustainable future for all, IPMUDA diversified its business and ventured into new growth engines. With this aim in mind, the Group ventured into Renewable Energy and Healthcare sectors.

Renewable Energy

IPMUDA is rapidly embarking on a journey of becoming a clean energy solutions leader, integrated with a state-of-the-art and efficient technology, in view of rising need for ESG considerations. This journey would entail the ownership, operation, design, development and maintenance of solar and small hydro plants, among others.

IPMUDA is also involved in the Engineering, Procurement, Construction and Commissioning (EPCC) projects of renewable energy plants.

The Group has at the end of the financial year announced the proposed acquisitions of renewable energy assets to kick start the diversification wheels. This includes a 40MW Small Hydro Powerplant, the largest of its kind in Malaysia as well as a 5.99MW Solar Powerplant, the first large-scale solar II (LSS2) project to commence operations. The assets are located in Tenom, Sabah and Pokok Sena, Kedah respectively.

2.8

Healthcare

IPMUDA envisions to make private healthcare affordable and accessible for all hence improving the quality of lives and building a robust community.

The Group strives to create a supportive ecosystem for the healthcare sector, taking due considerations of the changing demographics and increasing healthcare needs. This would entail the expansion of the business segment into age care and wellness facilities, among others.

This complements our ancillary business, MUDAcare, that distribute medical products and disinfection services.

The Group has on 18 June 2021, announced the proposed acquisition of a healthcare asset to kick start the diversification wheels. This is in the form of a 30-bedded private healthcare facility in Kuala Lumpur.

Our Distinctive Products

2.9

2.9.1

Range of Products and Services

- Eco & Green
- Facade
- Smart-Tech
- Healthcare & Hygiene
- Toilet Cubicle
- Sanitarywares & Fittings
- Wall & Floor Covering
- Bricks Blocks Boards & Pavers
- Lubricants
- Architectural Ironmongery
- Doors & Windows
- Other General Building Materials
- Pipes & Tanks
- Construction & Chemicals
- Steelbars & Steel Products
- Cement & Concrete Products
- Roofing & Insulations
- Cabinetary
- Other Specialised Products

2.9

2.9.2

In-house Brands

Tiles Solutions

Mulia Ceramics has been producing tiles with various types of design, color, and size to meet market demand. Our products have their own specifications made with the latest technology and best quality.

IVORY

Beige
DI-9B-AVRI35MU

Green
DI-9B-AVRI75MU

EBONY

Beige
DI-9M-EBNY35MU

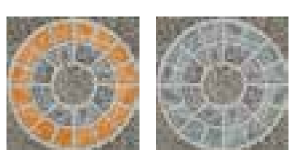
Brown
DI-9M-EBNY55MU

MIRAGE

Beige
SI-9B-MRGE35MU

Grey
SI-9B-MRGE15MU

NEBRASKA



Terracota
SI-9M-NBRS56MU

Grey
SI-9M-NBRS15MU

FORESTA **Beige** - SI-9M-FRST35MU

Face 01

Face 02

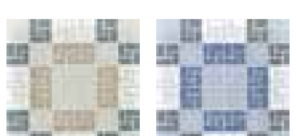
Face 03

PERSIA

Brown
DI-9M-PERS55MU

Green
DI-9M-PERS75MU

COLIMA



Crema
SP-7G-CLMA46MU

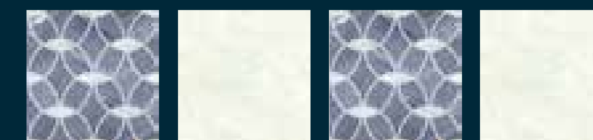
Grigio
SP-7G-CLMA15MU

2.9

Our Distinctive Products — 2.9.2 In house Brands

Islamic Motive Tiles Solutions

BRYANNA



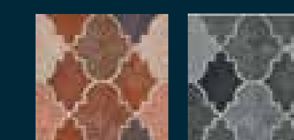
Deco Dark Grey

Dark Grey

Deco Dark Blue

Dark Blue

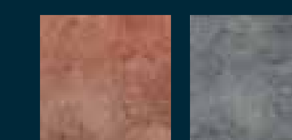
DANIYAL



Deco Terracota

Deco Grey

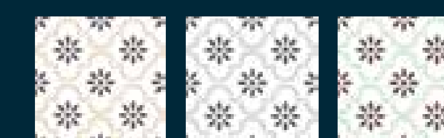
DANISH



Terracota

Grey

BRYANNA



Beige

Grey

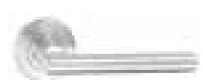
Green

Ironmongery Solutions

CONCORDE

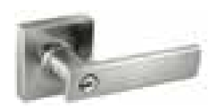
Concorde's ironmongery solutions is one of the most comprehensive in the market. Its "Total Solutions Supply" includes locksets and accessories, grand/ master key, construction key, decorative handles and wide range of other complementary products.

LEVER HANDLE



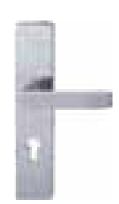
LEVER HANDLE

LEVER HANDLE

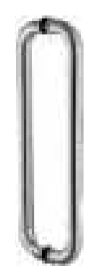


LEVER HANDLE

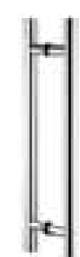
LEVER HANDLE ON PLATE



PULL HANDLE



"H" SHAPE PULL HANDLE

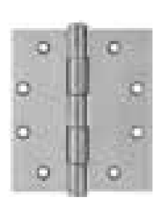


CYLINDRICAL KNOBSET (ENTRANCE FUNCTION)

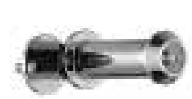
CYLINDRICAL KNOBSET (PRIVACY FUNCTION)

CYLINDRICAL KNOBSET (PASSAGE FUNCTION)

PLAIN JOINT HINGE



DOOR VIEWER



DOOR STOPPER

DOOR STOPPER

DURASET.

Duraset is one of the leading manufacturers in Taiwan that supplies ironmongery solutions to worldwide partners. The company offers the best services with superior facilities, skilled engineers, committed quality control and full product range.

Its products are safe and functional with certification by global standards like CE and UL/ANSI for European and North America market which include mechanical performance and fire rated.

MORTISE LEVER WITH PLATE

MORTISE LEVER WITH PLATE

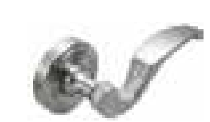
MORTISE LEVER WITH PLATE

MORTISE LEVER WITH PLATE

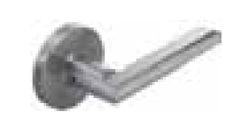
TUBULAR LEVERSET

TUBULAR LEVERSET

TUBULAR LEVERSET



TUBULAR LEVERSET



2.9

Bathroom and Kitchen Solutions

Ortolani The Choice that makes life more beautiful and comfortable.

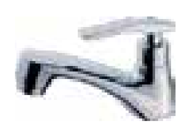
Today, your bathroom plays a vital role in your day. It creates an atmospheric setting, invites you to relax and offers space for individual style.

With Ortolani, we recognise the importance of design as a feel-good factor.

WALL MOUNTED KITCHEN SINK TAP

PILLAR MOUNTED KITCHEN SINK TAP

LEVEL HANDLE 1/2" BRASS CHROME BASIN TAP

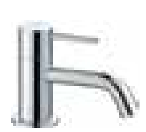


LEVEL HANDLE 1/2" BRASS CHROME TWO WAY TAP

STAINLESS STEEL PAPER HOLDER WITH LID

ROUND TOILET ROLL HOLDER

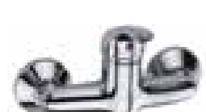
BRASS CHROME SINGLE LEVER BASIN COLD TAP



BRASS CHROME SINGLE LEVER BASIN MIXER

BIB TAP

SHOWER MIXER



2.9

COUNTRY TOP BASIN

SEMI RECESSED BASIN

SEMI RECESSED BASIN

TELFORD AWB 40135

WALL HUNG BASIN

GRISTON AWB 40133

PEDESTAL BASIN

WALL-HUNG U

GRANDIS AWC 30080

LOTUS AWC 30090

CLOVER AWC30007

ONE PIECE CLOSET

ONE PIECE C

CLOSE COUPLED CLOSET

Smart-Tech

The smart home system developed by Metalware, including APP, IoT cloud platform, smart gateway and other equipment of IoT network.

Smart gateway is the control centre of the system. It controls and adjust the devices in network, such as home appliances, lightings and other devices. Metalware has advanced IoT technology which ensures system communication stability.

Metalware also works with Amazon Echo and other voice control devices to provide a better user experience.

MW SMART HOME PLATFORM

256bit AES BLE4.0 Encryption Technology

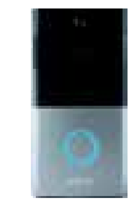
- Independently operated server for privacy protection
- Single App to control multiple devices
- Real time door status monitoring
- Real time access log

THE MW SMART HOME NETWORK

OUTDOOR IPCAM
IC201

INDOOR IPCAM PANTILT
IC200

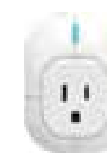
SMART DOORBELL
DB100



MW HOME BASIC HUB
DB210

OUTDOOR IPCAM WITH SPOT LIGHT
IC202

WI-FI SOCKET W/ ALARM BUZZER



WI-FI DOOR SENSOR

WI-FI HOME BUTTON

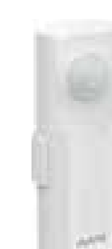
OUTDOOR INSTANT LIGHT SYSTEM
LS201

OUTDOOR IPCAM
IC204

WI-FI VIBRATION SENSOR

WI-FI LIGHT BULB

WI-FI MOTION SENSOR



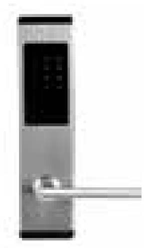
2.9

Smart Digital Door Lock

Metalware has been securing millions of homes worldwide with door and access hardware and ironmongery products.

Our team of professionals consist of the best lock designers in the industry and MW's smart lock products are rated as amongst the best.

BLUETOOTH SMART PASSAGE DOOR LOCK
MW-130

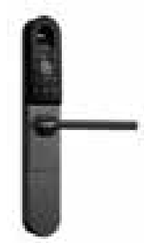


DEADBOLT DOOR LOCK
MW-D105

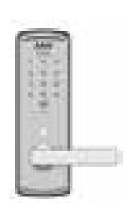
PASSAGE DOOR LOCK
MW-105L/LC

BLUETOOTH SMART PASSAGE DOOR LOCK
MW-100/100N

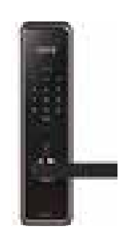
BLUETOOTH SMART PASSAGE DOOR LOCK
MW-120



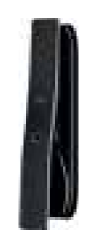
ENTRANCE LOCK
MW-370



ENTRANCE LOCK
MW-380



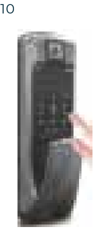
ENTRANCE LOCK
MW-730



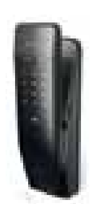
ENTRANCE LOCK
MW-520

BLUETOOTH SMART ENTRANCE LOCK
MW-700

BLUETOOTH SMART ENTRANCE LOCK
MW-710



BLUETOOTH SMART ENTRANCE LOCK
MW-720



DIGITAL GLASS DOOR LOCK
MW-G32

DOOR ACCESS SECURITY

BS EN 1634-1:2008
2 Hour Fire Rated
Certification**

- Euro profile dual latchbolt mortice lockcase providing maximum security
- Lockcase performance tested to 200,000 cycles
- IP55 Water and dust resistance
- Auto-lock function when door is closed

- Multiple Keyless Entry Methods
- One Touch Unlock On Mobile Phone
- E Key Generation & Sharing
- One Time Pass Code
- Timed Access
- Access Log Record

2.9

Solar Street and Landscape Lightings

ATLAS SERIES — Solar Street Light

Simple, but Durable

- 10+ days continuous lighting even in rainy day
- 3 lighting modes to fit what you need

Material : Aluminium profile
Solar Cell : Poly-crystalline
Battery : Li-ion battery with 1,500+ cycles
Core technology : ALS2.0/TCS
Warranty : 3 years

DIALUX road simulation map

SWL-06 — Solar Landscape Light

Solar Gutter Light

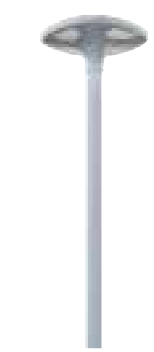
Material : Aluminium alloy+PC
Solar Cell : Poly-crystalline
Battery : Li-ion battery with 1,000 cycles
Core technology : ALS2.0/TCS
Warranty : 3 years

HALO SERIES 1 — Solar Landscape Light

Brighter and More Durable

- Operate temperature : -20C˚ ~ +65C˚
- build-in solar panel for keeping original appearance

Material : Die casted Aluminium
Solar Cell : Poly-crystalline
Battery : Li-ion battery with 1,500+ cycles
Core technology : ALS2.0/TCS
Warranty : 2 years



IP65 CE FC RoHS

Model type	LED power	Colour Temperature	Mounting Height	installing distance	luminaire net weight
SLL-09	20W	4000K	3.5m	14m	4.5kg

PEARL SERIES — Solar Courtyard Light

Illuminate your secret garden

- 7+ days continuous lighting even in rainy day
- Warm White for both lighting & decoration

Material : Die casted Aluminium
Solar Cell : Poly-crystalline
Battery : Li-ion battery with 1,000+ cycles
Core technology : ALS2.0/TCS
Warranty : 1 year

ESL-15N SGL-04N ESL-25N

I-BOX 1 — Solar Shoe Box Light

Brighter and More Durable

- 7+ days continuous lighting even in rainy day
- build-in solar panel for keeping original appearance

Material : Die casted Aluminium
Solar Cell : Poly-crystalline
Battery : Li-ion battery with 1,500+ cycles
Core technology : ALS2.0/TCS
Warranty : 2 years

IP65 CE FC RoHS

Model type	LED power	Colour Temperature	Mounting Height	installing distance	luminaire net weight
SLL-13	15W	5700K	3.5m	11m	8kg
SLL-18	22W	5700K	5m	15m	10kg
SLL-25	35W	5700K	6m	18m	12.5kg
SLL-35	50W	5700K	8m	24m	15kg

Our Distinctive Products — 2.9.2 In house Brands

2.9.3

Interlocking Blocks System (IBS)

With over 45 years of experience, IPMUDA Berhad has proven itself as the premier supplier of building materials for the construction industry.

Ipmuda offers a system of building component that is pared down, yet thoroughly intelligent. Our tongue and groove technology is specially designed to steamline the construction process.

Our universally applicable and modular system allows any constrution outfit to match buildings or physical extensions developed with our concrete products to any others.

Our products are modularised to reduce project complexity and encourage more modest and manageable use of resources, making it suitable for both complex and simple development needs.

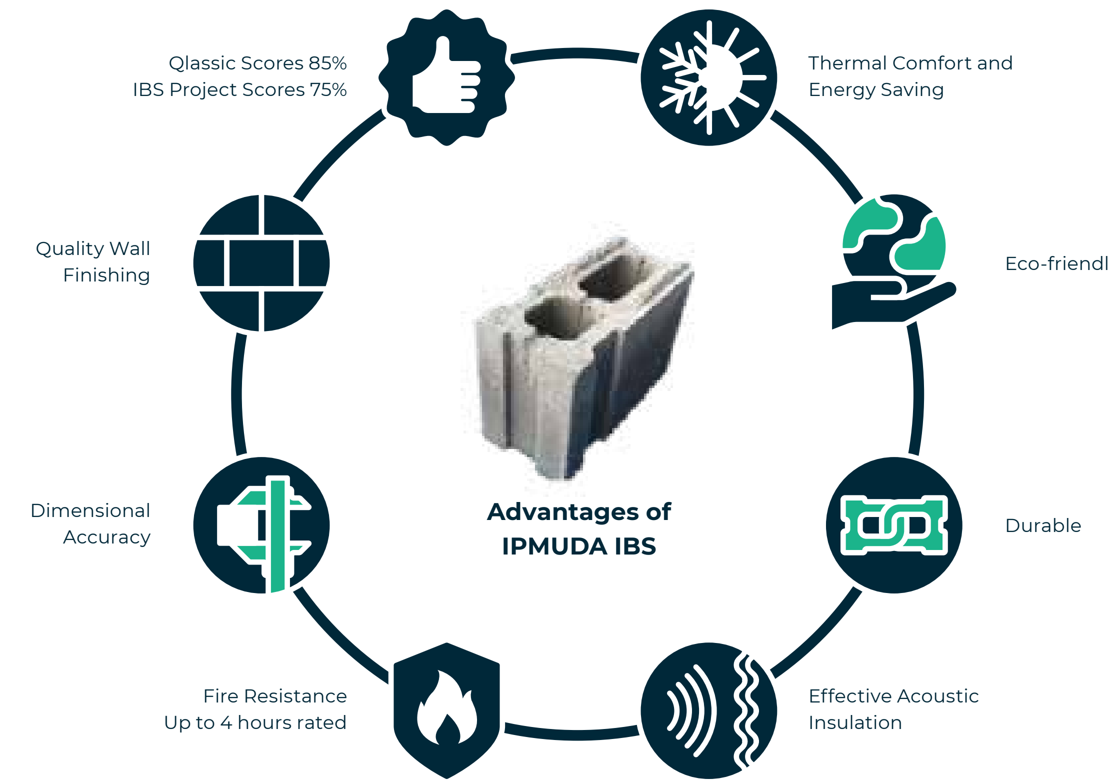
Cost Down Construction Cost

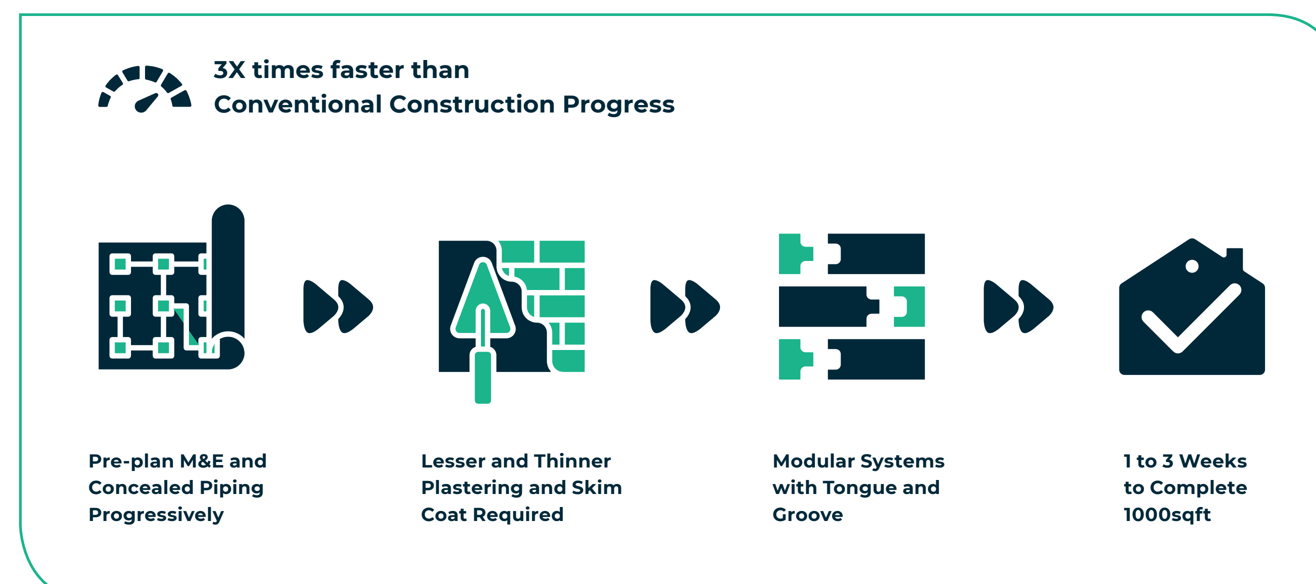
Speed Up Construction Progress

Upgrade Construction Quality

2.9

Our Distinctive Products — 2.9.3 Interlocking Blocks System (IBS)





2.10 Our Services

Provide Cost Down Solutions

IPMUDA helps to cost down and provide alternative product solutions. Ultimate result is cost savings and increased profits for customers.

Comprehensive and Complete Service Solutions

IPMUDA gives you product alternative and option to select, adding value and competitive advantage.

Provide Global and Local Sourcing Solutions

IPMUDA's extensive local and global partners offer better and competitive product solutions.

Extension and Extensive

IPMUDA provides supply and install services for all our products.

Quality and Warranty Assurance

IPMUDA assures its quality by providing product warranties and coverages.

Partners and Associates 2.11

AJIYA
SUNWAY BUILDING MATERIALS
DELUXE BRICKWORKS When the tough gets tougher
Feruni CERAMICHE
RESINTECH BERHAD
OKA CORPORATION BHD
MAYBRICKS SDN BHD
JohnsonSuisse Bathroom Solutions
CIMA A member of UEM
BlueScope
PETRONAS
Hextar
Roca
DURASET
NIRO GRANITE THE SWISS QUALITY TILE
MULIA
INNO
CONCORDE
BMI
Claytan
ECONAX
POTEX
sericite
Ortolani
KIMGRES
Z&N B&S

2.12

2021 KEY FINANCIAL HIGHLIGHTS

Revenue

RM30.22 MILLION

FY2020: RM81.44 million

Loss Before Tax

RM9.15 MILLION

FY2020: RM38.58 million

Current Ratio

0.55 → 1.15

FY2020

Debt/Equity Ratio

1.63 → 1.08

FY2020

Employee Benefit Expense

RM8.0 MILLION

FY2020: 18.68 million

Headcount

123

Based on December 2019 Headcount

DECEMBER 2020: 177

Average Share Price
(during financial year)

RM0.82

FY2020: RM0.33

Latest (July 21 – Sept 21): RM1.27

Share Volume Traded
(during financial year)

MILLION UNIT 7.68 PER MTH

LATEST RM 28 MILLION (JULY 21 – SEPT 21)

FY2020: 0.42 million

Latest (July 21 – Sept 21): 28 million

2021 OTHER HIGHLIGHTS

- First Syariah-Compliant Building Materials Trading House
- Diversification into Renewable Energy and Healthcare
- Private placement and restricted issues of 28.988 million shares

Our Competitive Strengths

2.13

- Established experience and track record in trading business
- Qualified and experienced Board and Management Team
- Capability of broad product offerings, covering the full range of building materials
- Ability to provide advisory services hence further unlocking value
- Committed acceleration for holistic performance and transformation

2.14 Corporate Information

01 Board of Directors

- **Datuk Beroz Nikmal bin Mirdin**
  Non-Independent Executive Director | Executive Chairman
- **Jeefri bin Muhamad Yusup**
  Non-Independent Executive Director | Chief Executive Officer
- **Dato' Amiruddin bin Abdul Satar**
  Independent Non-Executive Director
- **Baevinraj Thiagarajah**
  Independent Non-Executive Director
- **Abdul Halim bin Jantan**
  Independent Non-Executive Director
- **Teh Foo Hock**
  Non-Independent Executive Director | Finance Director

02 Secretaries

Joint Secretaries;

- **Chen Bee Ling**
  (MAICSA 7046517)
  SSM PC NO.: 202008001623
- **Nurly Salmi Binti Ruhaiza**
  (MAICSA 7073753)
  SSM PC NO.: 202008000293

03 Registered Office

12th Floor
Menara Symphony
No. 5
Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : 03-78904800
Fax : 03-78904650

04 Share Registrar

Boardroom Share Registrars Sdn. Bhd.
11th Floor
Menara Symphony
No.5
Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Helpdesk : 03-78904700
Fax : 03-78904670

05 Auditors

Grant Thornton Malaysia PLT (Member firm of Grant Thornton International Ltd) (201906003682 & LLP 0022494-LCA) Chartered Accountants (AF0737)
Level 11
Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Tel : 03-26924022
Fax : 03-27321010

06 Principal Bankers

Bank Kerjasama Rakyat Malaysia Berhad

Bank Islam Malaysia Berhad

Malayan Banking Berhad

07 Stock Exchange Listing

Bursa Malaysia Securities Berhad

Main Market
(Stock Code 5673)

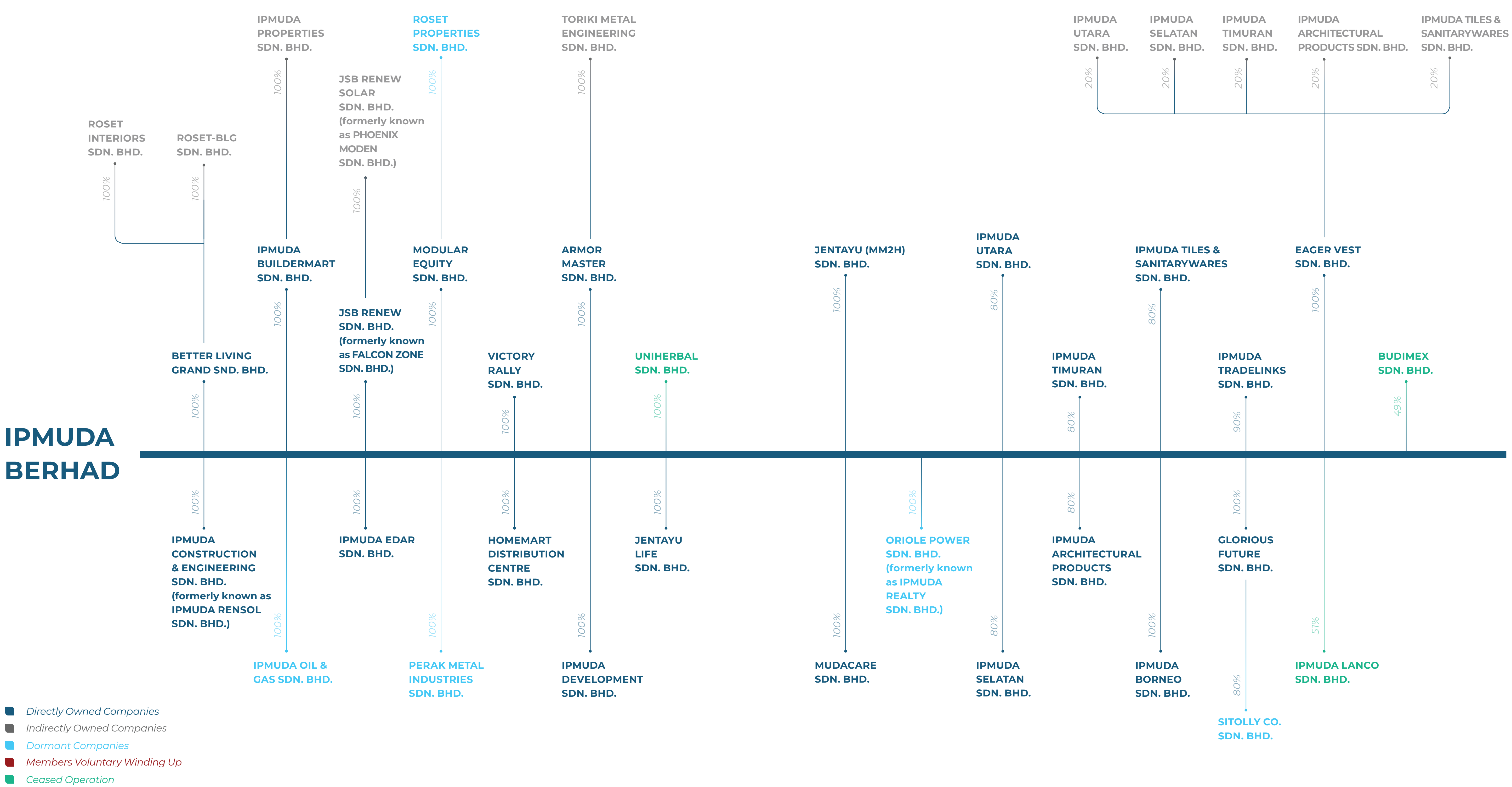
Listed on
22 December 1993

08 Website

www.ipmuda.com.my

2.14

2.15 Corporate Structure



KEY MESSAGE

3.1

Executive Chairman's Statement

Datuk Beroz Nikmal bin Mirdin

Executive Chairman

"Dear Valued Stakeholders, on behalf of the Board of Directors and the Executive Leadership Team, it is my privilege to share IPMUDA Berhad's Annual Report 2021. This report, which is prepared in accordance with regulatory guidelines, endeavours to provide a comprehensive overview of our performance, challenges, mitigation measures and transformation initiatives.

An Extraordinary Year Just like the year before, the Group was beset with unprecedented challenges brought upon by the pandemic. The global outbreak of the health pandemic has brought the world and its economy to a standstill, where socio-economic activities came to a grinding halt. In this new normal environment, IPMUDA Berhad's journey reflected a similar trajectory as with many others; a journey of agility, resiliency and adaptability. Against this backdrop and despite the challenges, I am pleased to report that the Group has evolved and continued its momentum towards long-term growth, hence unlocking value for all its stakeholders.

Whilst the world was engrossed with the public health crisis, there exist another pressing global threat that is frequently overlooked, namely the climate change. The United Nations' Intergovernmental Panel on Climate Change (IPCC) released a nearly 4,000-page report with one clear message: the world is warming at a rate not seen in 2,000 years, largely driven by emissions and fossil fuel reliance.

IPMUDA is cognisant of these alarming trends, and we intend to play an increased role in contributing towards the recovery phase. It is with this intention, and in tandem with our renewed brand promise — **A Sustainable Future for All** – that IPMUDA laid the foundation for its next phase of growth in this financial year under review.

Building Tomorrow, Today Our focus has been on the changes that can alter the long-term drivers of the Group rather than reacting to the short-term developments that have occurred due to the new normal.

This year, we have set the course towards catalytic and strategic acquisitions, laying the foundations for the Group moving forward. We have taken the opportunity to reassess and reprioritise the Group's core businesses amidst the pandemic-induced environment.

To that end, the Group proudly announced the proposed acquisitions of renewable energy and healthcare assets, a signal that the diversification wheels are now fully in motion.

These efforts were done to ensure that IPMUDA will be able to provide better value to its overall stakeholders. At IPMUDA 2.0, our purpose is to effect positive change against global threats such as climate change and the healthcare crisis.

3.1

HEALTHCARE ASSET ACQUISITION

- OHANA Specialist Hospital

30-Bedded Women and Children Hospital in Kuala Lumpur

RM18 Million in Enterprise Value

HYDRO ASSET ACQUISITION

- Telekosang Hydro One Sdn. Bhd.
- Telekosang Hydro Two Sdn. Bhd.
- Telekosang Hydro One Asean Green Sri Junior Sukuk
- Telekosang Asean Green Junior Bonds

40MW Cascading Run-of-River Hydropower Plant in Tenom, Sabah

RM653 Million in Enterprise Value

SOLAR ASSET ACQUISITION

- Jentayu Solar Sdn. Bhd.

5.99MW Solar Power Plant in Pokok Sena, Kedah

RM47 Million in Enterprise Value

Effective Leadership and Oversight The construct of the Group's resilience is backed by an effective stewardship by the Board and Management Team. Greater attention was provided to strengthening the governance structure of the Group, which is pivotal to ensure that we meet our intended goals and aspirations.

During this period under review, the Group saw the appointment of three additional Independent Non-Executive Directors to the Board. I would like to take this opportunity to once again welcome Baevinraj Thiagarajah, Dato' Amiruddin bin Abdul Satar and Abdul Halim bin Jantan to the Board. Their appointments signify the Group's commitment to the transformation journey, particularly in the form of increased Corporate Governance and Oversight.

At IPMUDA 2.0, the stakeholders can now expect a resolute drive for integrity and business ethics as well as continued commitment for transparency. I would also like to take this opportunity to inform our stakeholders that IPMUDA 2.0 will operate its business in accordance with the highest Environmental, Social and Governance (ESG) practices.

A Note of Appreciation In closing, I would like to thank our shareholders for their unwavering trust and support to the Group. My appreciation goes to the Executive Leadership Team that has demonstrated dedication in preparing the Group for its next phase of growth.

I am also grateful to my fellow Board Members for their sound advisory and guidance in steering the Group and in discharging their duties. My thanks also go to the employees of IPMUDA Berhad who have remained focused despite the changing working arrangements.

I assure our stakeholders that IPMUDA Berhad will continue to build upon our strong foundations and reinforce its strength to support future growth.

3.2

Chief Executive Officer's Statement

Jeefri bin Muhamad Yusup

Chief Executive Officer

Dear shareholders, IPMUDA Berhad surpassed expectations with a commendable finish to the year under review, despite the many uncertainties brought on by the unprecedented pandemic. One of the most notable milestone for the year is IPMUDA's return to the black in the third quarter of the year, after several years of consecutive losses. The improved results albeit modest, are a testament of the positive changes brought upon by the new shareholding structure and leadership team, of which I am humbled to be a part of.

Key Performance Highlight

For the year under review, the Group posted revenue of RM30.2 million and a Loss Before Tax ("LBT") of RM9.2 million. The LBT of RM9.2 million for the financial year marks a loss reduction of 76.3% as compared to the preceding year, on the back of the one-year anniversary of its new leadership and management at the helm. Loss after Tax ("LAT") for the financial year came in at RM9.0 million which also signifies an improvement of 76.2% as compared to the preceding year.

The 62.9% decline in annual revenue was attributed to the unprecedented challenges brought upon by the global pandemic and the ensuing lockdowns.

The Group however was able to significantly narrow down the year-on-year and quarterly losses through careful and focused choices of products and customers, leading to a marked improvement in profit margin. The Group doubled its year-on-year Gross Profit Margin from 6.7% in financial year 2020 to 15.3% in financial year 2021.

Arising from the conscientious cost management efforts, the Group made savings of RM11.0 million in administrative and selling and marketing expenses, through the manpower right-sizing exercise, reduction in legal action required against trade and other areas. The year under review also saw the Group recording a gain on disposal of non-strategic properties totalling RM3.9 million, lower finance cost totalling RM0.2 million, as well as a net reversal of impairment on receivables of RM6.1 million.

Revenue Diversification to Drive Future Earnings

The Group has announced its diversification into Renewable Energy and Healthcare sectors via immediate asset injection of hydro projects (40MW Small Hydropower Plants in Sabah), solar project (5.99 Solar Power Plant in Kedah) and private healthcare facility (30-bedded hospital in Kuala Lumpur). The announcement is backed by a series of capital market exercises including special dividends of RM0.30 per share, one-for-one bonus issue, one-for-one renounceable rights issue of RM0.30 per share and a three-for-two detachable warrants.

Earlier in the financial year, the Group's maiden diversification activity involving an RM78.0 million contract award for the design and build of a 100MW alternating current photovoltaic solar generation facility in Marang, Terengganu has contributed RM6.3 million in revenue to the financial year under review.

The financial year under review will be the Group's last as a pure-play in building material trading house, as IPMUDA is poised to formally take on its new role as a diversified company involved in three key business segments - renewable energy, healthcare and trading.

The Groups next full year results in 2022 will include its new growth engines and we are looking forward to further improve our revenue and cashflow performance via the recent asset injections. IPMUDA is transitioning, and the wheels of profitability are now in motion.

The collective efforts of the Group have pushed share prices to chart all-time high. Following dives as low as 17.5 sen on May 28, 2020, IPMUDA's shares has been uptrend to reach its all-time high of RM2.20 on June 21, 2021.

Empowering IPMUDIANs and Instilling New Culture

Amidst the pandemic, corporations around the world have had to readjust to what is frequently termed as the new normal environment. With multiple lockdowns and movement restrictions instituted by the Government in order to curb the ongoing pandemic, IPMUDIANs have adapted to the new challenges of working from home. We continue to empower our employees and have put in motion continuous learning culture to ensure our people remain agile in the ever-changing business environment.

IPMUDA is unique for more than 50% of its employees are from the gen-y demographics. The talent bench is the Groups prime asset and the Group has right-sized its workforce via diligent evaluation of competencies and job sizes.

Moving forward, the Group will emphasise continuous employee engagements and culture change initiatives to ensure that we remain relevant with the changing times. Our stakeholders can be comforted in knowing that the IPMUDA 2.0 will focus on having a robust manpower development programme, training and upskilling as well as succession planning.

Acknowledgements

I am grateful for the trust accorded to the new management team by the Members of the Board. The transformation initiatives that resulted in IPMUDA's improved financial and operational performance is largely due to the leadership, guidance, and support of the Board of Directors.

I am also thankful to the long-standing and new customers of IPMUDA Berhad, various regulatory bodies, business partners, bankers, lenders, suppliers and advisors. Every support extended during these challenging times have contributed to the Group's greater achievements.

My appreciation also goes to the employees of IPMUDA Berhad for showing unwavering commitment to realising the aspirations of IPMUDA 2.0. During the pandemic, a significant portion of the business operations had to continue as it has been deemed to be an essential sector. I take this opportunity to thank the employees of IPMUDA for working as the nations essential employees despite the potential danger of exposing themselves to the pandemic.

On behalf of the Management Team, I assure you that all efforts are in place in ensuring that the interests of our various stakeholders are continuously safeguarded. The Group will remain vigilant in monitoring the progress, meeting current challenges and capitalising on opportunities.

3.2

Cheif Executive Officer's Statement

MANAGEMENT DISCUSSION AND ANALYSIS

44 — 51

4.1

Management Discussion And Analysis

Strategy Review

The financial year under review has been one of transition, as IPMUDA Berhad ("the Group") continues its restructuring programme before embarking on its diversification journey in November 2020. Building on the significant changes made towards the end of the previous financial year, the Group embarked on a slew of corporate exercises to strengthen its financial position and build resilience in the Group's operations.

As the prolonged effects of the pandemic continued to have an impact on the legacy trading business, the Group moves to alter its principal activities towards renewable energy and healthcare with sustainability underpinning future growth.

Traditionally a building materials trading house, IPMUDA has undergone a significant transformation to streamline its trading arm and diversify into the renewable energy and healthcare sectors, led by the new Executive Chairman and CEO who both took over the helm in June 2020. Moving forward, the Group will operate principally as a renewable energy player, with ambitions on becoming a notable regional player in the medium-long term.

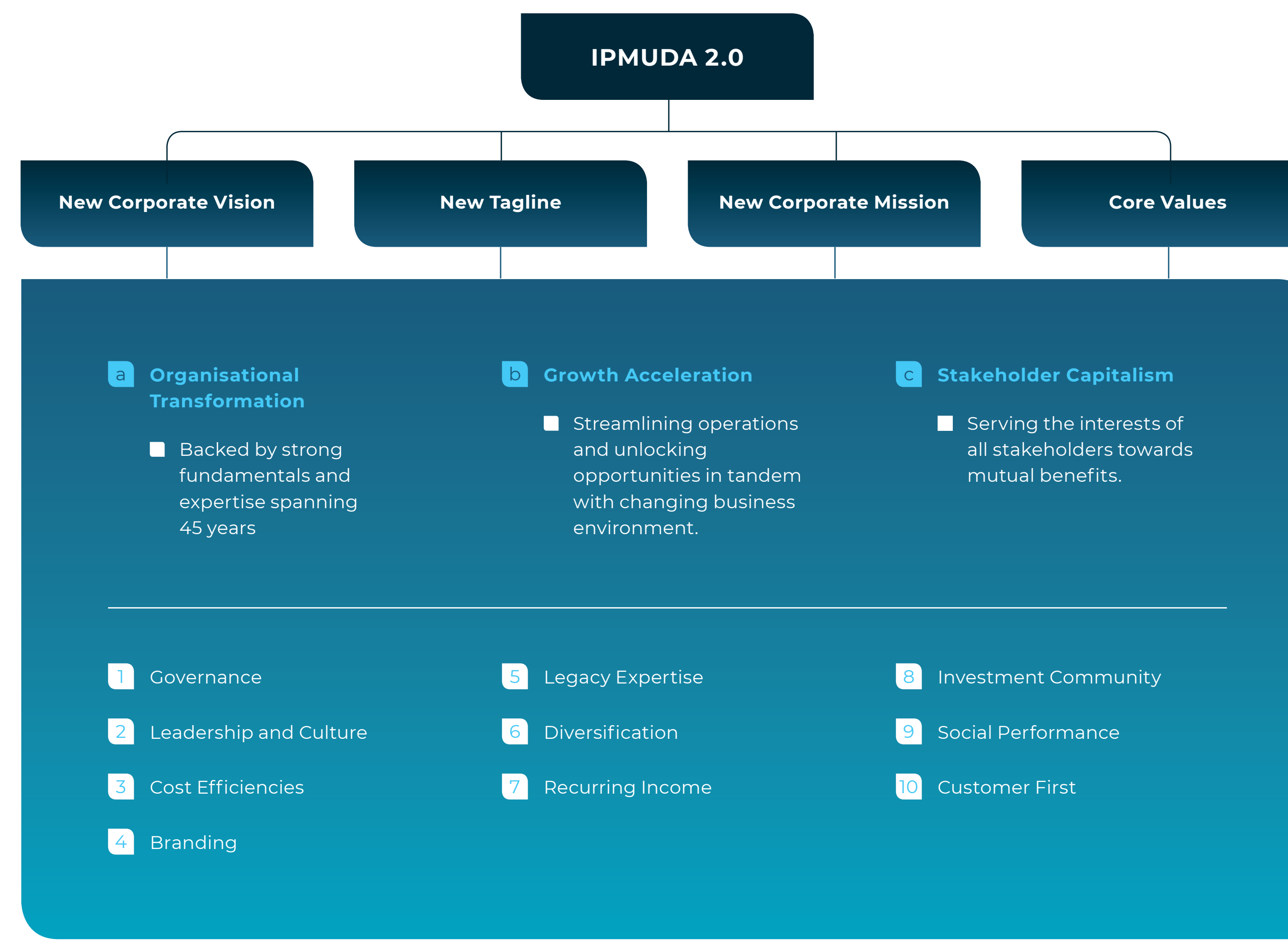
The Group envisions renewable energy as the cornerstone of the newly restructured IPMUDA 2.0, with complementary profit contributions from the healthcare and legacy trading segments. The Group's diversification into the new business segments will ensure growth is achieved in a sustainable manner and the core revenue stream remains recession-proof.

The Group has instituted changes in leadership, which include the appointment of Abdul Halim bin Jantan as the Independent Non-Executive Member of the Board. He will advise the Group in matters of risk and corporate governance. This represents a complementary addition to the Group's considerable technical expertise, thus equipping the Group with the skills and competencies required for its transformation into a well-governed, sustainable, high-performing organisation.

The Board Commitees have been reorganised with the merger of Nomination Committee and Remuneration Committee, chaired by Dato' Amiruddin bin Abdul Satar. Abdul Halim bin Jantan has also been appointed as the Chairman of the Board Audit Committee as well as the Board Risk Committee.

4.1

Management Discussion and Analysis



4.2 Business Overview – Transformation Yielding Positive Results

The financial results for the financial year under review are representative of a company in transition, recording a net loss before tax of RM9.2 million as the leadership continues to push ahead with the transformation of the Group. The net loss before tax however represents a 76.2% loss reduction as compared to the previous year, which recorded a RM38.6 million loss over the equivalent period.

The Group's revenue fell by 62.9% to RM30.2 million for the year, as the leadership continues to rationalise the trading operations whilst also suffering from the prolonged effect of the pandemic-imposed lockdowns. The trading business has also moved to focus on high-margin products, reflected in the increase in the Group's gross profit margin to 15.3% from 6.7% in financial year 2020.

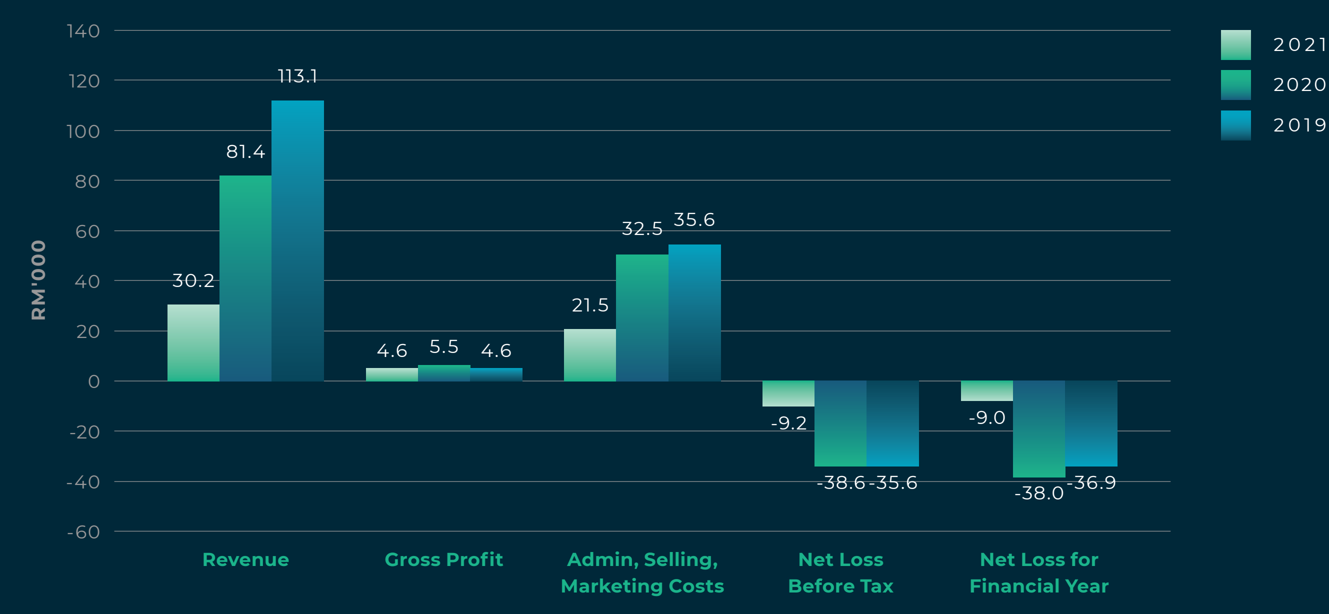
The Group has also undertaken a significant streamlining exercise to reduce its cost base, with indirect costs (Administrative, Selling, and Marketing Expenses) having decreased by 33.7% year-on-year.

The Group has completed an extensive talent bench rightsizing exercise, which led to a leaner organisational structure with headcount reduced by 43.9%. The streamlining exercise is primarily focused on delayering management of the business, with more decisions being transferred up to the CEO.

4.2

Business Overview – Transformation Yielding Positive Results

Financial Performance of the Group



IPMUDA Share Price Performance

4.3

Setting the Foundation for Sustainable Growth

The Group has also continued with the monetisation of non-core assets given the paradigm shift in principal activities. The asset sales include the proposed disposal of Petaling Jaya land worth a total of RM82.0 million, as well as a handful of smaller residential and commercial assets (apartments, condominiums, shop lots, etc.), with net gains / losses recognised only upon completion of the sales.

The Group also initiated a number of corporate exercises to strengthen its financial footing in preparation for the impending growth in the company's new business direction. The Group has successfully issued two tranches of private placements and a restricted issue totalling RM18.9 million and is also in the midst of executing a proposed bonus issue, rights issue, special dividend, and detachable warrants. The details of the proposed corporate exercises are set out in the table below:

Corporate Exercise	Details
Private Placement I	Issued 7.2 million new shares at RM0.56 per share, raising RM4.02 million
Private Placement II	Issued 7.3 million new shares at RM0.68 per share, raising RM4.98 million
Restricted Issue	Issued 14.5 million new shares at RM0.68 per share, raising RM9.86 million
Proposed Bonus Issue	1 for 1 for all ordinary shares
Proposed Detachable Warrants	3 for 2 for all ordinary shares, valid for 10 years with exercise price at RM0.66 per share
Proposed Renounceable Rights Issue	1 for 1 for all ordinary shares, at RM0.30 per share
Proposed Special Dividend	RM0.30 for all ordinary shares, conditioned upon successful completion of Section 13 land sale

The funds raised from the private placements have been utilised to reduce the Group's bank borrowings by 15.6%, with a net reduction of RM9.1 million over the course of the financial year. Borrowings due within one year have also been refinanced, with RM27.3 million worth of borrowing having new maturities of between one to five years.

The overall impact of the steps taken to stabilise the Group has resulted in a 65.3% decrease in current liabilities and a reduction in the debt-to-equity ratio from 1.63 in financial year 2020 to 1.08 in financial year 2021, putting the Group on much firmer financial footing in line with its transformation programme.

Moving forward, the Group will prioritise the completion of the corporate exercises in order to make IPMUDA 2.0 a compelling stock for both institutional and retail investors. The expansion of share base and subsequent dilution of the unit share price is expected to drive liquidity of the Group's shares and enable further participation from the retail market.

4.4

Building the Future of the Company – IPMUDA 2.0

Upon completion of the transformation programme, the Group will be transformed as a renewable energy player with a strong focus on sustainability. As at the end of financial year, the Group had signed Heads of Agreements (HOAs) to acquire a 5.99 MW solar plant, a 40 MW small hydropower plant, and a 30-bedded boutique hospital specialising in obstetrics and gynaecology (O&G).

These new acquisitions mark the first step in the Group's new business direction and represents a significant milestone in its transformation journey. The acquisition of the hospital and the corporate exercises are due to be completed by end of 2021, whilst the acquisition of the solar and hydro assets are expected to be finalised by early 2022.

The solar asset and the hospital are already operational whereas the hydro asset is expected to commence operations by early 2022. The Group's projected profits will be predominantly driven by the Group's newly acquired renewable energy assets, with contributions from the rationalised trading business and the healthcare asset. The Group will also look to optimise the operations of the newly acquired assets to improve contributions to the bottom line.

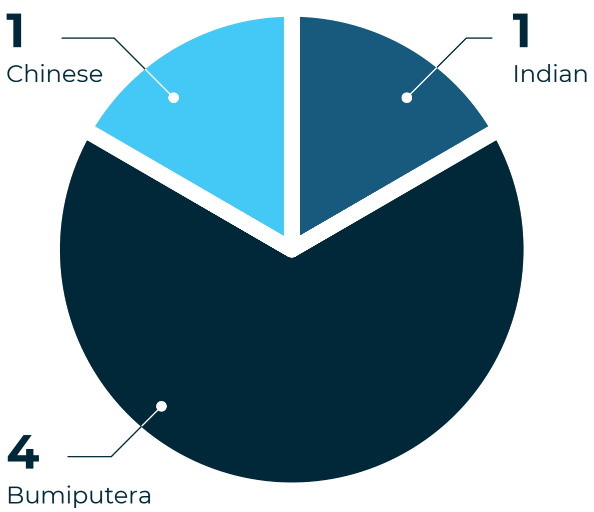
The Group has aspirations to grow its renewable energy generation capacity to approximately 400-500 MW in the next 3-5 years, both in Malaysia and across the region. The Group will continue its expansion into the Renewable Sector by exploring other development of greenfield and brownfield projects which includes independent power producers (IPP) projects involving other renewable energy including but not limited to small hydro, solar, biomass, biogas and geothermal.

Further changes to the Group also include plans to implement a sustainable dividend policy and an Employee Stock Ownership Plan (ESOP) in the near future.

LEADERSHIP

5.1
Board Composition

Ethnicity



Tenure

6

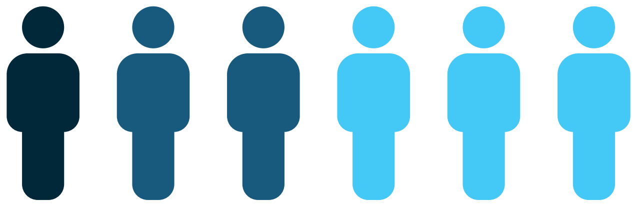
person with length of tenure below 2 years

Nationality

100%

Malaysian

Demographics



- Non-Independent Executive Chairman
- Non-Independent Executive Directors
- Independent Non-Executive Directors

Age Group

Board of Directors' Profile

5.2

Past Relevant Experience Datuk Beroz has held various senior positions in the power and energy industries including as the Chief Executive Officer of Telekosang Hydro, Managing Director of Perak Hydro Renewable Energy Corporation and Executive Director of Gunung Capital Berhad.

An electrical engineer by training, Datuk Beroz was involved in coordinating the movements of wholesale electricity in the United States whilst attached to the System Planning Department of PJM Interconnection LLC from 1998 to 2006.

Subsequently, Datuk Beroz returned to Malaysia and served as Deputy Chief Engineer, Systems Operations Department of Tenaga Nasional Berhad. He was also formerly the Vice President of Investments at Khazanah Nasional Berhad.

Declaration He is the spouse of Datin Nurhaida binti Abu Sahid, a major shareholder of the Company.

Save as disclosed above, Datuk Beroz does not have any other family relationship with any Director and/or other major shareholder of the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Datuk Beroz Nikmal Mirdin

Non-Independent Executive Chairman

Age
44 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
18 June 2020

Length of Tenure as Director
1 Year
(as at 30 June 2021)

Membership of Board Committees : None

Academic Qualification(s) :

Bachelor of Science in Electrical Engineering from Widener University, USA

Master of Science in Management Information Systems from The Pennsylvania State University, USA.

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Chief Executive Officer, Telekosang Hydro

5.2

Past Relevant Experience

Having begun his career as a Corporate Finance Executive with Arab Malaysian Merchant Bank, Jeefri's financial acumen and entrepreneurial talents were honed during roles in Shell Malaysia's treasury unit and later, as Area Accountant, Sarawak. He then joined Land and General Bhd, developing new businesses opportunities for the Group.

As a senior consultant with InCam Asset Management and later as Director of Institutional Broking for Kenanga Investment Bank, he also gained a reputation for his capabilities in stock and money markets.

Jeefri had seen a growing need to reduce healthcare cost to employers and so, he founded Malaysia's first Healthcare Management company, HMO Pacific Sdn. Bhd. He also set up and managed two (2) private hospitals, Pusat Perubatan Naluri and Rampai Puteri Medical Centre.

Declaration

Jeefri does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Jeefri Muhamad Yusup

Chief Executive Officer

Age
56 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
18 June 2020

Length of Tenure as Director
1 Year
(as at 30 June 2021)

Membership of Board Committees : None

Academic Qualification(s) :

Graduate of The Chartered Association of Certified Accountants (ACCA), UK

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Nil

Past Relevant Experience

Dato' Amiruddin was formerly the President and Managing Director of KPJ Healthcare Berhad, a position he held for almost 8 years. He contributed actively to the development of the Malaysian Healthcare sector having served in various boards and management positions within KPJ Healthcare Berhad for over 26 years.

Dato' Amiruddin is a member of the Malaysia Advisory Committee (MAC) of Association of Chartered Certified Accountants (ACCA) and was the former Vice President of the Association of Private Hospitals of Malaysia (APHM).

Declaration

Dato' Amiruddin does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

Dato' Amiruddin has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

5.2

Board of Directors' Profile

Dato' Amiruddin Abdul Satar

Independent Non-Executive Director

Age
57 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
19 August 2020

Length of Tenure as Director
10 months
(as at 30 June 2021)

Membership of Board Committees :

Chairman of Nomination and Remuneration Committee

Member of Risk Committee

Member of Audit Committee

Academic Qualification(s) :

Member, Chartered Association of Certified Accountants (ACCA)

Masters in Business Administration (MBA), Henley Business School, University of Reading, United Kingdom

Present Directorship(s) :

Other Listed Entity : FGV Holdings Berhad

Other Public Companies : Nil

Present Appointment(s) :

Director General, Federal Land Development Authority (FELDA)

5.2

Past Relevant Experience Baevinraj commenced his management consulting career with the Boston Consulting Group (BCG) in 2000. There he worked on consulting projects in industries such as Power, Automative and Financial Services across the Asia Pacific region.

In 2007, Baevinraj left BCG to set up a boutique management consulting firm where he has served Government Agencies and Government Linked Companies on projects related to strategy and turnaround.

Some of his career highlights includes the set up and execution of the power sector reform program for the Malaysian power sector, carve-out of an operation and maintenance (O&M) company for a regional telco company and turnaround of various companies. He has also been engaged by DRB-HICOM as a part of the senior management team to support implementation of special initiatives.

Declaration He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Baevinraj Thiagarajah

Independent Non-Executive Director

Age
46 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
9 July 2020

Length of Tenure as Director
11 months
(as at 30 June 2021)

Membership of Board Committees :

Member of Risk Committee

Member of Audit Committee

Member of Nomination and Remuneration Committee

Academic Qualification(s) :

Bachelors Degree (1st Class) in Electrical and Electronics Engineering, Imperial College London

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Nil

5.2

Past Relevant Experience Abdul Halim brings with him a wealth of experience spanning over 40 years, particularly in the areas of corporate governance and risk management.

He is currently the Chief Executive Officer of Sterling Insurance Brokers Sdn Bhd (Sterling), an Insurance Broking and Consulting company. Sterling has developed into being one of the leading local specialist insurance brokers in the Power Generation Industry (IPPs), Financial Institutions, Utilities, Marine, Energy and Large Infrastructure Projects with notable clients including Tenaga Nasional Berhad (TNB), UEM Group Berhad, Malaysian Resources Corporation Bhd, Malakoff Corporation Berhad, SME Bank Berhad, Asian Finance Bank, Indah Water Konsortium (IWK), Syarikat Perumahan Nasional Berhad and Syarikat Prasarana Negara (RapidKL).

Prior to that, Abdul Halim served AMI Insurans Berhad in various senior positions, including as the Chief Executive Officer from 1994 to 2000. He had also contributed immensely to industry associations including as the Management Committee of General Insurance Association, Convenor of Insurance Industry Consolidation Committee (joint effort with Bank Negara Malaysia), and Chairman of Mergers and Acquisitions Committee (joint effort with Bank Negara Malaysia).

Declaration He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Abdul Halim Jantan

Independent Non-Executive Director

Age
63 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
2 Nov 2020

Length of Tenure as Director
8 months
(as at 30 June 2021)

Membership of Board Committees :

Chairman of Risk Committee

Chairman of Audit Committee

Member of Nomination and Remuneration Committee

Academic Qualification(s) :

Fellow of Malaysian Insurance Institute

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Senior Independent Non-Executive Director of Theta Edge Berhad

Present Appointment(s) :

Chief Executive Officer of Sterling Insurance Brokers Sdn Bhd (Sterling)

Board of Directors' Profile

Past Relevant Experience Teh brings with him a wealth of experience in corporate governance, finance, accounting, taxation and management reporting having served in several public listed companies in the manufacturing, oil palm plantations, milling, property development, trading and mining activities, properties management and security sectors.

Teh also has over 12 years of experience in an established public accounting firm in the field of corporate compliance involving audit, including internal audits and investigations, finance, secretarial, taxation and consultancy.

Declaration He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Teh Foo Hock

Finance Director

Age
56 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
(Redesignated as Executive Director on 30 March 2021)

Length of Tenure as Director
1 year and 8 months (as at 30 June 2021)

Membership of Board Committees : none

Academic Qualification(s) :

Member of Malaysian Institute of Certified Public Accountants (CPA(M))

Member of Malaysian Institute of Accountants (MIA)

Member of Chartered Institute of Taxation (CIT)

Member of Institute of Internal Auditors of Malaysia (MIIA(M))

Present Directorship(s) :

Other Listed Entity : Nil

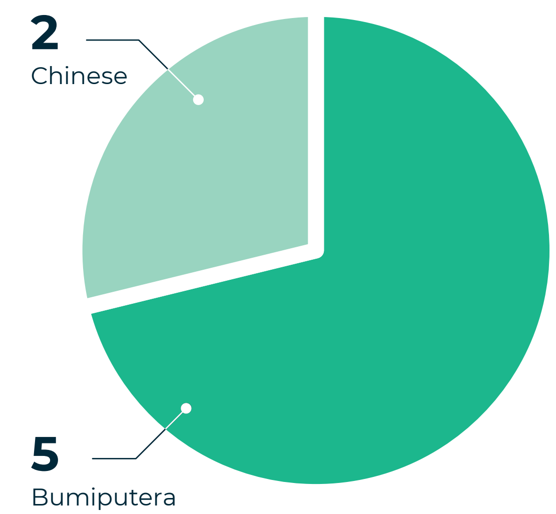
Other Public Companies : Nil

Present Appointment(s) :

Nil

Executive Leadership Composition

Ethnicity



Tenure

7

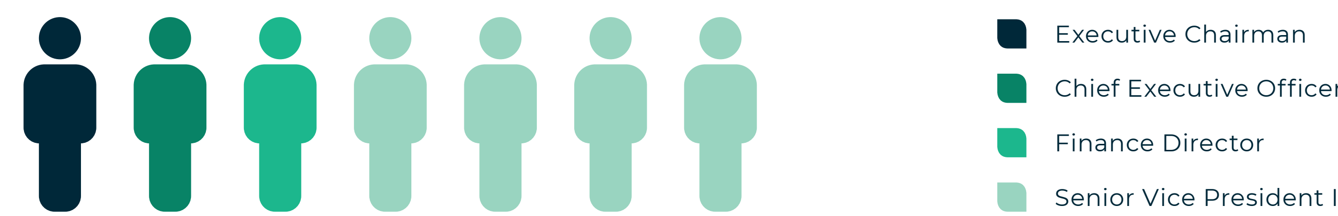
person with length of tenure below 2 years

Nationality

100%

Malaysian

Demographics



Age Group

5.4

Executive Leadership Profile

Past Relevant Experience Datuk Beroz has held various senior positions in the power and energy industries including as the Chief Executive Officer of Telekosang Hydro, Managing Director of Perak Hydro Renewable Energy Corporation and Executive Director of Gunung Capital Berhad.

An electrical engineer by training, Datuk Beroz was involved in coordinating the movements of wholesale electricity in the United States whilst attached to the System Planning Department of PJM Interconnection LLC from 1998 to 2006.

Subsequently, Datuk Beroz returned to Malaysia and served as Deputy Chief Engineer, Systems Operations Department of Tenaga Nasional Berhad. He was also formerly the Vice President of Investments at Khazanah Nasional Berhad.

Declaration He is the spouse of Datin Nurhaida binti Abu Sahid, a major shareholder of the Company.

Save as disclosed above, Datuk Beroz does not have any other family relationship with any Director and/or other major shareholder of the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Datuk Beroz Nikmal Mirdin

Non-Independent Executive Chairman

Age
44 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
18 June 2020

Length of Tenure as Director
1 Year
(as at 30 June 2021)

Membership of Board Committees : None

Academic Qualification(s) :

Bachelor of Science in Electrical Engineering from Widener University, USA

Master of Science in Management Information Systems from The Pennsylvania State University, USA.

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Chief Executive Officer, Telekosang Hydro

Past Relevant Experience Having begun his career as a Corporate Finance Executive with Arab Malaysian Merchant Bank, Jeefri's financial acumen and entrepreneurial talents were honed during roles in Shell Malaysia's treasury unit and later, as Area Accountant, Sarawak. He then joined Land and General Bhd, developing new businesses opportunities for the Group.

As a senior consultant with InCam Asset Management and later as Director of Institutional Broking for Kenanga Investment Bank, he also gained a reputation for his capabilities in stock and money markets.

Jeefri had seen a growing need to reduce healthcare cost to employers and so, he founded Malaysia's first Healthcare Management company, HMO Pacific Sdn. Bhd. He also set up and managed two (2) private hospitals, Pusat Perubatan Naluri and Rampai Puteri Medical Centre.

Declaration Jeefri does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Jeefri Muhamad Yusup

Chief Executive Officer

Age
56 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
18 June 2020

Length of Tenure as Director
1 Year
(as at 30 June 2021)

Membership of Board Committees : None

Academic Qualification(s) :

Graduate of The Chartered Association of Certified Accountants (ACCA), UK

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Nil

5.4

Executive Leadership Profile

Past Relevant Experience

Teh brings with him a wealth of experience in corporate governance, finance, accounting, taxation and management reporting having served in several public listed companies in the manufacturing, oil palm plantations, milling, property development, trading and mining activities, properties management and security sectors.

Teh also has over 12 years of experience in an established public accounting firm in the field of corporate compliance involving audit, including internal audits and investigations, finance, secretarial, taxation and consultancy.

Declaration

He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Teh Foo Hock

Finance Director

Age
56 years old

Nationality
Malaysian

Gender
Male

Date of Appointment
(Redesignated as Executive Director on 30 March 2021)

Length of Tenure as Director
1 year and 8 months (as at 30 June 2021)

Membership of Board Committees : none

Academic Qualification(s) :

Member of Malaysian Institute of Certified Public Accountants (CPA(M))

Member of Malaysian Institute of Accountants (MIA)

Member of Chartered Institute of Taxation (CIT)

Member of Institute of Internal Auditors of Malaysia (MIIA(M))

Present Directorship(s) :

Other Listed Entity : Nil

Other Public Companies : Nil

Present Appointment(s) :

Nil

5.4

Executive Leadership Profile

Past Relevant Experience

2017 – 2021
CEO, UiTM Energy and Facilities Sdn Bhd

2011 – present
Founder, Solar System and Power Sdn Bhd

2003 – 2013
Founder, Stella Gen Sdn Bhd

2005 – 2008
Co-Founder and Director, URRMA (Unité de Recherche sur les Rétrovirus et Maladies Associées) Asia Sdn Bhd

1998 – 2003
Management Consultant, ACCENTURE

1995 – 1997
Auditor, COOPERS and LYBRAND

Declaration

Dato' Chairil does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

Dato' Chairil has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Dato' Chairil Nazri Ahmad

Chief Operating Officer (Energy)

Age
49 years old

Nationality
Malaysian

Gender
Male

Date Joined
1 October 2021

Academic Qualification(s) :

2010 - Executive Program in BioEntrepreneurship University of California, Berkeley, USA University of California, San Francisco, USA

1997 - ACA Institute of Chartered Accountants in England and Wales

1994 - Bachelor of Arts (Hons) in Accounting and Financial Analysis University of Newcastle, England, United Kingdom

Other Appointment(s) :

Independent Non-Executive Director, Malaysia Rail Link Sdn Bhd

5.4

Executive Leadership Profile

Past Relevant Experience

2017 – 2020
Country Manager for Malaysia, Dyntek Ptd Ltd

2017 – 2020
Strategic Marketing Manager (Group), Dyntek Ptd Ltd

2015 – 2017
Marketing, (Product Leadership Strategy Management), Hilti Malaysia

2013 – 2015
Key Project Manager, Hilti Malaysia

2010 – 2013
Senior Field Engineer /Design Engineer, Hilti Malaysia

2008 – 2010
Civil, Highway and Structural Engineer, Pakatan Jurutera Pintar

Declaration Adrian does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Adrian Lau

Senior Vice President I — Business Development

Age
36 years old

Nationality
Malaysian

Gender
Male

Date Joined
2 January 2020

Academic Qualification(s) :

Master in Business Administration (MBA), Finance, University Putra Malaysia

Bachelor Degree, Civil Engineering (Hons), University Malaysia Sabah

Professional Qualification / Membership (s) :

Member, R.E.A.M (Road Engineering Association Malaysia),

Member, R.E.A.A.A (Road Engineering Association of Asia and Australasia)

Member, BEM (Board of Engineering Malaysia).

Other Appointment(s) :

Nil

Past Relevant Experience

2013 – 2020
General Manager, Rampai Puteri Medical Centre

2006 – 2013
Cooperative Secretary, Koperasi Pendidikan Berhad

2001 – 2003
External Consultant, Pusat Perubatan Naluri

1997 – 2000
Assistant to Finance Director, Gold Bridge Engineering and Construction Berhad

1996
Secretarial Assistant, Ranhill Bersekutu Sdn Bhd

Declaration Rahaidah Abdul Wahab does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

She has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

5.4

Executive Leadership Profile

Rahaidah Abdul Wahab

Senior Vice President I — Healthcare

Age
48 years old

Nationality
Malaysian

Gender
Female

Date Joined
16 July 2020

Academic Qualification(s) :

N/A

Professional Qualification / Membership (s) :

Institute of Chartered Secretaries and Administrators, Graduate

Other Appointment(s) :

N/A

5.4

Executive Leadership Profile

Izzat Alhadjri

Senior Vice President I — Corporate Communications

Age
30 years old

Nationality
Malaysian

Gender
Male

Date Joined
8 June 2021

Academic Qualification(s) :

Bachelor of Laws (Honours), King's College London

Master of Science (Merit), London School of Economics

Professional Qualification / Membership (s) :

N/A

Other Appointment(s) :

N/A

Past Relevant Experience

2020 – 2021
General Manager / Head, Corporate Communications, Sime Darby Property Berhad

2019 – 2020
Assistant Vice President / Head, Corporate Affairs, Sime Darby Property Berhad

2017 – 2019
Senior Analyst, Transformation and Strategy, Sime Darby Property Berhad

2015 – 2017
Special Officer to President and Group Chief Executive, Sime Darby Berhad

2014 – 2015
Executive, Corporate Assurance, Sime Darby Berhad

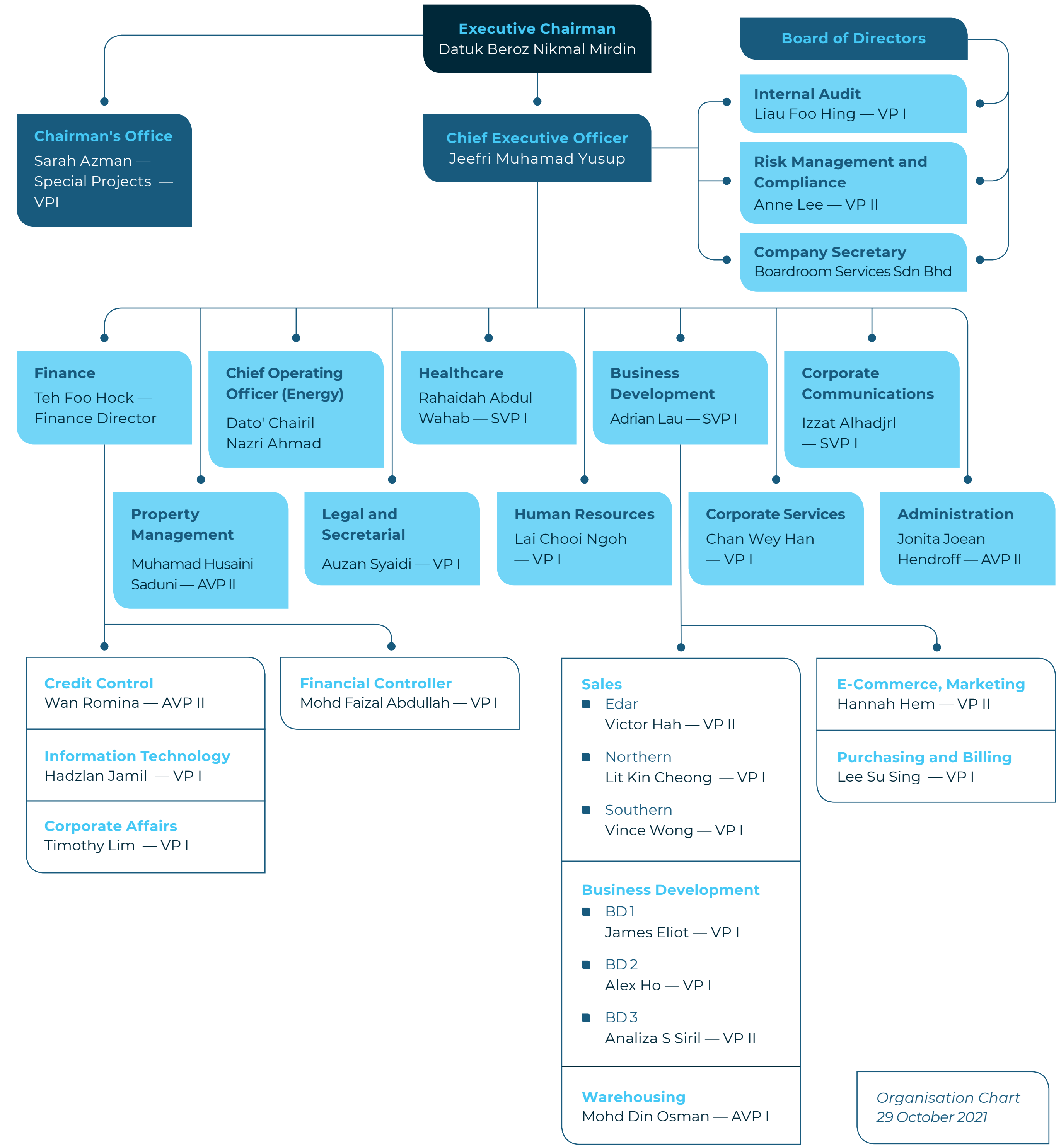
Declaration Izzat Alhadjri does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest with the Company.

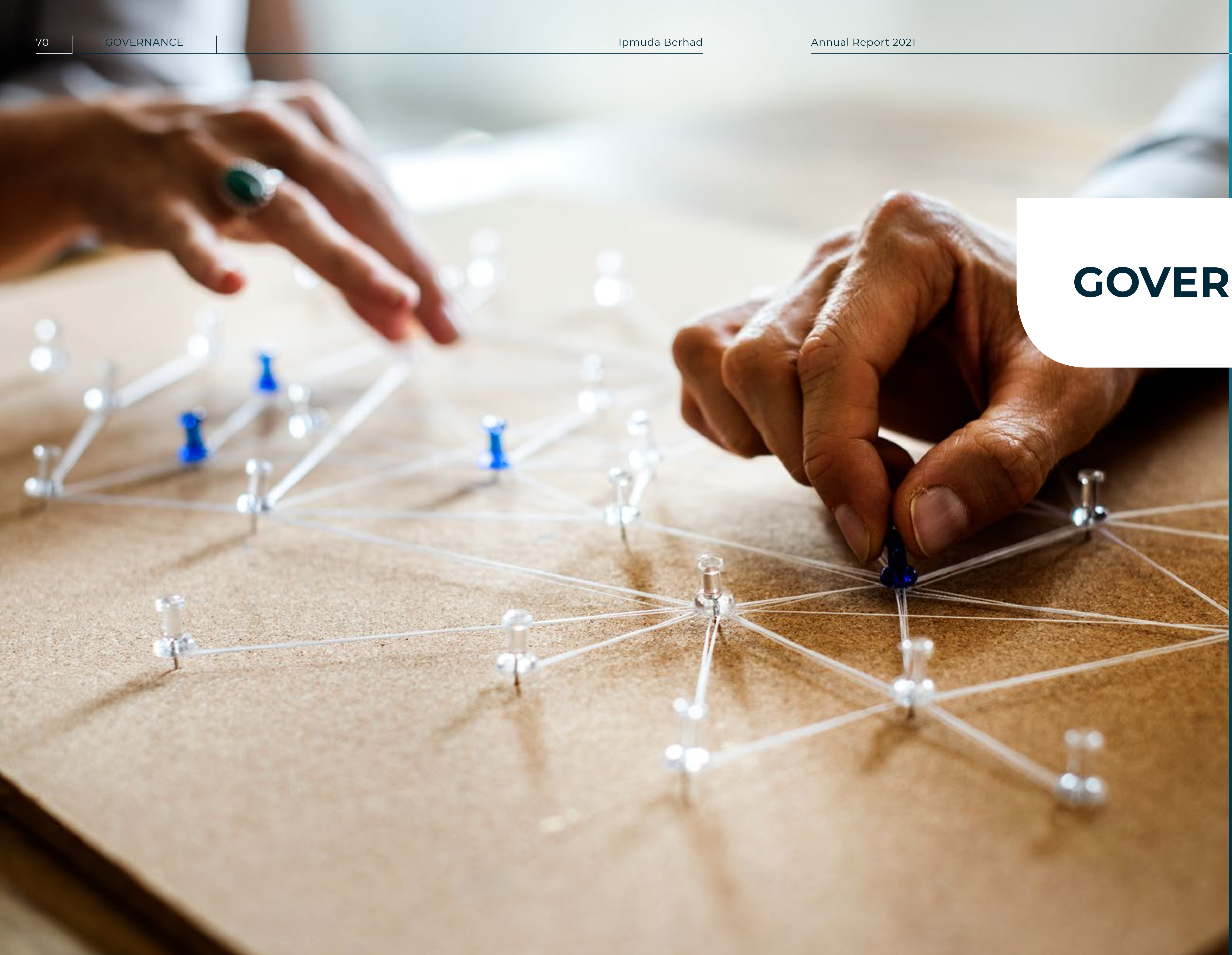
He has not been convicted for any offences (other than traffic offences, if any), within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 30 June 2021.

Organisation Structure

5.5

Organisation Structure





GOVERNANCE

70 — 107

Corporate Governance – Overview Statement

The Board of Directors (Board) of Ipmuda Berhad (the Company) fully support the principles and best practices as set out in the Malaysian Code on Corporate Governance 2021 (MCCG 2021), launched on 28 April 2021, which the Company will endeavour to adopt in making good corporate governance an integral part of its business dealings and culture.

This Corporate Governance Overview Statement (CG Statement) provides a summary of the corporate governance practices of the Company during the financial year ended 30 June 2021 (FYE 2021) up till the date of the CG Statement with reference to the three (3) key principles of good corporate practices as set out in the MCCG 2021 as follows:-

- a Principle A : Board Leadership and Effectiveness;
- b Principle B : Effective Audit And Risk Management; and
- c Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement is prepared in compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and it is to be read together with the Company's Corporate Governance Report (CG Report) for FYE 2021 which is available on Bursa Securities website at www.bursamalaysia.com and also the Company's website at www.ipmuda.com.my. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG 2021 during the financial year under review.

6.1.1

Principle A

Board Leadership and Effectiveness

I Board Responsibilities

1 Board's Roles and Responsibilities

The Board is responsible for the leadership, oversight and the long-term success of the Group. The Board fully understands their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation in order to safeguard shareholders' value.

In discharging its fiduciary duties and leadership functions, it is imperative for the Board to govern and set the strategic direction of the Company while exercising oversight on management. To ensure the effective discharge of its function and duties in the best interest of the Company, the key responsibilities of the Board include the following specific areas:

- i Reviewing and adopting the overall strategic plans and programmes in line with the Group's core values, vision and mission;
- ii Overseeing and evaluating the conduct of business of the Company and Group whether the business is being properly managed and sustained;
- iii Identifying principal business risks faced by the Group and the Company and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks under the guidance of the Risk Management Committee;
- iv Reviewing the adequacy and the integrity of the management information and internal control systems of the Group and the Company including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- v Ensuring that all candidates appointed to senior management positions are of sufficient caliber, including having in place a process to provide for the orderly succession of senior personnel and members of the Board upon the recommendation of the Nomination and Remuneration Committee (renamed as "Nomination and Remuneration Committee" following merger of the Nomination Committee and Remuneration Committee effective from 1 September 2020 and subsequently renamed as "Board Nomination and Remuneration Committee" effective from 9 February 2021);
- vi Ensure that the shareholders' interests are met;
- vii Ensure that the Group has the appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility; and
- viii Promote better investor relations and shareholders' communications.

Board Charter and Code of Conduct and Ethics for Directors

As part of the governance process, the Board has formalised and adopted a Board Charter which sets out a list of specific functions that are reserved for the Board. The Board Charter is the primary document that elaborates on the fiduciary and leadership functions of the Directors. The Board Charter addresses the following matters:

- i Board Membership, which includes composition, appointments and re-election and independence of Directors;
- ii Role of the Board, which includes duties and responsibilities and matters reserved for the Board;
- iii Role of Chairman, Managing Director/ Chief Executive Officer;
- iv Board Committees and Board Meetings;
- v Financial Reporting;
- vi Directors' Remuneration;
- vii Directors' Training and Continuing Education;
- viii Company Secretary;
- ix Investor Relations and Shareholders' Communication;
- x Access to Information and Independent Advice; and
- xi Directors' Code of Conduct and Ethics.

The formal schedule of matters reserved for the Board is set out in Section 3.2(b) of the Board Charter whilst the Code of Conduct and Ethics for Directors (the Code) which is incorporated in the Board Charter formalises the standard of ethical values and behaviour that is expected of its Directors at all times. The Code is set out in Section 7 of the Board Charter.

The current Board Charter is available for reference at the Company's website at www.ipmuda.com.my. The Board Charter is reviewed from time to time to ensure its relevance and compliance.

The Board's oversight on management is by delegating day-to-day management of the Group to the CEO. This delegation structure is further cascaded by the CEO to the Senior Management Team. The CEO together with Senior Management Team remain accountable to the Board for the authority being delegated to the Senior Management Team by the CEO. However, the schedule of matters reserved for the Board's decision includes key strategic, financial, operational, compliance and governance issues as well as acquisition/ disposal of assets, subject to regulatory requirements.

The various powers delegated to the Senior Management Team is based on the Company's Limits of Authority, which is also subject to periodic review based on changes in organisation structure and business requirements for efficient decision making.

In addition, the Board also expects Senior Management to:-

i. review the Group's strategies and their implementation in all key areas of the Group's activities;
ii. carry out a comprehensive budgeting process and monitor the Group's financial performance against the budget; and
iii. identify opportunities and risks affecting the Group's business and find ways of dealing with them.

The CEO together with the Senior Management Team meets as and when necessary to review and monitor the performances of the Group's operating divisions, review shared initiatives and update the operational policies which is more efficient and practical. The Board also keeps itself abreast of the operational progress and/or issues and the mitigation plans by the reporting of the CEO at the quarterly Board meetings or at such earlier time as may be required from time to time.

The presence of the current Independent Non-Executive Directors (INEDs) namely Baevinraj Thiagarajah, Dato' Amiruddin bin Abdul Satar and Abdul Halim bin Jantan are not involved in the day-to-day management of the Group but contribute their particular skills, expertise and experiences in assisting the development of business strategies of the Group and to make insightful contribution to the Board's deliberations to ensure that the interest of all shareholders and general public are given due consideration in the decision making process. They also assist and ensure the Board adopts a good corporate governance practice within the Group.

As at the date of the CG Statement, the current Board members are as follows:

- Datuk Beroz Nikmal bin Mirdin
  Executive Chairman
  Appointed on 18 June 2020
- Jeefri bin Muhamad Yusup
  Chief Executive Officer (CEO)
  Appointed on 18 June 2020
- Teh Foo Hock
  Finance Director
  Appointed on 17 October 2019
  (Redesignated as Finance Director on 30 March 2021)
- Baevinraj Thiagarajah
  Appointed on 09 July 2020
- Dato' Amiruddin bin Abdul Satar
  Appointed on 19 August 2020
- Abdul Halim bin Jantan
  Appointed 02 November 2020

2 Separation of the Position of Chairman and the CEO

The roles of the Executive Chairman and CEO of the Company are separate with clear division of responsibilities between them to ensure balance of power and authority:

i. The Executive Chairman helms by providing leadership and guidance to the Board in meeting corporate goals and manages the processes in ensuring the Board discharges of its duties. He encourages a healthy debate on issues raised at Board Meetings, and gives opportunity to Directors who wish to speak on motions, either for or against them. He also ensures a smooth, open and constructive dialogue between the Board and the Company's shareholders.
ii. The CEO has the overall responsibility for the day-to-day management of the Group's business and operations and implementation of the Board's policies and decisions. He is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group. By virtue of his position as a Board member, he also acts as the intermediary between the Board and Management.

Details of the roles and responsibilities of the Executive Chairman and the CEO are spelt out in the Board Charter of the Company.

The Executive Chairman is not involved in the Board Committees to ensure there is check and balance as well as objective review by the Board. This is in line with the new Practice 1.4 recommended by the MCCG.

3 Company Secretary

The Company Secretary is qualified to hold the position under Section 235(2)(a) of the Companies Act 2016 (the Act) and is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Effective from 10 June 2021, the Board is supported by two (2) experienced and competent Company Secretaries, who are qualified to act under Section 235(2)(a) of the Act and are members of the MAICSA. The Directors have unlimited direct access to the advice and services of the Company Secretaries as well as access to all information within the Company and Group whether as a full board or in their individual capacity.

The roles and responsibilities of the Company Secretaries amongst others are as follows:

i. attend and ensure that all meetings are properly convened and ensure that the deliberations at the meetings which include pertinent issues, substance of inquiries and responses, suggestions and proposals are duly captured, recorded and minuted and the resolutions passed are recorded properly, accurately and kept in the statutory books at the registered office of the Company. Matters that required the necessary actions are communicated to the relevant Management personnel.
   Also responsible for:
   - facilitating Director's induction and assisting in Directors' training and development;
   - monitoring corporate governance developments and advising the Board on all corporate governance obligations and development in best practices;
   - managing processes for shareholders' meeting; and
   - communicating with shareholders as appropriate;

ii. update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;

iii. ensure proper upkeep of statutory registers and records of the Group and the Company;

iv. provides support to the Chairman to ensure the effective functioning of the Board and assist the him in preparation of conduct of meetings;

v. act as secretary for all Board committee meetings;

vi. advise and remind the Board and senior management on compliance of statutory and regulatory requirements; and

vii. update and brief the Board on changes and/or new statutory and regulatory requirements.

In order to discharge their role effectively, the Company Secretaries have been continuously attending the necessary training programmes and conferences so as to keep herself abreast with the latest developments in corporate governance realm and changes in regulatory requirements that are relevant to her profession and enabling her to provide the necessary advisory role to the Board.

6.1

Corporate Governance – Overview Statement — 6.1.1 Principle A Board Leadership And Effectiveness

4 Board Meeting and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters that require the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

In the intervals between Board meetings, any matters requiring urgent Board decisions or approvals will be sought via circular resolutions of the Directors and these are supported with all the relevant information and explanations required for an informed decision to be made.

Prior to the Board Meetings, the Directors will be provided with the relevant agenda and Board papers with a minimum of one week notice to the Board to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers provide, among others, the minutes of preceding meetings of the Board, summary of dealings in shares by the directors or affected persons, if any and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.
As for Committee Meetings, the Board committee members will be provided with the relevant agenda and Committee meeting papers as per the terms of reference of the respective Board Committees.

Further, there is a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Group and the Company. The Board will ensure that the strategic plans of the Group and the Company supports long term value creation, including strategies on economic, environmental and social of considerations underpinning sustainability as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and any new major ventures.

The Chairman of the Board Committees is responsible for informing the Board at the Board Meetings of any salient matters noted by the Committees and which may require the Board's direction.

As the Group's quarterly results is one of the regular scheduled matters which are tabled to the Board for approval at the quarterly Board meetings, the notices on the closed periods for dealings in the securities of the Company are circulated to all Directors and principal officer who are deemed to be privy to any sensitive information and knowledge in advance of whenever the closed period is applicable based on the targeted date of announcement of the quarterly results of the Group.

5 Access to information and advice

The Directors have unrestricted access to the advice and services of the Company

Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. The Directors, whether as a full Board or in their individual capacity, may seek independent professional advice at the Company's expense on specific issues and gain access to relevant information whenever required to enable the Directors to discharge their duties more effectively.

6 Board Committees

The Board is assisted by its Committees, which have been established under defined Terms of Reference, in accordance with the MMLR of Bursa Securities and best practices prescribed by the MCCG 2021 to assist the Board in discharging its responsibilities. The Board Committees are as follows:

i. Audit Committee (renamed as Board Audit Committee effective from 9 February 2021);

ii. Nomination and Remuneration Committee (renamed as Board Nomination and Remuneration Committee effective from 9 February 2021)

iii. Risk Management Committee (renamed as Board Risk Committee effective from 9 February 2021)

The Board Committees examine specific issues and the Chairman of the respective Board Committees report to the Board on proceedings and outcome of the Board Committee meetings, together with their recommendations, while the ultimate responsibility for decision making lies with the Board.

7 Time Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company and to use their best endeavours to attend meetings.

The Board meets every quarter, with the meeting scheduled well in advance before the commencement of the calendar year to facilitate the Directors in managing their meeting plans. Additional meetings, including special meetings are convened whenever necessary.

Directors	No. of meetings held during appointment	No. of meetings attended
Datuk Beroz Nikmal bin Mirdin *Appointed on 18 June 2020*	5	4
Jeefri bin Muhamad Yusup *Appointed on 18 June 2020*	5	5
Baevinraj Thiagarah *Appointed on 09 July 2020*	5	5
Dato' Amiruddin bin Abdul Satar *Appointed on 19 August 2020*	5	4
Abdul Halim bin Jantan *Appointed 02 November 2020*	3	3
Teh Foo Hock *Appointed on 17 October 2019*	5	5

All the Directors holding office as indicated above have complied with the minimum attendance at Board meetings as stipulated by the MMLR of Bursa Securities.

The dates of Board and Board Committee meetings as well as annual general meeting (AGM) are scheduled before the beginning of each year. To assist Directors in planning their attendance, the Company Secretaries consults every Director before fixing the dates of these meetings. The Board meets at least four (4) times a year. Ad-hoc meetings are also convened to deliberate on urgent substantive matters.

8 Time Commitment of Accepting New Directorships

Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board's performance of their duties and to give sufficient time and attention to the affairs of the Group. Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment. The aforesaid is set out in the approved Board Charter.

Directors' commitment, resources and time allocated to the Company are evident from the attendance record, where no Director was absent for more than 50% of the total Board Meetings held during the FYE 2021, complying with Paragraph 15.05 of the Main Market Listing Requirements of Bursa Securities.

None of the Directors mentioned above hold more than five (5) directorships in public listed companies. The directorships of each Director are set out in the Profile of Directors on 52 to 69 of this Annual Report.

9 Sustainability of Business

The Board recognises the importance of business sustainability and is committed to deliver long term sustainable values to the stakeholders of the Group. The Group's workplace, marketplace, community, environment, social, cultural and governance aspects of business operations are an integral part of the Company's social obligation in conducting its business.

The Sustainability Statement is set out in pages 108 to 119 of the Annual Report.

10 Code of Conduct

In addition to the Directors' Code of Conduct, the Group has also in place a Code of Conduct and Ethics covering the general employment terms and conditions, compensation and benefits, proprietary information, conflict of interest, indulging in private businesses and sexual harassment to ensure all employees maintain and uphold a high standard of ethical and professional conduct in the course of performance of their duties and responsibilities. This Code is embedded in the Company's Human Resources Handbook.

11 Whistleblowing

The Board acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Board has thus established a Whistleblowing Policy with the aim to provide an avenue to employees or external parties to report any improper conduct, unethical, fraudulent and malpractices by employees, management or Directors regardless of their position so that damage controls and remedial actions can be taken properly. The Whistleblowing Policy is available in the Company's website at www.ipmuda. com.my.

12 Anti-Bribery and Anti-Corruption Policy (ABAC Policy)

Following the amendments to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and Paragraph 15.29 of the MMLR of Bursa Securities that took effect from 1 June 2020, the Board has established its ABAC Policy that contains policies and guidelines relating to standards and ethics that all employees are expected to adhere to in the course of their work and to the public at large, as part of the Group's commitment in combating bribery and corruption. The ABAC Policy which has been uploaded in the Company's website at www.ipmuda.com.my.

II Board Composition

1 Board Composition and Balance

The Board currently has six (6) members, comprising one (1) Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The composition of the Board complies with the MMLR of Bursa Securities which requires a minimum of two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent directors and the MCCG 2021 where the Board has the majority presence of Independent Directors.

Together, the Board has a good mix of business, accounting, corporate finance, technical expertise and experience to lead and control the Group. A brief profile of each Director is presented on pages 52 to 69 of the Annual Report.

The presence of a majority of Independent Non-Executive Directors will serve to bring objective, unbiased and independent views, advice and judgment to the decision making of the Board and provide the necessary checks and balances to ensure that the interests of all shareholders and the general public are given due consideration in the decision-making process.

The composition and size of the Board are reviewed from time to time to ensure appropriateness. The Board Nomination and Remuneration Committee examines the size and composition of the Board with a view of determining the impact of the number upon effectiveness and makes recommendations to the Board on what it considers an appropriate size and composition for the Board.

2 Board Diversity

The Board is supportive of gender diversity on the Board and in senior management team.

Whilst acknowledging the recommendation of the MCCG 2021 on gender diversity, the Board is of the collective opinion that there is no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The Board Nomination and Remuneration Committee and the Board will consider gender diversity as part of its future selection process and will look into increasing female board representation going forward.

The Board has always placed gender diversity as an agenda in strengthening the performance of its Board and Board Committees. The Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capabilities.

3 Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee was combined during the FYE 2020 to assist the Board of Directors of the Company in the following areas:

- Proposing new nominees for the Board of the Company – the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the BNRC;
- Assessing the effectiveness of the Board and Board Committees on an ongoing basis;
- Assess the size and composition of the Board;
- Review the effectiveness of the Executive Directors (which includes the Executive Chairman, Chief Executive Officer and Finance Director);
- Overseeing appointment and management succession planning of Key Senior Management positions;
- Recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Key Senior Management of IPMUDA to attract, retain and motivate Directors and Key Senior Management.

The Board Nomination and Remuneration Committee report is set out in pages 91 to 95 of the Annual Report.

3 Board Nomination and Remuneration Committee (Cont'd)

The details on the Directors remuneration paid or payable made available from the Company and its subsidiaries for the FYE 2021 were as follows: (cont'd)

a Details of the Directors' remuneration paid or payable for the FYE 2021 are as follows:-

Name of director Executive Directors	Directors' Fees (RM)	Salaries and Other Emoluments (RM)	Defined Contribution Plan (RM)	Benefits In-kind (RM)	Total (RM)
Datuk Beroz Nikmal bin Mirdin	–	960,923	115,200	2,083	1,078,206
Jeefri bin Muhamad Yusup	–	750,923	90,000	–	840,923
Teh Foo Hock (Redesignated as Executive Director on 30 March 2021)	–	107,489	12,871	–	120,360

Name of director Non-Executive Directors	Directors' Fees (RM)	Meeting Allowances (RM)	Total (RM)
Baevinraj Thiagarajah	26,400	25,000	51,400
Dato' Amiruddin Bin Abdul Satar	23,100	24,000	47,100
Abdul Halim Bin Jantan	19,250	11,000	30,250
Teh Foo Hock (until 29 March 2021)	24,750	20,000	44,750

The MCCG 2021 has recommended that Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board should also abstain from voting on the resolution to approve Directors' fees at the Annual General Meeting. The Company should also table separate resolutions on the approval of the fees of each Non-Executive Director at the Annual General Meeting.

b Remuneration of Senior Management for FYE 2021

The MCCG 2021 has recommended that the Company should disclose on a named basis, the detailed remuneration of the top Key Senior Management.

b Remuneration of Senior Management for FYE 2021 (Cont'd)

For the FYE 2021, the aggregate total remuneration paid to the Key Senior Management personnel in the position of Senior Vice President I and above, who are not Directors of the Company are as follows:

	Salaries and Other Emoluments (RM)	Defined Contribution Plan (RM)	Benefits In-kind (RM)	Total (RM)
Senior Management	1,031,224	98,181	–	1,129,405

The Board has considered and is of the opinion that the disclosure of the remuneration of the seven (7) key senior management is not on a named basis as it is imperative for the Company to maintain employees remuneration private and confidential to avoid unhealthy comparison, which might lead to discontentment among employees.

4 Appointment to the Board and Re-election of Directors

The Board delegates to the Board Nomination and Remuneration Committee the responsibility of recommending the appointment of any new Director. The process for the appointment of a new director is summarised in the sequence as follows:-

- i The candidate is identified upon the recommendation by the existing Directors, Senior Management staff, shareholders and/or other consultants;
- ii In evaluating the suitability of candidates to the Board, the Board Nomination and Remuneration Committee considers, inter-alia, the competency, expertise and experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
- iii Recommendation to be made by Board Nomination and Remuneration Committee to the Board, if the proposed candidate is found to be suitable. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- iv Final decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

The Company's Constitution stipulates that newly appointed Directors shall hold office until the next Annual General Meeting and shall then be eligible for re-election by shareholders and that at least one third or the number nearest to one third of the Directors are required to retire by rotation at every Annual General Meeting and be subject to re-election by shareholders.

6.1

4 Appointment to the Board and Re-election of Directors (Cont'd)

At the Company's forthcoming 46th Annual General Meeting, the Directors of the Company who will be retiring by rotation pursuant to Article 145 of the Company's Constitution are Jeefri bin Muhamad Yusup and Teh Foo Hock. Both of them have offered themselves for re-election.

5 Annual Assessment

The Board Nomination and Remuneration Committee reviews annually, the effectiveness of the Board and all the Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered.

The Board Nomination and Remuneration Committee will review and assess the mix of skills, expertise and composition, size and experience of the Board, the performance and contribution of each individual Director, the performance of the Audit Committee and its members and the overall effectiveness of the Board and the Board Committees for the next financial year.

6 Tenure of Independent Directors

As recommended by the updated Practice 5.3 of the MCCG 2021 , the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of a term of nine (9) years, an independent Director may continue to serve on the Board as a Non-Independent Director. If the Board continues to retain the Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

As at the date of the CG Statement, there are no Independent Directors serving more than nine (9) years in the Board in view that of them were appointed in 2020:

i. Baevinraj Thiagarajah
Appointed on 09 July 2020

ii. Dato' Amiruddin bin Abdul Satar
Appointed on 19 August 2020

iii. Abdul Halim bin Jantan
Appointed on 02 November 2020

7 Directors' Training

All Directors (including the newly appointed Directors) had attended the Mandatory Accreditation Programme (MAP) as required by Bursa Securities. The Board Nomination and Remuneration Committee will also assess the training needs of the Directors from time to time to ensure the Directors are equipped with relevant knowledge and skills to discharge their duties more effectively.

During the FYE 2021, all the Directors have attended training programmes conducted in-house and externally as mentioned on pg 85. They will continue to attend further training programmes from time to time to keep abreast with the relevant changes and development in laws and regulations as well as business development. The Board is updated by the Company Secretaries on latest update/amendments to the MMLR of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

6.1

Name of Director	Training attended	
Datuk Beroz Nikmal bin Mirdin *Appointed on 18 June 2020*	1. Audit Committee Conference 2021 on Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal	
Jeefri bin Muhamad Yusup *Appointed on 18 June 2020*	1. In-house training: Talk on "Industry 4.0 and 4th Industrial Revolution"	2. Mandatory Accreditation Programme for Directors of Public Listed Companies by Asia School of Business
Baevinraj Thiagarajah *Appointed on 09 July 2020*	1. In-house training: Talk on "Industry 4.0 and 4th Industrial Revolution" 2. Mandatory Accreditation Programme for Directors of Public Listed Companies by Asia School of Business	3. Webinar Series: Energising Board Stewardship and Governance Compliance by MAICSA
Dato' Amiruddin bin Abdul Satar *Appointed on 19 August 2020*	1. In-house training: Talk on "Industry 4.0 and 4th Industrial Revolution"	
Abdul Halim bin Jantan *Appointed on 02 November 2020*	1. Director and Senior Management Awareness Training on Corporate Liability 2. Ombudsman for Financial Services (OFS) 15th Annual General Meeting 3. Leadership Training 4. Speaker: Water in Selangor 5. Presenter: Risks and Rewards for a Solar PV Power System 6. Presenter: Institute of Corporate Directors Malaysia, Members Day 7. Inspiring Leadership Through Mindset Change "Of Dreams and Nightmares" 8. Creating Value in Disruptive Times 9. Introduction of U-Solar Programme	10. Webinar-MOU Signing Ceremony between DRB Hicom University of Automotive Malaysia and Sterling Insurance 11. In-house Seminar: Value Creation in Disruptive Times 12. Labuan International Business and Financial Centre (LIBFC): Quick Turnkey Self-Insurance Solution via Cell Captives 13. LIBFC: Self Insurance in Action: Meeting the Evolving Need of Risks Management 14. Level Up with Unisel Selangor Business School -Inspiring Leadership through Mindset Change 15. Audit Committee Conference 2021 16. In-house training: Talk on "Industry 4.0 and 4th Industrial Revolution" 17. Implementing Amendment in the MCCG 2017
Teh Foo Hock *Appointed on 17 October 2019*	1. In-house training: Talk on "Industry 4.0 and 4th Industrial Revolution" 2. Audit Committee Conference 2021 on Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal 3. Human Waste and Environment 4. The Risk of Sitting and The Power of Moving	5. MIA Town Hall 2021-National 6. Unlock the Leader in You 7. Directors' Responsibilities in the Zone of Insolvency 8. MIA's Workshop with Unatchern Loh on the Importance of Culture

Corporate Governance – Overview Statement — 6.1.1 Principle A Board Leadership And Effectiveness

6.1.2

Principle B

Effective Audit and Risk Management

I Board Audit Committee (BAC)

The Board had at the Board of Directors' meeting held on 9 February 2021 renamed the Audit Committee to Board Audit Committee (BAC). The terms of reference (TOR) of the BAC remain the same as the Audit Committee. The BAC (guided by its TOR assists the Board to review the adequacy and integrity of the Group's financial administration and reporting and internal control.

As at the date of this CG Statement, the BAC comprises of all Independent Non-Executive Directors e as follows:-

i **Abdul Halim bin Jantan**
Chairman – Independent Non-Executive Director
Appointed Member on 9 February 2021.
Redesignated as Chairman on 30 March 2021

ii **Baevinraj Thiagarajah**
Member – Independent Non-Executive Director
Appointed Member on 10 August 2020

iii **Dato' Amiruddin bin Abdul Satar**
Member – Independent Non-Executive Director
Appointed Member on 19 August 2020

iv **Teh Foo Hock**
Relinquished as Chairman and Member on 30 March 2021

The Chairman of BAC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the BAC are set out in its TOR approved by the Board and is available on the Company's website at www.ipmuda.com.my.

All the members of the BAC possess a mix of skills, knowledge and experience and financial literacy to enable them to discharge their duties and responsibilities pursuant to the TOR of the BAC.

Relationship with External Auditors

The Company maintains an appropriate and transparent relationship with the External Auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

During the financial year under review, the BAC met with Grant Thornton Malaysia PLT (GTM) and discussed on the Audit Completion Memorandum for FYE 2020 and the Audit Planning Memorandum for FYE 2021. The BAC also had two (2) private sessions with GTM without the presence of management and executive directors. The BAC and GTM exchanged independent views and considerations on matters that require their attention.

The criteria for the External Auditors Assessment include quality of services, sufficiency of resources,

6.1

Corporate Governance – Overview Statement — 6.1.2 Principal B Effective Audit And Risk Management

communication and interaction, independence, objectivity and professional skepticism pursuant to the Company's External Auditors Policy (EAP). The EAP has outlined the guidelines and procedures for the assessment. The details of the EAP are available for reference at the Company's website at www.ipmuda.com.my.

The BAC recommends to the Board GTM's re-appointment as Auditors of the Company and seek shareholders' approval at the forthcoming 46 th Annual General Meeting. The BAC has based this decision with GTM's audit independence and technical competency in mind.

The amount of audit fees and non-audit fees paid or payable to the External Auditors for the FYE 2021 were as follows:-

Fee incurred	Audit Fee *(RM)*	Non-Audit Fee *(RM)*	Total *(RM)*
The Company	46,000	3,000	49,000
The Group	207,000	5,000	212,000

The non-audit services rendered include the review of the statement on risk management and internal control, as well as review of Housing Development Account reports.

The report of the BAC for the FYE 2021 is set out on pages 96 to 98.

II Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to establish an effective system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group.

While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding the Company's assets and the shareholders' investments, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Board Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place an adequately resourced risk management and compliance department to help the Board in identifying, evaluating, and managing risks. The monitoring of the risk management activities, ensuring compliance and effective implementation of policies is carried out by the Board Risk Committee of the Group.

During the FYE 2021, the Board Risk Committee comprises of all Independent Non-Executive Directors which are as follows:

i **Abdul Halim bin Jantan**
Chairman – Independent Non-Executive Director
Appointed Chairman on 1 December 2020

ii **Baevinraj Thiagarajah**
Member – Independent Non-Executive Director
Appointed Chairman on 10 August 2020, redesignated as member on 1 December 2020

iii **Dato' Amiruddin bin Abdul Satar**
Member – Independent Non-Executive Director
Appointed member on 19 August 2021

iv **Teh Foo Hock**
Member – Finance Director
Redesignated from Independent Non-Executive Director to Finance Director on 30 March 2021, resigned as a member of Board Risk Committee on 27 May 2021

The details of the risk management and system of internal control of the Group are set out in the Statement on Risk Management and Internal Control in this Annual Report.

6.1.3

Principle C

Integrity In Corporate Reporting and Meaningful Relationship with Stakeholders

1 Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges the need for shareholders to be informed of all material business matters affecting the Group. As such, the Board provides clear, comprehensive and timely information to stakeholders via various disclosures and announcements, including the quarterly and annual financial results which provide investors with up-to-date financial information of the Group. All the announcements and other information about the Company are available on the Company's website which shareholders, investors and the public may access via www.ipmuda.com.my. In addition, the Directors also facilitate engagement with shareholders through designated question and answer sessions during the Company's Annual General Meetings. The key matters discussed at the Annual General Meeting are accessible for reference at the Company's website at www. ipmuda.com.my.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is also wary of the legal and regulatory framework governing the release of material and price- sensitive information.

Pursuant to Paragraph 2.19B of the MMLR of Bursa Securities and Article 236 of the Company's Constitution, the Company shall discontinue the delivery of Annual Report and Circular to its shareholders in printed copies from year 2021 onwards. Shareholders are advised to view and download the Annual Report and Circular from the Company's website at www. ipmuda.com.my or Bursa Securities' website. Hard copies of the Annual Report or Circular will be made available upon request.

Further enquiries may be directed to the following persons on all investor related matters:

Izzat Alhadjri
Tel No.: 03-2719 2828 (Ext 2922)
Email: izzat@ipmuda.com.my

Timothy Lim Kuan Wee
Tel No.: 03-2719 2828 (Ext 2950)
Email: timothylim@ipmuda.com.my

2 Conduct of General Meetings

The Company's AGM or Extraordinary General Meeting ("General Meetings") remain the principal forum for dialogue shareholders and aims to ensure that the General Meetings provides an important opportunity for effective communication with and constructive feedback from them.

The Annual Report of the Company are distributed to all shareholders together with the notice of Annual General Meeting, which notice is also advertised in a nationally circulated Bahasa Malaysia or English daily newspapers, released to Bursa Securities via Bursa Link and posted on the website of the Company at www.ipmuda.com.my. Each item of the special business included in the Notice of General Meeting is accompanied by an explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

At each General Meeting, shareholders are encouraged to ask questions both about the resolutions being proposed and the Group's operations in general and thereafter to vote on all resolutions.

The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements. The Executive Chairman, the Chairman of the Board Committees, the CEO and/or CFO will respond to shareholders' questions addressed to them during the General Meetings.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is also wary of the legal and regulatory framework

6.1

governing the release of material and price-sensitive information.

Pursuant to the MCCG 2021, the Notice of AGM together with Form of Proxy will be distributed to shareholders at least twenty-eight (28) days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf.

In compliance with the MMLR of Bursa Securities, all resolutions that set out in the Notice of General Meetings were out to vote by poll. The Company also appointed an independent scrutineer to oversee the conduct of the poll and verify the poll results.

As a precautionary measure amid the COVID-19 pandemic and in line with the Government's directives and the Guidance Note and Frequently Asked and Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia in 2020 and 2021, the Company has leverage on technology advancement by conducting its 45th AGM on 18 December 2020 through a virtual meeting platform using remote participation and electronic voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd.

With the RPEV facilities, the shareholders and proxies may exercise their rights to participate remotely, including pose questions and vote via electronic voting ("e-Polling") at the virtual General Meetings of the Company.

The Board is considering to continue to have General Meetings using e-Polling and also virtual General Meetings with RPEV facilities for convenience of the shareholders.

Pursuant to the new Practice 13.6 of the MCCG 2021, the Company will publish the minutes of its General Meetings on the Company's website not later than 30 business days after the General Meetings.

This Corporate Governance Overview Statement has been approved by the Board on 26 October 2021.

Board Nomination and Remuneration Committee

6.2

The Board of Directors has approved to combine the Nomination Committee and Remuneration Committee to be known as the Nomination and Remuneration Committee with effect from 1 September 2020, and subsequently renamed as "Board Nomination and Remuneration Committee" ("BNRC") effective from 9 February 2021.

Composition

The BNRC shall be appointed by the Board from amongst the Directors and shall have at least three (3) members, with the majority being Independent Non-Executive Directors.

The Chairman of the BNRC shall be an Independent Non-Executive Director or a Senior Independent Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman of the BNRC meeting from amongst themselves.

No alternate Director shall be appointed a member of the BNRC.

Membership and Meetings

Prior to the combination of the Nomination Committee ("NC") and Remuneration Committee ("RC"), the attendance of members at each committee is as follows:

Nomination Committee	No. of meetings held during appointment	No. of meetings attended
Abdul Halim bin Jantan *Member - Independent Non-Executive Director (Appointed as member on 9 February 2021)*	N/A	N/A
Baevinraj Thiagarajah *Member – Independent Non-Executive Director*	2	2
Dato' Amiruddin bin Abdul Satar *Member – Independent Non-Executive Director*	2	1
Teh Foo Hock *(Redesignated to Executive Director and relinquished Committee Membership on 30 March 2021)*	2	2

Remuneration Committee	No. of meetings held during appointment	No. of meetings attended
Abdul Halim bin Jantan *Member – Independent Non-Executive Director*	N/A	N/A
Baevinraj Thiagarajah *Member – Independent Non-Executive Director*	1	1
Dato' Amiruddin bin Abdul Satar *Member – Independent Non-Executive Director*	1	1

6.2

Membership and Meetings (Cont'd)

Remuneration Committee	No. of meetings held during appointment	No. of meetings attended
Teh Foo Hock *(Redesignated to Executive Director and relinquished Committee Membership on 30 March 2021)*	1	1

As at 1 September 2020, the attendance of the members of BNRC are as follows:

Board Nomination and Remuneration Committee	No. of meetings held during appointment	No. of meetings attended
Abdul Halim bin Jantan *Member – Independent Non-Executive Director*	N/A	N/A
Baevinraj Thiagarajah *Member – Independent Non-Executive Director*	2	2
Dato' Amiruddin bin Abdul Satar *Member – Independent Non-Executive Director*	2	2
Teh Foo Hock *(Redesignated to Executive Director and relinquished Committee Membership on 30 March 2021)*	2	2

Terms Of Reference

The terms of reference of the BNRC are available for reference at the Company's website at www.ipmuda.com.my.

Summary of Work of the BNRC

Our BNRC undertakes, among others, the following functions:

- i review and assess the remuneration packages of our Board members, Executive Directors and senior management in all forms, with or without other independent professional advice to reflect our Board's responsibilities, expertise and complexity of our Company's activities and recommend the same to our Board. The executive director shall play no part in decisions on their own remuneration;
- ii ensure the levels of remuneration be sufficiently attractive, and competitive but fair and be able to retain directors needed to run our Company successfully;
- iii structure the component parts of remuneration so as to align with the business strategy and long-term objectives of our Company and to link rewards to individual performance and to assess the needs of our Company for talent at Board level at a particular time;
- iv ensure that a fair differential between the remuneration of executive director, senior management and other levels of management is maintained;
- v review and recommend the remuneration of non-executive director to our Board; and
- vi act in line with the directions of our Board.

6.2

Functions of the BNRC

The functions and duties of the BNRC shall include the following:

I Nomination

- i To determine the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.
- ii To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.
- iii To consider, evaluate and propose to the Board any new board appointment, whether executive or non-executive position, to fill board vacancies as and when arises. The proposed candidate may be sourced from existing Board members, management, major shareholders and other independent sources. In making a recommendation to the Board on the candidate for directorship, the BNRC should consider the attributes of the candidate (taking into consideration the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance as amended from time to time).
- iv The BNRC shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 198 of the Companies Act 2016 and such other requirements imposed by the Companies Commission of Malaysia.

  The ultimate decision on the appointment of Directors to the Board is the responsibility of the Board after due consideration of the recommendation of the BNRC.
- v To recommend to the Board, the Directors to fill the seats on Board Committees, including chairmanship of the Board Committees.
- vi To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each Director (including the assessment of independence of its Independent Directors);
- vii To consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior Independent Non-Executive Director, the BNRC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- viii To review and evaluate on an annual basis:
  - the effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to Directors in respect of their performance;
  - the effectiveness of the Committees of the Board;
  - the effectiveness of the Board as a whole;

- the term of office and performance of the BAC and each of its members to determine whether the BAC and is members have carried out their duties in accordance with their terms of reference.

ix. To review and evaluate annually the independence of the Independent Directors. The assessment should take into consideration the criteria laid out in the MMLR of Bursa Securities and such other factors the BNRC determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationship that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

x. To recommend to the Board:

- whether Directors who are retiring by rotation at the Annual General Meeting of the Company should be put forward for re-election.
- Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of the Executive Director(s) as employee(s) of the Company subject to the provisions of the law and his/her service contract.
- Whether the Independent Director(s) should remain independent or be re-designated, after assessment of Independent Director(s) be conducted and concluded.
- The re-appointment of any Non-Executive Director at the conclusion of his/her term of office having due regard to his/her performance and the ability to continue to contribute to the Board in terms of knowledge, skills and experience required.

xi. To develop, oversee and review the Board's succession plan including succession of the Chairman of the Board, Managing Director / Chief Executive Officer and Finance Director in order to maintain an appropriate balance of skills, knowledge and experience and ensure that the succession plan is kept under review.

xii. To develop, oversee and review Key Senior Management succession plan in order to ensure that Key Senior Management is comprised of individuals with the skills and experience relevant to the Company's strategic direction and objectives.

xiii. To review the Directors' continuing education programmes for existing members of the Board in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.

xiv. To facilitate Board induction and training for newly appointed Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regard to their contribution to the Board and the Company.

xv. To consider and examine such other matters as the BNRC considers appropriate.

xvi. To consider other matters as referred to the BNRC by the Board.

II Remuneration

i. To establish and recommend to the Board the remuneration structure and policy of the Executive Directors (which include the Executive Chairman, the Managing Director / Chief Executive Officer and Finance Director) including the terms of employment or contract of employment/ service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and to review for changes to the policy, as necessary. The Executive Directors should play no part in decisions involving their own remuneration.

ii. To review the Executive Directors' goals and objectives and to assess his performance against these objectives as well as contribution to the corporate strategy at least annually.

iii. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Executive Directors.

iv. To review and recommend to the Board regarding the Directors' fees and benefits (including meeting allowances for attending Board meetings and Board Committee meetings) payable to the Non-Executive Directors and/or Independent Non-Executive Directors and thereafter to be approved at a general meeting. This is to ensure that the level of remuneration payable reflects the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors and/or the Independent Non-Executive Directors concerned.

v. To annually review and recommend the bonus payment rate and salary increment range to all employees of Ipmuda and the Group based on the Group's policy.

vi. To review and approve remuneration packages of Key Senior Management (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

vii. To review and recommend to the Board regarding any proposed employees share option scheme to be given to the Directors and employees of the Company and Group and/or amendments to the existing scheme, where applicable.

This BNRC Report was approved by the Board of Directors on 26 October 2021.

6.3

Board Audit Committee Report

The Board had at the Board of Directors' Meeting held on 9 February 2021 approved the renaming of the "Audit Committee" to "Board Audit Committee". The terms of reference of the Board Audit Committee remain the same as the Audit Committee.

The Board of Directors is pleased to present the report of the Board Audit Committee for the financial year ended 30 June 2021.

Composition

The present Board Audit Committee comprises of three (3) members all of whom are Independent Non- Executive Directors.

Membership and Meetings

The members of the Board Audit Committee during the financial year and up to the date of this Board Audit Committee report are indicated below.

A total of four (4) meetings were held during the financial year ended 30 June 2021. Details of attendance of each Board Audit Committee member is as follows:

Directors	No. of meetings held during the financial year	No. of meetings attended
Abdul Halim bin Jantan *Chairman – Independent Non-Executive Director* *Appointed as member on 9 February 2021 and Redesignated as Chairman on 30 March 2021.*	2	2
Baevinraj Thiagarajah *Member – Independent Non-Executive Director* *Appointed Member on 10 August 2020*	4	4
Dato' Amiruddin bin Abdul Satar *Member – Independent Non-Executive Director* *Appointed Member on 19 August 2020*	4	3
Teh Foo Hock *(Redesignated to Executive Director and relinquished Committee Membership on 30 March 2021)*	3	3

Terms of Reference

The terms of reference of the Board Audit Committee are available for reference at the Company's website at www.ipmuda.com.my.

Summary of Work of the Board Audit Committee

During the financial year ended 30 June 2021, the Board Audit Committee carried out its duties as set out in its Terms of Reference and the activities of the Board Audit Committee included the following:

1. Reviewed the Audit Completion Memorandum for the financial year ended 30 June 2020 prepared by the external auditors, Messrs. Grant Thornton Malaysia PLT ("GTM").
2. Reviewed the unaudited quarterly report for the 12 months period ended 30 June 2020, 1st, 2nd and 3rd quarterly results for the financial year ended 30 June 2021 and reported to the Board the Board Audit Committee's review of the said results and hence recommended the same to the Board for their approval prior to release to Bursa Securities.
3. Reviewed the recurrent related party transactions and the Circular to Shareholders in connection with the recurrent related party transactions entered into by the Company. The Board Audit Committee was of the view that the procedures on the recurrent related party transactions as set out in Section 2.5 of the Circular were sufficient to ensure that the transactions would be made in accordance with the Company's prudent business practices and policies and on terms which were not more favourable to the related party than those generally available to the public and would not be to the detriment of the minority shareholders, and hence, would not be prejudicial to the shareholders or disadvantageous to the Company.
4. Reviewed the Audit Planning Memorandum of the Company and its subsidiaries for the financial year ended 30 June 2021 prepared by GTM.
5. Had two (2) private sessions with GTM without the presence of management and Executive Directors.
6. Reported to the Board on significant audit issues and concerns discussed during the Board Audit Committee meetings which have significant impact on the Group from time to time, for consideration and deliberation by the Board.
7. Reviewed internal audit reports presented by the Internal Audit Department (IAD) incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls of various operating units.
8. Reviewed and endorsed the Internal Audit Plan for Financial Year 2020/2021 including the revision and status updates of the Plan.
9. Approved the IAD Budget for Financial Year 2020/2021.
10. Reviewed this Board Audit Committee Report prior to submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.

Internal Audit Function

The Company has established an in-house IAD since the 1980's. The main role of the IAD is to provide the Board Audit Committee with independent and objective reports on the effectiveness of the system of internal control and the extent of compliance with established policies and procedures as well as the relevant statutory requirements within the Group.

The IAD adopts a risk-based approach and carried out audits on the head office and subsidiaries based on approved Internal Audit Plan or on ad hoc basis. The audits covered a comprehensive scope in the areas of operations finance or accounts and investigation.

The personnel of the IAD is free from any relationship or conflict of interest, which could impair their objectivity and independence. The independence of the IAD is evidenced from its direct reporting to the Board Audit Committee.

The IAD consist of 3 personnel with relevant qualifications and experience and is headed by Liau Foo Hing, the Head of Internal Audit Department of the Group, who retains and exercises the right to meet with the BAC in the absence of Management and Executive Directors. Liau is an Associate Member of the Chartered Institute of Management Accountants.

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The internal audit function is guided by the International Professional Practices Framework set by the Institute of Internal Auditors.

The activities undertaken by the IAD during the financial year ended 30 June 2021 included the following:

1. Reviewed the existing systems, controls, and governance processes of various operating units within the Group.
2. Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal control on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
3. Issued internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the Board Audit Committee and the management of the respective operating units.
4. Attended Board Audit Committee meetings to present the internal audit reports to the Board Audit Committee for deliberation and review.
5. Tabled Internal Audit Plan for Financial Year 2020/2021 for Board Audit Committee's review and endorsement including the revision and status updates of the Plan.
6. Tabled IAD Budget for the Financial Year 2020/2021 for Board Audit Committee's approval.

The IAD's resources and manpower requirements are reviewed from time to time to ensure that it can carry out its duties effectively.

The total cost incurred for the Group's internal audit function during the financial year ended 30 June 2021 was RM273,364.

This Board Audit Committee Report was approved by the Board of Directors on 26 October 2021.

6.4

Statement On Risk Management And Internal Control

The Board of Directors of IPMUDA Berhad is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2021 made in compliance with paragraph 15.26 (b) of the MMLR of Bursa Securities and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 10.1 and 10.2 of the MCCG 2021 (Updated as at 28 April 2021).

The Board has approved the renaming of the "Risk Management Committee" to "Board Risk Committee" (BRC) with effect from 9 February 2021.

Composition

The present Board Risk Committee (BRC) comprises of three (3) Independent Non-Executive Directors. The Board has agreed to rename the "Risk Management Committee" to BRC with effect from 9 February 2021.

Membership and Meetings

A total of four (4) meetings were held during the financial year ended 30 June 2021. The members of the BRC and their attendance record for meetings are as follows:

Board Risk Committee	No. of meetings held during the financial year	No. of meetings attended
Abdul Halim bin Jantan *Chairman-Independent Non-Executive Director, appointed on 1 December 2020*	2	2
Baevinraj Thiagarajah *Member – Independent Non-Executive Director* *Redesignated from BRC Chairman to member on 1 December 2020*	4	4
Dato' Amiruddin bin Abdul Satar *Member – Independent Non-Executive Director* *Appointed BRC member on 19 August 2020*	4	3
Teh Foo Hock *Member-Independent Non-Executive Director.* *Resigned as BRC Member on 27 May 2021*	4	4

Notes:

The former Chairman of BRC, Mr. Baevinraj Thiagarajah has been re-designated to member of BRC with effect from 1 December 2020.

Teh Foo Hock has been redesignated from Independent Non-Executive Director to Finance Director of the Company with effect from 30 March 2021. He resigned as a member of BRC with effect form 27 May 2021.

The Company has complied with the composition of the BRC of at least three (3) members.

All deliberations at the BRC meetings and adopted for decisions are properly recorded. Minutes of each BRC meetings is tabled for confirmation at the next BRC meeting. The Chairman of the BRC reports to the Board on activities and significant matters discussed.

6.4

Terms of Reference

The duties and responsibilities of the BRC are set out in its Terms of Reference which is available for reference at the Company's website at www.ipmuda.com.my.

Board's Responsibility

The Board recognises the importance of sound risk management, internal control, and good corporate governance in every aspect of the business. The Board has established an ongoing risk management process in safeguarding Company's assets, enhance shareholders' investments and to be in-compliance with laws and regulations. The Board provides direction and has an overall responsibility for risk oversight and risk management within the Group.

The risk management and internal control systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives; and can only provide reasonableness but not absolute assurance against material misstatement or loss.

Management is responsible for implementing Board approved policies and procedures on risk management and internal control by identifying and evaluating risks faced, monitoring the achievement of the business objectives within the risk appetite parameters.

Key Risk Management And Internal Control Processes

The Management, through risk management and compliance team (RMCT) is entrusted with the task to assist the Board to establish, implement and strengthen risk management functions across the Group.

i **Risk Management Function**

The Risk Management and Compliance Department was established since 1 August 2018.

RMCT reports functionally to BRC is responsible for monitoring risk management activities, ensuring compliance and effective implementation of policies. During the financial year ended 30 June 2021, the BRC carried out the following activities:

a. Developed the Anti-Bribery and Anti-Corruption Policy.
b. Developed the risk registers associated with credit risks.
c. Reviewed changes to the Limits of Authority manuals.
d. Reviewed changes to the Whistleblowing Policy.
e. Revised the risk likelihood scale (probability that a risk incident may occur) and risk significance scale (determines impact of the risk may occur) to be more aligned to the current business operations.
f. Reviewed changes to the roles and responsibilities of Risk Champions as laid out in the Enterprise Risk Management Framework.
g. Deliberated on the effectiveness of having an in-house company secretarial services against outsourcing.
h. Reviewed and endorsed the RMCD Time-table for Financial Year 2021/2022.
i. Approved RMCD budget for Financial Year 2021/2022.

ii **Risk Management Process**

The risk management process in which each key risk areas are identified, assessed, monitored, reviewed, and managed are as follows:

a. **Identification of key risk areas and the assessment** as to their impact and likelihood of occurrence are carried out through brainstorming and discussion across various functional divisions, business, and support units. In the risk identification of both existing and emerging risks, the internal and external environments in which the Group operates will be scanned and analysed. In assessing risk, both qualitative and semi-quantitative methods will be used;
b. **Key risk areas are prioritised** through risk-mapping of identified risks basing on the information gathered according to the severity of impact and occurrences in relation to the achievement of the business objectives;
c. **Risks are managed** through formulation of risks strategies. Key risk areas are reviewed for formulation of risk response strategies/actions to mitigate the impact of the risk events. Risks would either be reduced (through risk control processes), transferred (insurance coverage), retained (within risk appetite for exploitation) or avoided (divestment); and
d. **Risk monitoring** would be done by using performance measures, both financial and non-financial indicators. Financial indicators can be gathered from the management accounts of the Group while non-financial indicators could be gathered from the upward reporting process from various functional divisions, business and support units.

iii **Principal Risks**

The principal risks faced by the Group together with the risk management processes are summarised as follows:

a. **Credit risk** is the potential loss arising from counter parties unable to settle their outstanding debt obligations. The counter parties include trade receivables, investors, property (other asset) buyers, guarantors, etc. The tolerance for credit risks exposures is guided by credit control policies. A centralised credit control unit is set up to ensure policies which incorporates prudent and comprehensive criteria especially on credit control verification and assessment of customers are adhered to. Collaterals are obtained from certain customers to further mitigate credit risks. Clearly defined levels of authority are in place to ensure the role of approving authorities commensurate with the level of decision making. Periodic reviews of customers credit worthiness are ongoing to maintain strict control over the Group's credit exposure. Reporting procedure is also in place to identify any potential distress customers for recovery actions;
b. **Operational risk** arises from inadequate or ineffective failed internal processes, people mistakes or misconduct, systems or from external events. The day-to-day operational risks are managed through system of risk management and internal controls to ensure compliance with policies, standard operating procedures, relevant laws, and regulations. Guidelines for information technologies related practices include disaster recovery plans, backup policies, data security and security access are also in place to ensure data integrity and business

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6.4

continuity. Further, any proposal or introduction of new products, agency lines, business activities or development plans are subject to vigorous and strict evaluation to assess any potential risks in relation to the Group risk appetite and strategies; and

c **Liquidity risk**, arising mainly from general funding and business activities, is the risk that the Group may not be able to maintain enough liquid assets to meet its financial commitments and obligation when they mature or fall due. The Group strives to maintain enough level of cash and available banking facilities at a reasonable level to its overall debt position to meet its working capital requirements.

iv Policies and Procedures

Policies and operating procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures provide guidance and directions for proper management and governance of operations and business activities. The documents are reviewed every two (2) years or as and when necessary to ensure that documentation remain current and relevant.

The implementation of the Whistleblowing Policy provides a reporting channel for legitimate concerns raised by employees or other stakeholders to BRC. This Whistleblowing Policy serves as a tool to prevent misconduct and protect the rights of informants. The Policy covers processes to investigate, reporting, detailing the Group's obligations and confidentiality.

The Anti-Bribery and Anti-Corruption Policy sets forth the Group's principles, governance framework and procedures collectively known as the "Integrity System" is established to eliminate bribery and corruption in all its forms.

These documents are available at the Investors Relation section can be assessed at the Company's website www.ipmuda.com.my.

v Integrity and Compliance

During the financial year, RMCT is tasked to oversee the implementation of Integrity System within the Group; to ensure continuous learning and awareness talks in relation to the Anti-Bribery and Anti-Corruption Policy (ABAC Policy) are in place. All employees and business associates are required to confirm that they have read, understood, and adhere to the ABAC Policy.

In implementing the ABAC Policy, the Group has complied with all applicable laws and regulations including the requirements of the Malaysian Anti-Corruption Commission Act 2009. The Group has zero tolerance policy against bribery and corruption.

vi Internal Audit

The Internal Audit function adopts a risk-based approach and reports directly to the Board Audit Committee with independent and objective reports on the state of internal controls and the extent of compliance with established policies and procedures as well as relevant statutory requirements.

Internal Audit plans its audit based on the audit plan approved by the Board Audit Committee at the beginning of the year. The Board Audit Committee reviews the report from Internal Audit, before reporting and making recommendations to the Board in strengthening internal control. The Board remains committed in ensuring a sound system of risk management and internal control. The Board Audit Committee presents its findings to the Board at least once every quarter, or as appropriate.

vii Internal Control System

The Group's system of internal control encompasses the policies, processes, task, behaviour, and other aspects of business activities that facilitate the following:

a effective processes and efficient systems enabling it to respond appropriately to significant business, operational, financial, compliance and other risk to achieve the Group's objectives;

b ensure the quality of internal and external reporting by way of the maintenance of proper records and processes that generate timely, relevant and reliable information from within and outside the Group;

c ensure compliance with internal policies, applicable laws, and regulations with respect to the conduct of the Group's business activities; and

d reflect the Group's control environment in which incorporates the organisational structure, governance activities, human resource policies and practices and its code of conduct. The system will also include control activities, information and communications processes and the continuing monitoring of the effectiveness of the system of internal control.

viii Key Internal Control Processes

The key elements of the Group's system of internal control, policies and procedures that are in place are as follows:

a There is in place an organisation structure, which defines reporting lines, job responsibilities and segregation of duties;

b Clearly defined approving authority of Directors, officers, managers and executives to facilitate decision making at appropriate levels within the Group;

c Established strategic planning and budgeting process, where all operating units to prepare annual operating budget including capital and manpower budgets which are reviewed and approved by the Board;

d Effective reporting systems that ensure complete and accurate financial information for review of monthly performance and variances by management;

e Monitoring of actual results against budget and previous year performance (quarterly) with detailed explanation on material variances and their corrective measures undertaken;

f Policies and procedures of operating units and functional divisions are established, documented and updated regularly to ensure compliance with internal controls and relevant laws and regulations, as well as meeting the changing business environment;

g Develop the Enterprise Risk Management Framework that addressed the key elements of risk management which allow for the management of risks within the Group's defined risks and guided risk tolerance level; and

h There are proper guidelines for hiring, termination and promotion, training programmes, performance appraisals and other relevant procedures in place to ensure staff members are competent and adequately trained in discharging their roles and responsibilities.

6.4

ix Review on Adequacy and Effectiveness of the Risk Management and Internal Control System

The processes in which the Group adopted to monitor and review the adequacy and integrity of the system of internal control include the following ongoing assessments:

a. periodic examination of the business risks that impact or likely to impact the Group and the reporting by various functional divisions, business and support units on the effectiveness of the system of internal control is in place, highlighting any weakness, improvement and change in the risk profile; and

b. periodic review of the state of internal control across various functional divisions, business and support units by the Internal Audit function which reports the review conducted on a quarterly basis to the Audit Committee.

The Board has reviewed the effectiveness, adequacy, and integrity of the system of risk management and internal control in operation during the financial year through the monitoring process set out above. There were no material losses incurred during the current financial year arising from the weaknesses in internal control. Management continues to take measures to strengthen the control environment.

The Board has received assurance from the Finance Director and Chief Executive Officer that the Group's risk management and internal control system is operating adequately and effectively in all significant material aspects.

x Review of the Statement by External Auditors

As required by paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants and has reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and effectiveness of the risk management and internal control systems within the Group.

The Statement on Risk Management and Internal Control was approved by the Board of Directors on 26 October 2021.

Additional Compliance

6.5

1 Utilisation of Proceeds Raised from Corporate Proposals

During the financial year under review there were two tranches of private placements. The first tranche was completed on 17 December 2020 and the second tranche on 22 March 2021. A further fund raising exercise vide a restricted issue was completed on 22 March 2021 of 14,493,900 new shares in the Company, raising a total of RM9.86 million ("Restricted Issues"). The details of the utilization proceed is as follows:

a First Tranche Private Placement (as defined herein) that was completed on 17 December 2020

On 17 December 2020, the Company completed the private placement of 7,175,000 new Ipmuda Shares (representing up to 10% of the existing total number of issued Shares prior to the private placement), raising a total of RM4.02 million ("First Tranche Private Placement"). The status of utilisation of the proceeds is as follows:-

Utilisation of proceeds	Timeframe for utilization of proceeds	Actual proceeds raised RM'000	Actual utilization up to 30 June 2021 RM'000
Working capital	Within 6 months from receipt of proceeds	3,840	3,840
Expenses in relation to the First Tranche Private Placement	Within 1 month from receipt of proceeds	178	178
TOTAL		4,018	4,018

b Second Tranche Private Placement (as defined herein) that was completed on 22 March 2021

On 22 March 2021, the Company completed the private placement of 7,318,900 new Ipmuda Shares (representing up to 10% of the existing total number of issued Shares prior to the private placement), raising a total of RM4.98 million ("Second Tranche Private Placement"). The status of utilisation of the proceeds is as follows:-

Utilisation of proceeds	Timeframe for utilization of proceeds	Actual proceeds raised RM'000	Actual utilization up to 30 June 2021 RM'000
Working capital	Within 6 months from receipt of proceeds	4,913	4,913
Expenses in relation to the Second Tranche Private Placement	Within 1 month from receipt of proceeds	64	64
TOTAL		4,977	4,977

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c Restricted Issue (as defined herein) that was completed on 22 March 2021

On 22 March 2021, the Company completed the restricted issue of 14,493,900 new Ipmuda Shares (representing up to 20% of the existing total number of issued Shares prior to the private placement), raising a total of RM9.86 million ("Restricted Issue"). The status of utilisation of the proceeds is as follows:-

Utilisation of proceeds	Timeframe for utilization of proceeds	Actual proceeds raised RM'000	Actual utilization up to 30 June 2021 RM'000
Working capital	Within 6 months from receipt of proceeds	9,792	9,792
Expenses in relation to the Second Tranche Private Placement	Within 1 month from receipt of proceeds	64	64
TOTAL		9,856	9,856

2 Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest either subsisting at the end of the financial year ended 30 June 2021 or entered into since the end of the previous financial year.

3 Recurrent Related Party Transactions of a Revenue or Trading Nature

Related party transactions of the Group for the financial year ended 30 June 2021 are disclosed in Note 31 – Related Party Disclosures to Financial Statements. The Company did not enter into any recurrent related party transactions during the financial year ended 30 June 2021.

4 Contracts Relating to Loans

There was no material contract relating to loans by the Company and its subsidiaries involving the interest of Directors and major shareholders during the financial year ended 30 June 2021.

5 Employee Share Option Scheme ("ESOS")

The Company did not issue any ESOS during the financial year ended 30 June 2021.

Directors' Responsibility Statement

6.6

The Directors are required by the Companies Act 2016 (the "Act"), to ensure that financial statements of the Company and its subsidiaries for each financial year are drawn up in accordance with the applicable approved accounting standards of Malaysia and the requirement of the Act so as to give a true and fair view of the Company and its subsidiaries' affairs, results and cash flows position for the financial year.

The Directors consider that in preparing the financial statements for the financial year ended 30 June 2021 the Ipmuda Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are also responsible for ensuring that the Ipmuda Group keeps adequate accounting records, which disclose with reasonable accuracy the financial position of the Ipmuda Group at any point of time.

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SUSTAINABILITY REPORT

7.1 SUSTAINABILITY STATEMENT

The Group affirms its commitment to sustainability.

Having served the communities at large for over 45 years in the trading of building materials, construction and property development sectors, the Group now embarks on a paradigm shift towards delivering a more sustainable future for all through diversification into new growth areas – renewable energy and healthcare.

Sustainability is our greater purpose towards building a resilient and responsible business with benefits felt by multiple facets of the society, particularly the future generations.

Within this context, Environmental, Social and Corporate Governance ("ESG") will be the bedrock of the Group moving forward, whilst delivering positive financial returns.

Stakeholders interests within this sphere will drive all strategies for performance and growth of IPMUDA Berhad.

In 2021, we introduced our new brand promise – "FOR A SUSTAINABLE FUTURE"

OUR APPROACH 7.2

7.2.1 Business Sustainability

In 2021, the Group formally embarked on a diversification exercise which saw IPMUDA Berhad transformed into a diversified portfolio with new revenue streams. Charting the way forward for sustainability, IPMUDA Berhad announced its foray into the Renewable Energy and Healthcare sectors which are inherently sustainable and significant in terms of public interest.

In June 2021, the Group announced the proposed acquisitions of renewable energy and healthcare assets that will bolster financial performance moving forward. The Group announced that it had an agreement to effectively acquire Telekosang Hydro One Sdn Bhd and Telekosang Hydro Two Sdn Bhd (collectively, "Telekosang"), together with the Telekosang Hydro One ASEAN Green Junior Sukuk ("Telekosang Sukuk") that collectively has an enterprise value of RM653 million. IPMUDA Berhad also signed an agreement to acquire Jentayu Solar Sdn Bhd ("Jentayu Solar") that has an enterprise value of RM47.1 million.

The trading division went through a significant transformation with realignment of strategic priorities including product rationalisation and consumer centricity. This has led to the Group's improved financial performance, further delivering value to its stakeholders particularly the customers and shareholders.

Telekosang is currently developing a 40MW small hydropower plant project in Sungai Telekosang, Kemabong, Tenom, Sabah, which would be the largest of its kind in Malaysia, and expected to commercially operate at the end of 2021 with a power purchase agreement of 21 years. The Telekosang Sukuk of RM470 million in nominal value is the world's first greenfield mini-hydro green Sustainable Responsible Investment ("SRI") Sukuk.

Jentayu Solar owns and operates a 5.99MW solar power plant, which is strategically located in a high solar irradiance area in Pokok Sena, Kedah. With a concession period of 21 years, beginning October 2019, the plant generates an annual average energy yield of 12.7GWh. Jentayu Solar is the first project under the Large-Scale Solar Scheme ("LSS2") to have been successfully commissioned.

IPMUDA Berhad further signed an agreement to acquire a 30-bedded private hospital specialising in paediatrics and obstetrics and gynaecology known as Ohana Specialist Hospital located in Seri Rampai, Kuala Lumpur, with an enterprise value of RM18 million.

7.2.2 Leadership, Diversity, and Inclusion

The business direction is developed on the back of a leadership transformation with new shareholders and board of directors onboarded to the Group.

The Board composition reflects the new direction of the Group bringing in new competencies and skill sets that augur well with the Groups new culture and board dynamics as follow:

This is further supported by the new executive leadership line-up comprising a refreshed senior management team.

This marks a significant move away from the previous substantial shareholders' complementary businesses and match the new leadership's vision, mandate, and expertise as follow:

50% of the Board are independent Non-Executive Directors

90% of the leadership is new, a strong indication that the group is resetting

Female director to be appointed by quarter two, financial year 2022 as a testament towards the Group's commitment to diversity and inclusion

The Group is investing in upskilling and retraining of employees, preparing them for the growth journey

Legal expert to be appointed by quarter two, financial year 2022 to strengthen boards' talent bench

Over 50% of the staff strength is from the Gen-Y group

7.2.3 Financial Sustainability

The Group has registered improved financial performance arising from the transformation efforts.

IPMUDA Berhad posted revenue of RM30.2 million and a Loss Before Tax ("LBT") of RM9.2 million for the financial year ended 30 June 2021. The LBT of RM9.2 million for the financial year marks a significant improvement of 76.3% as compared to the preceding year, on the back of the one-year anniversary of its new leadership and management at the helm.

Loss after Tax ("LAT") for the financial year came in at RM 9.0 million which also signifies an improvement of 76.2% as compared to the preceding year.

The 62.9% decline in annual revenue was attributed to the unprecedented challenges brought upon by the global pandemic and the ensuing lockdowns - particularly to the construction and property sectors - which has a direct negative impact on the Group's trading business.

The Group however was able to significantly narrow down the year-on-year and quarterly losses through careful and focused choices of products and customers, leading to a marked improvement in profit margin. The Group also doubled its year-on-year Gross Profit Margin from 6.7% in financial year 2020 to 15.3% in financial year 2021.

Arising from the conscientious cost management efforts, the Group made savings of RM11.0 million in administrative and selling and marketing expenses, through the manpower right-sizing exercise, reduction in legal action required against trade and other areas. The year under review also saw the Group recording a gain on disposal of non-strategic properties totalling RM3.9 million, lower finance cost totalling RM0.2 million, as well as a net reversal of impairment on receivables of RM6.1 million.

7.2.4 Environmental and Social Sustainability

Cognisant of the environmental impact of construction and property development sectors towards the environment, the Group has pivoted to greener sectors namely Renewable Energy and Healthcare.

The Group has also formally expressed its interest to exit the Property Development business and increase focus on its new sustainable business streams.

Closer to home, the Group has enhanced the office space with environmentally friendly features including the replacement of its lighting system with LED lights as well as "greening" the office space with plants as well as pond and garden features.

The Group remains steadfast in ensuring pre-qualifications standard for all its product suppliers are adhered to hence ensuring the Group only sources for environmentally friendly products. The Group is also a proponent of environmentally friendly and cost saving products such as Industrialised Building System ("IBS") blocks, water saving faucets, efficient roofing systems, heat rejection glazing, passive shading, smart home automation and rainwater harvesting systems.

Recognising that awareness begins at home, the Group's employee engagement is centered on creating an increased appreciation of the environment and the importance of its preservation via numerous visits to forest reserves and recreational parks.

In regards to building a greener future, the Group will spearhead its renewable energy and healthcare segments to deliver value to its stakeholders. The Group endeavours to introduce new technologies and mechanisms to the country's renewable energy sector by advocating for the run-of-river hydro methodology that is environmentally friendly with minimal displacement of trees during the development stage. Trees that are displaced will also be replaced with endangered, rare and threatened species to ensure that the habitat is restored to its original state post development. As specialists in the field, the Group will work closely with international partners hence further developing the nations domestic capabilities via knowledge transfer. Above all, the Group hopes to provide for job creation for the communities within the business footprint.

The Group will also provide for affordable and accessible healthcare via development or acquisitions of niche boutique hospitals and health centres that will be able to reduce public healthcare expenditure and support the communities at large.

Overall, this is intended to improve the socio-economic landscape of the country.

7.2.5 Human Capital Sustainability

The main asset of IPMUDA Berhad is its human capital. The human capital core areas focuses on talent bench strength, health and safety, engagement, and performance and rewards. In ensuring its employees' welfare are safeguarded, the Group introduced enhancement to the performance and rewards as follow:

- Launch of Revised Employee Handbook with implementation of revised benefits.
- Launch of takaful insurance scheme to replace conventional reimbursement insurance scheme.
- Upgrade hospitalisation and surgical as well as Group Personal Accident insurance schemes.

Health and safety were paramount particularly with the outbreak of COVID-19. The Group revised its work arrangements to ensure the health and safety of its employees as follow:

- Cognisant of its role as an essential service for the country with approved permit to continue operations during the height of the pandemic, the Group's employees acted as frontliners by continuing to discharge its duties.
- The Group responded to this by instituting work flexibilities for high-risk employees and introduced work rotation arrangements to ensure the safety of all its employees.
- Strict Standard Operating Procedures ("SOPs") were enforced at all office premises including the Group's warehouses and satellite offices to ensure the prevention of the spread of COVID-19 at the workplace.
- The Group also recognises the importance of the Government's vaccination efforts by encouraging and tracking the progress of vaccination of its employees.

7.2.5 Human Capital Sustainability

List of Employee Engagements

02 February

Event
Employee Engagement – Chinese New Year Celebration

Description
Distribution of packed food and ang pow money packets

02 February

Event
Employee Engagement – 1st Quarter Celebration

Description
Employee celebrations

04 April

Event
Employee Engagement – outdoor activities

Description
Group night Walk to KL Forest Eco Park & Saloma Bridge.

04 April

Event
Employee Engagement - Buka Puasa Event

Description
Distribution of packed food

04 April

Event
Employee Engagement – Hari Raya Event

Description
Distributing Hari Raya money packets, mask containers and kurma

06 June

Event
Employee Engagement – 2nd Quarter Celebration

Description
Source personalised flasks by supporting small online vendors

06 June

Event
Employee Engagement – COVID-19 Get Well Soon

Description
Organised "Get Well Soon Hampers" (vitamins) which were sent to staff during their recovery from Covid-19.

06 June

Event
Employee Engagement - Vaccination Kits

Description
Prepacked kits with checklist & essentials for vaccination visit (eg pen/sanitiser/double masks etc).

06 June

Event
Hari Raya Aidil Adha Donation

Description
Donation of livestock for Hari Raya Aidil Adha in Sabah

07 July

Event
Food Bank

Description
Jointly organised food bank at Ohana Specialist Hospital in Sri Rampai, KL.

7.2.6 Industry Sustainability

As an industry leader, the Group's employees actively contribute back to the industries that we are involved in, hence collectively raising the industry standards.

IPMUDA Berhad is an active member of Building Materials Distributors Association of Malaysia ("BMDAM") and Master Builder Association of Malaysia ("MBAM").

- The Group's employees serve on the Technical Committee ("TC") of the Department of Standards Malaysia ("DOSM").
- The TC drafts and formulates Malaysian Standards to ensure products meet quality and performance criterias.
- Our Group's employees actively contribute in the drafting of the below national standards:
  - MS 2397 : 2016 Coated Glass - Specification
  - MS 2666 : 2016 Insulating Glass Units – Performance & Evaluation
  - MS 1498 : 2017 Safety Glass in Building – Safety Performance Specification
  - MS 1135 : 2020 Float and Polished Plate Glass
  - MS 2676 :2019 Wired Glass - Specification
  - Bored and preassembled locks and latches – performance requirements (in progress)
  - Use of Glass in Buildings – Guidelines (in progress)
  - Solar Glass – Ultra-clear Patterned Glass - Solar Glass (in progress)

7.2.7 Corporate Governance

The governance oversight of sustainability comes under the purview of the Board of Directors, supported by the Chief Executive Officer, and operationalised by the respective teams across the Group.

The Composition of the Board Commitees has been revamped to include only Independent Non-Executive Board Members, in line with good corporate governance standards. This has been reflected in the Terms of Reference (TOR) of respective committees, namely Board Nomination and Remuneration Committee, Board Audit Committee and Board Risk Committee.

The Group continues to periodically revise and update its Risk framework, particularly in the midst of the global pandemic.

The Group and all its employees are guided and bound by the strict Anti-Bribery & Anti-Corruption Policy and Whistle Blowing Policy. These policies also cover the Group's behaviour with its external stakeholders including suppliers, customers, regulators, bankers and investors.

For further details, please refer Corporate Governance Report on page 70 to 107.

7.3 MOVING FORWARD

The integration of sustainability into business operations is a journey of organisational transformation.

As the Group continues its diversification and transformation journey, with profitability in sight, it will increase its sustainability efforts, particularly in terms of providing value to the communities within our operations.

The Group is also in the midst of formulating its sustainability policy to be endorsed by the Board of Directors and henceforth be the guiding principles of IPMUDA Berhad moving forward.

As advocate for clean energy and affordable healthcare, the Group will ensure that its sustainability initiatives are centered upon these new business segments and looks forward to delivering greater value for its stakeholders.

The Group has already engaged an array of stakeholders to ensure that the sustainability journey begins on the right footing including the Tropical Rainforest and Conservation Research Centre, Climate Action Week of British Malaysia Chamber of Commerce, Responsible Investor Asia, and United Nations Global Compact.

The Group will also analyse how it can better contribute to the progress of the United Nations Sustainable Development Goals (UNSDG) and the United Nations Global Compact Ten principles as well as embedding it into our operations.

UNITED NATIONS GLOBAL COMPACT TEN PRINCIPLES

01 **RESPECT**
and support internationally recognized human right in your area if influence

02 **ENSURE**
that your company does not participate in any way in violation of human rights

03 **SUPPORT**
Freedom of association and recognize to open collective bargaining

04 **ELIMINATE**
all forms of forced of compulsory labour

05 **ERADICATE**
all forms of child labour in your productive chain

06 **STIMULATE**
all practices that eliminate any form of discrimination at the workplace

07 **ASSUME**
a responsible preventive and proactive posture towards environmental challenges

08 **DEVELOP**
initiatives and practice to promote and divulge socioenvironmental responsibility

09 **PROMOTE**
the development and dissemination of environmentally responsible technologies

10 **FIGHT**
corruption in all of its forms, including Extortion and bribery

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FINANCIAL STATEMENTS

8.1

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding, trading and distribution of building materials and other products. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	9,022	13,548
Attributable to:-		
Owners of the Company	8,942	13,548
Non-controlling interests	80	-
	9,022	13,548

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Company:-

- Datuk Beroz Nikmal bin Mirdin
- Jeefri bin Muhamad Yusup*
- Teh Foo Hock
- Baevinraj Thiagarajah
- Dato' Amiruddin bin Abdul Satar
- Abdul Halim bin Jantan (Appointed on 2 November 2020)

** Directors of the Company and its subsidiaries*

The name of the Directors of the Company's subsidiaries in the office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Subsidiaries:-

- Fong Tat Ung
- John Chua Seng Chai
- Lim Hooi Chuan
- Lit Kin Cheong
- Wong Chong Teck
- Wong Chong Yee
- Rahaidah binti Abdul Wahab
- Adrian Lau Chee Hiong
- Sarah binti Azman

DIRECTORS' INTERESTS

According to the Registers of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end (including the interests of spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

Interest in the Company	Number of ordinary shares at 1.7.2020	Number of ordinary shares bought	Number of ordinary shares sold	Number of ordinary shares at 30.6.2021
Direct interests				
Datuk Beroz Nikmal bin Mirdin	18,000	6,443,900	-	6,461,900
Jeefri bin Muhamad Yusup	-	3,300,000	-	3,300,000
Teh Foo Hock	-	750,000	218,000	532,000
Baevinraj Thiagarajah	-	3,000,000	-	3,000,000
Dato' Amiruddin bin Abdul Satar	-	750,000	250,000	500,000
Abdul Halim bin Jantan	-	750,000	-	750,000
Deemed interests				
Datuk Beroz Nikmal bin Mirdin*	6,000,000	15,176,300	-	21,176,300

** In accordance with Section 59(11)(c) of the Companies Act 2016, the deemed interest of the spouse of Datuk Beroz Nikmal bin Mirdin in shares of the Company shall be treated as the interests of Datuk Beroz Nikmal bin Mirdin.*

By virtue of their direct interests in shares of the Company, Datuk Beroz Nikmal bin Mirdin is also deemed to have interest in shares of the Company to the extent of that interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' EMOLUMENTS AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and of the Company are as follows:-

	Incurred by the Company RM'000	Total RM'000
Directors' fees	31	31
Directors' salaries and other emoluments	1,821	1,821
Defined contribution plan	218	218
	2,070	2,070

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:-

i. 14,493,900 new ordinary shares pursuant to private placements at issue price of RM0.56 to RM0.68 per placement share for a total cash consideration of RM8,994,852 for working capital purposes; and

ii. 14,493,900 new ordinary shares pursuant to restricted issue at issue price of RM0.68 per restricted issue share for a total cash consideration of RM9,855,852 for working capital purposes.

There were no issuance of debentures during the financial year.

OTHER STATUTORY INFORMATION

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

a. 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 all known bad debts had been written off and adequate provision had been made for doubtful debts; and

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

At the date of this report, the Directors are not aware of any circumstances:-

a. which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

b. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

c. which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

d. not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D)

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

a. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

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

In the opinion of the Directors:-

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

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered by the Directors' and Officers' Liability Insurance for any liability incurred in discharged of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM23,860.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The Auditors' remuneration of the Group and of the Company are disclosed in Note 26 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 30 June 2021.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

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

DATUK BEROZ NIKMAL BIN MIRDIN
Director
Kuala Lumpur
29 October 2021

JEEFRI BIN MUHAMAD YUSUP
Director
Kuala Lumpur
29 October 2021

8.2
Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 132 to 241 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 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

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

DATUK BEROZ NIKMAL BIN MIRDIN
Director
Kuala Lumpur
29 October 2021

JEEFRI BIN MUHAMAD YUSUP
Director
Kuala Lumpur
29 October 2021

Statutory Declaration

I, Teh Foo Hock, being the Director primarily responsible for the financial management of Ipmuda Berhad do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 132 to 241 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 29 October 2021

Before me:

Commissioner for Oaths
Haji Abdul Azizni bin Abu Bakar
(No. W502)
29 October 2021

TEH FOO HOCK
(MIA NO: 10750)
CHARTERED ACCOUNTANT
29 October 2021

Independent Auditors' Report

8.3

IPMUDA BERHAD
(Incorporated in Malaysia)
Registration No: 197501000834 (22146 - T)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ipmuda Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 132 to 241.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (Cont'd)

Revenue Recognition

The risk

Refer to Note 23 to the financial statements. Revenue recognition is one of the key areas of audit focus, particularly in respect of the risk of management override and the risk of cut-off of revenue for sales of goods with the need of control over the goods have to be passed before revenue is recognised.

We assessed that this risk was focused on the occurrence and valuation of the two most significant revenue streams (sale of goods and contract revenue). We identified this as an area of focus due to high volume low value nature of transactions for sales of goods and significant management judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage-of-completion method for construction revenue. In our view, revenue recognition is significant to our audit as the Group and the Company might inappropriately account for sales of goods and contract revenue.

Our response

We carried out wide range of testing including contract revenue recognition, the timing of contract revenue recognition, as well as substantive testing, analytical procedures and assessing whether the revenue recognition policies adopted complied with Malaysian Financial Reporting Standards.

For sale of goods, we reviewed the delivery terms to ensure that the control over the goods had been passed before revenue is recognised. We carried out cut off test at the financial year end date and reviewed of returns and credit notes issued subsequent to the year end.

For contract revenue, we performed substantive audit procedures which included reviewed sample of contracts, evaluate customers' acceptance of workdone, assessed the reasonableness of the management estimates of cost to complete the contract, tested the calculation of stage of completion, agreed that the revenue recognised was consistent with the calculated stage of completion. Tested the work allocated to contracts had been carried out in the period in which the revenue had been recognised and enquired with the key personnel regarding necessary adjustments for contract costing and potential contract losses.

Impairment losses on receivables

The risk

Refer to Note 11 and 12 to the financial statements. The impairment of trade and other receivables is estimated by the management through the application of judgement and use of subjective assumptions. Due to the significance of trade receivables and the related estimation uncertainty, this is considered as key audit risk. Management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade and other receivables.

Our response

We have reviewed the ageing of trade receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of impairment losses and bad debts written off in the current year against the prior years. We also assessed the reasonableness of assumptions and judgements made by the management regarding the expected credit losses and recoverability of outstanding receivables through examination of subsequent cash receipts.

8.3
Independant Auditors' Report To The Members Of IPMUDA Berhad

Key Audit Matters (Cont'd)

Fair value of investment properties

The risk

Refer to Note 6 to the financial statements. The Group and the Company have investment properties that are stated at fair values based on valuation reports prepared by an independent professional valuer. These valuations rely on the accuracy of assumptions, estimates and financial information provided to the valuer.

Consequently, the determination of the fair values of investment properties involve significant management judgement and estimates by the Directors. As such, we have identified this area as a significant risk requiring special audit consideration.

Our response

Our audit procedures included evaluating the competency, capabilities and objectivity of the independent valuer for all the investment properties, checking the accuracy and relevance of input data used in the valuations, evaluating the valuation amounts by comparing against equivalent property sales and market data, evaluating and obtaining an understanding of the key input data and key assumptions used by the independent valuer.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting

Key Audit Matters (Cont'd)

Responsibilities of the Directors for the Financial Statements (cont'd)

Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the

Key Audit Matters (Cont'd)

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

Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)
Kuala Lumpur
29 October 2021

KISHAN NARENDRA JASANI
(NO: 03223/12/2021 (J))
CHARTERED ACCOUNTANT
Kuala Lumpur
29 October 2021

8.4

Statements of Financial Position (as at 30 June 2021)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	3,667	8,469	3,317	4,233
Right-of-use assets	5	1,478	7,483	1,383	1,422
Investment properties	6	47,655	51,740	26,685	30,740
Inventories	7	9,430	9,174	-	-
Investment in subsidiaries	8	-	-	60,960	63,127
Investment in an associate	9	-	7	-	11
Other investments	10	510	561	356	448
Total non-current assets		62,740	77,434	92,701	99,981
Current assets					
Inventories	7	3,948	4,115	2	158
Trade receivables	11	17,462	30,758	12,303	15,356
Other receivables	12	4,896	3,753	1,509	1,788
Contract assets	13	-	354	-	-
Amount due from subsidiaries	14	-	-	7,450	13,047
Amount due from an associate	9	9	6	9	6
Tax recoverable		516	433	64	64
Cash and bank balances	15	4,603	3,629	1,652	2,118
Total non-current assets		31,434	43,048	22,989	32,537
Assets classified as held for sale	16	13,865	1,912	3,966	546
Total current assets and assets classified as held for sales		45,299	44,960	26,955	33,083
TOTAL ASSETS		108,039	122,394	119,656	133,064

8.4

Statements of Financial Position (as at 30 June 2021)(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	17	94,777	75,926	94,777	75,926
Other reserves	18	(38)	13	(92)	-
Distribution from subsidiaries	14	-	-	6,209	6,209
Accumulated losses		(49,177)	(40,235)	(79,196)	(65,648)
Equity attributable to owners of the Company		45,562	35,704	21,698	16,487
Non-controlling interests		(270)	(265)	-	-
Total equity		45,292	35,439	21,698	16,487
Non-current liabilities					
Borrowings	19	33,078	5,797	33,078	5,797
Deferred tax liabilities	20	2,370	2,468	959	1,052
Total non-current liabilities		35,448	8,265	34,037	6,849
Current liabilities					
Trade payables	21	4,785	18,462	2,413	10,669
Other payables	22	6,322	7,156	4,203	4,954
Contract liabilities	13	99	599	-	-
Amount due to subsidiaries	14	-	-	43,631	47,957
Borrowings	19	16,093	52,447	13,674	46,148
Tax payable		-	26	-	-
Total current liabilities		27,299	78,690	63,921	109,728
Total liabilities		62,747	86,955	97,958	116,577
TOTAL EQUITY AND LIABILITIES		108,039	122,394	119,656	133,064

The accompanying notes form an integral part of the financial statements

8.5 Statements of Profit or Loss and Other Comprehensive Income (for the financial year ended 30 June 2021)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	23	30,217	81,437	8,376	50,268
Cost of sales		(25,588)	(75,945)	(7,569)	(49,602)
Gross profit		4,629	5,492	807	666
Other income		5,701	2,813	3,560	6,076
Administrative expenses		(16,244)	(24,432)	(15,278)	(23,346)
Selling and marketing expenses		(5,272)	(8,035)	(1,353)	(3,102)
Net gain/(loss) on impairment of financial assets		6,080	(9,631)	3,351	(2,676)
Other expenses		(1,761)	(2,510)	(1,800)	(1,454)
Finance income	24	1,105	1,346	339	481
Finance costs	25	(3,391)	(3,618)	(3,267)	(3,140)
Loss before tax	26	(9,153)	(38,575)	(13,641)	(26,495)
Tax income	27	131	215	93	43
Loss from continuing operations		(9,022)	(38,360)	(13,548)	(26,452)
Discontinued operations					
Profit from discontinued operations, net of tax	28	-	404	-	-
Loss for the financial year		(9,022)	(37,956)	(13,548)	(26,452)

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income (for the financial year ended 30 June 2021)(Cont'd) 8.5

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit or loss					
Fair value changes of other investments		(51)	(25)	(92)	5
Total comprehensive loss for the financial year		(9,073)	(37,981)	(13,640)	(26,447)
(Loss)/Profit after tax attributable to:-					
Owners of the Company		(8,942)	(38,063)	(13,548)	(26,452)
Non-controlling interests		(80)	107	-	-
		(9,022)	(37,956)	(13,548)	(26,452)
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(8,993)	(38,088)	(13,640)	(26,447)
Non-controlling interests		(80)	107	-	-
		(9,073)	(37,981)	(13,640)	(26,447)
(Loss)/Earnings per share attributable to owners of the Company	29				
Basic:					
continuing operations		(10.86)	(52.90)		
discontinued operations		-	0.38		
Diluted:					
continuing operations		(10.86)	(52.90)		
discontinued operations		-	0.38		

The accompanying notes form an integral part of the financial statements

8.6 Statements of Changes in Equity (for the financial year ended 30 June 2021)

	Attributable to owners of the Company					
		Non-distributable	Distributable			
	Share capital RM'000	Fair value reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Group						
Balance at 1 July 2019	75,926	38	(2,172)	73,792	8,196	81,988
(Loss)/Profit for the financial year	-	-	(38,063)	(38,063)	107	(37,956)
Other comprehensive loss for the financial year	-	(25)	-	(25)	-	(25)
Total comprehensive (loss)/income for the financial year	-	(25)	(38,063)	(38,088)	107	(37,981)
Transactions with owners:						
Disposal of a subsidiary	-	-	-	-	(7,668)	(7,668)
Winding up of a subsidiary	-	-	-	-	(900)	(900)
Total transactions with owners	-	-	-	-	(8,568)	(8,568)
Balance at 30 June 2020	75,926	13	(40,235)	35,704	(265)	35,439

Statements of Changes in Equity (for the financial year ended 30 June 2021)(Cont'd) 8.6

	Attributable to owners of the Company					
		Non-distributable	Distributable			
	Share capital RM'000	Fair value reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Group (cont'd)						
Transactions with owners:						
Issuance of ordinary shares pursuant to private placement	8,995	-	-	8,995	-	8,995
Issuance of ordinary shares pursuant to restricted issue	9,856	-	-	9,856	-	9,856
Acquisition of a subsidiary	-	-	-	-	75	75
Total transactions with owners	18,851	-	-	18,851	75	18,926
Loss for the financial year	-	-	(8,942)	(8,942)	(80)	(9,022)
Other comprehensive loss for the financial year	-	(51)	-	(51)	-	(51)
Total comprehensive loss for the financial year	-	(51)	(8,942)	(8,993)	(80)	(9,073)
Balance at 30 June 2021	94,777	(38)	(49,177)	45,562	(270)	45,292

8.6 Statements of Changes in Equity (for the financial year ended 30 June 2021)(Cont'd)

	Attributable to owners of the Company				
		Non-distributable		Distributable	
	Share capital RM'000	**Fair value reserve** RM'000	**Distribution from subsidiaries** RM'000	**Accumulated losses** RM'000	**Total** RM'000
Company					
Balance at 1 July 2019	75,926	(5)	6,209	(39,196)	42,934
Loss for the financial year	-	-	-	(26,452)	(26,452)
Other comprehensive income for the financial year	-	5	-	-	5
Total comprehensive income/(loss) for the financial year	-	5	-	(26,452)	(26,447)
Balance at 30 June 2020	75,926	-	6,209	(65,648)	16,487
Transactions with owners:					
Issuance of ordinary shares pursuant to private placement	8,995	-	-	-	8,995
Issuance of ordinary shares pursuant to restricted issue	9,856	-	-	-	9,856
Total transactions with owners	18,851	-	-	-	18,851
Loss for the financial year	-	-	-	(13,548)	(13,548)
Other comprehensive loss for the financial year	-	(92)	-	-	(92)
Total comprehensive loss for the financial year	-	(92)	-	(13,548)	(13,640)
Balance at 30 June 2021	94,777	(92)	6,209	(79,196)	21,698

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows 8.7

(for the financial year ended 30 June 2021)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
OPERATING ACTIVITIES					
(Loss)/Profit before tax					
■ continuing operations		(9,153)	(38,575)	(13,641)	(26,495)
■ discontinued operations		-	532	-	-
Adjustments for:-					
Bad debts written off		19	250	9	250
Changes in fair value of investment properties		(135)	260	(165)	260
Depreciation of property, plant and equipment		1,116	1,320	887	980
Depreciation of right-of-use assets		191	196	39	40
Dividend income		(7)	(6)	(6)	(5)
Gain on disposal of property, plant and equipment		(17)	(59)	(1)	-
(Gain)/Loss on disposal of assets held for sale		(143)	9	33	(1,889)
Loss on disposal of a subsidiary		-	307	-	-
Gain on winding up of a subsidiary		-	(284)	-	(700)
Gain on disposal of investment in quoted shares		-	(62)	-	(62)
Inventories written down		16	837	-	285
Reversal of inventories written down		(1,797)	(437)	(328)	-
Interest expenses		3,391	3,742	3,267	3,140
Interest income		(1,105)	(1,346)	(339)	(481)
Net (gain)/loss on impairment of financial assets		(6,080)	9,631	(3,351)	2,676
Impairment loss on investment in an associate		7	-	11	-
Impairment loss on investment in subsidiaries		-	-	2,717	6,115
Property, plant and equipment written off		-	94	-	-
Remeasurement loss of assets classified as held for sale		280	224	280	174
Unrealised foreign exchange gain		(1)	(6)	-	-
Operating loss before working capital changes		(13,418)	(23,373)	(10,588)	(15,712)

8.7 Statements of Cash Flows

(for the financial year ended 30 June 2021)(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Changes in working capital:-					
Land and property development		(256)	(1,747)	-	-
Inventories		1,948	539	484	(262)
Contract assets		(146)	6,248	-	-
Receivables		17,864	8,849	6,589	3,588
Subsidiaries		-	-	(3,989)	(32,380)
Payable		(14,510)	7,418	(9,711)	5,863
Bankers' acceptances		(23,135)	(5,677)	(21,044)	(6,668)
Cash used in operations		(31,653)	(7,743)	(38,259)	(45,571)
Interest received		1,073	1,165	312	347
Interest paid		(2,004)	(2,914)	(1,176)	(2,358)
Tax (paid)/refunded		(76)	1,417	-	-
Net cash used in operating activities		(32,660)	(8,075)	(39,123)	(47,582)
INVESTING ACTIVITIES					
Capital repayment from a subsidiary		-	-	-	1,400
Proceeds from disposal of:					
property, plant and equipment		19	101	3	-
assets held for sale		2,029	1,074	487	9,630
investment in quoted shares		-	77	-	77
Investment in subsidiaries		-	-	(550)	-
Net cash inflows from disposal of subsidiaries	8	-	8,911	-	-
Net cash outflows from winding up of a subsidiary	8	-	(668)	-	-
Purchase of property, plant and equipment	A	(134)	(4,394)	(131)	(2,260)
Reversal of property, plant and equipment		158	-	158	-

Statements of Cash Flows 8.7

(for the financial year ended 30 June 2021)(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
INVESTING ACTIVITIES (cont'd)					
Interest income received		32	181	27	134
Dividend received from quoted shares in Malaysia		7	6	6	5
Advances to an associate		(3)	(2)	(3)	(2)
Net cash from/(used in) investing activities		2,108	5,286	(3)	8,984
FINANCING ACTIVITIES					
Interest paid		(1,387)	(828)	(1,387)	(782)
Advance from subsidiaries		-	-	5,345	41,697
Finance service revenue account		608	(41)	608	(41)
Issuance of shares pursuant to private placement		8,995	-	8,995	-
Issuance of shares pursuant to restricted issue		9,856	-	9,856	-
Repayment of finance lease liabilities		-	(30)	-	-
Drawdown/(Repayment) of term financing/loan		25,825	(4,877)	25,825	(4,740)
Net cash from/(used in) financing activities		43,897	(5,776)	49,242	36,134
CASH AND CASH EQUIVALENTS					
Net changes		13,345	(8,565)	10,116	(2,464)
Brought forward		(9,979)	(1,414)	(9,701)	(7,237)
Carried forward	B	3,366	(9,979)	415	(9,701)

8.7

Statements of Cash Flows

(for the financial year ended 30 June 2021)(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
NOTES TO THE STATEMENTS OF CASH FLOWS					
A PURCHASE OF PROPERTY, PLANT AND EQUIPMENT					
Total purchase of property, plant and equipment					
continued operations		134	2,391	131	2,260
discontinued operations		-	2,003	-	-
Total cash paid		134	4,394	131	2,260
B CASH AND CASH EQUIVALENTS					
Cash and cash equivalents included in the statements of cash flows comprise of the following amounts:-					
Cash and bank balances		4,603	3,629	1,652	2,118
Bank overdrafts		-	(3,877)	-	(2,088)
Business cash financing		-	(7,886)	-	(7,886)
		4,603	(8,134)	1,652	(7,856)
Less: Finance service revenue/revenue account		(1,237)	(1,845)	(1,237)	(1,845)
Total cash and cash equivalents		3,366	(9,979)	415	(9,701)

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements (30 June 2021)

8.8

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 9th Floor, Maju Tower, No. 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company is principally engaged as an investment holding, trading and distribution of building materials and other products. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 October 2021.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for investment properties that are measured at fair value as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured on the assumptions that market participants would act in their economic best interest when pricing the asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional currency and all values are rounded to the nearest RM’000 except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards/ amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of current financial year, the Group and the Company adopted new standards/ amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2020.

The initial application of the new standards/amendments/ improvements to the standards did not have a material impact on the financial statements of the Group and of the Company.

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s and of the Company’s financial

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Notes to the Financial Statements

2 BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4* and MFRS 16	Interest rate benchmark reform – Phase 2

Amendments to MFRSs effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases: Covid-19 related rent concessions beyond 30 June 2021

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

Annual improvements to MFRS Standards 2018-2020

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

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
Amendments to MFRS 112	Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128	Consolidated financial statements and investments in associates and joint venture: Sale or contribution of assets between an investor and its associate or joint venture

* *Not applicable to the Group’s and the Company’s operation*

The initial application of the above standards, amendments and interpretations are not expected to have material financial impact to the financial statements of the Group and of the Company upon their first adoption.

2.6 Significant accounting estimates and judgements

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.

2 BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

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.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

2.6.1 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that has significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful lives of depreciable assets

The management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. The management estimates the useful lives of the property, plant and equipment to be within 3 to 65 years and reviews the useful lives of depreciable assets at each reporting date.

Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's and the Company's assets.

Property development activities and construction contracts

As revenue from ongoing property development activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development costs/construction costs incurred for work performed to date bear to the estimated total property development costs/ construction costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs/construction costs incurred, the estimated total property development revenue and construction revenue, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and, if necessary, the work of specialists.

Valuation of investment properties

The investment properties are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in

2 BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Valuation of investment properties (cont'd)

determining the value of the properties by comparing and adopting as a yardstick, recent sales evidences involving other similar properties in the vicinity. Also, adjustment has been applied to the differences in locations, size and shapes, accessibility, infrastructure available and improvements made on the properties. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred tax assets

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

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2 BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's and the Company's core business is subject to economical and social preference which may cause selling prices to change rapidly and the Group's and the Company's profit to change.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and financial liabilities. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

Provision for expected credit losses of receivables and contract assets

The Group and the Company use a provision matrix to calculate expected credit losses ("ECLs") for receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customer's type and coverage by letters of credit.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.6.2 Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

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Notes to the Financial Statements

2 BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgement (cont'd)

Classification between investment properties and owner-occupied properties

The Group and the Company determine whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independently of the other assets held by the Group and the Company.

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

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

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's and the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group reviews the investment properties and concluded that the Group's and the Company's investment properties are held under a business model whose objective is to recover the carrying amount of the investment properties through sale.

Accordingly, the Group and the Company recognise deferred tax in respect of the changes in fair value

2 BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgement (cont'd)

Deferred tax on investment properties (cont'd)

of investment properties based on Real Property Gain Tax. The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the economic benefits embodied in the investment properties be subsequently substantially consumed over time rather than through sale.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company 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. Besides, the Group or the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in the profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting period.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.2 Basis of consolidation (cont'd)

losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.15 of the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

3.1.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRSs.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business combination and goodwill (cont'd)

of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee.

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post acquisition changes

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.6 Associates (cont'd)

in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in the profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognise the amount in the share of profit of an equity-accounted associate in the profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in the profit or loss.

Investment in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and any impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is provided on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Freehold land with an infinite life is not depreciated.

The principal annual depreciation rates used are as follows:-

Buildings	2%
Leasehold land	Over the remaining lease period
Plant, machinery and tools	10 - 20%
Motor vehicles	14 - 20%
Office renovation, furniture and fittings	10 - 25%
Office equipment and computers	10 - 33%

The residual values, useful life and depreciation method are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least once annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit or loss in the financial year in which the asset is derecognised.

3.3 Investment properties

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

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties (cont'd)

position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the profit or loss in the financial year in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and are supported by market evidence.

Investment properties are derecognised when either they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

3.4 Non-current assets held for sale and discontinued operations

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification of the asset (or disposal group) as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale (or disposal group), the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Liabilities are classified as held for sale and presented as such in the statements of financial position if they are directly associated with a disposal group.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Non-current assets held for sale and discontinued operations (cont'd)

inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excel of any cumulative impairment loss.

In the statements of profit or loss and other comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after tax, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after tax) is reported separately in the statements of profit or loss and other comprehensive income.

Goodwill, investment in subsidiaries, right-of-use assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity accounted associates ceases once classified as held for sale.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Initial recognition and measurement (cont'd)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

a. Financial assets at amortised cost (debt instruments);
b. Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, most of the other receivables, amount due from an associate, cash and bank balances. The Company's financial assets at amortised cost includes trade receivables, most of the other receivables, amount due from subsidiaries, amount due from an associate, cash and bank balances.

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 9 Financial Instruments: Presentation and are not held for trading.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets designated at FVTOCI (equity instruments) (cont'd)

The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its equity investments under this category. The Group's and the Company's equity instruments at FVTOCI includes other investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:-

a. The rights to receive cash flows from the asset have expired; or
b. The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
   a. the Group and the Company have transferred substantially all the risks and rewards of the asset, or
   b. the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Derecognition (cont'd)

amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment for trade receivables and contract assets

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure ECLs, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company consider the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for financial assets other than trade receivables and contract assets

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.1 Financial assets (cont'd)

Impairment (cont'd)

throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

Credit impaired

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

3.5.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

a. Financial liabilities at fair value through profit or loss; or
b. Financial liabilities at amortised cost.

The Group and the Company only have financial liabilities at amortised cost on the statements of financial position.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings. The Group's financial liabilities include borrowings,

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.2 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at amortised cost (cont'd)

trade payables and most of the other payables. The Company's financial liabilities include borrowings, trade payables, most of the other payables and amount due to subsidiaries.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

3.5.3 Offsetting of financial instruments

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

3.6 Inventories

Inventories comprise land held for property development, completed properties held for sale, and trading goods. Inventories are stated at the lower of cost and net realisable value.

Costs of trading goods are determined using weighted average method. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

The cost of completed properties held for sale comprises cost associated within the acquisition of land, direct costs and appropriate of common development costs.

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

3.6.1 Land held for property development

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development are classified as non-current assets on the statements of financial position and are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

3.6.2 Property development costs

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in 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.

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and bank overdrafts which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statements of financial position.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be settle a liability of 12 months or more after the end of the reporting year are classified as non-current assets.

3.8 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly trade companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

8.8

Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of non-financial assets (cont'd)

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.9 Equity, reserves and distribution to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the exchange translation reserve. Gains or losses on financial asset measured at fair value through other comprehensive income are included in the fair value reserve.

Accumulated losses include all current year's losses and prior years' accumulated losses.

Interim dividends are simultaneously proposed and declared, because the Articles of Association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as liabilities when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholder's equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as liabilities.

All transactions with the owners of the Company are recorded separately within equity.

3.10 Lease

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Lease (cont'd)

As a lessee (cont'd)

Right-of-use assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	Over the remaining lease period
Building	2%

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.8 to the financial statements.

Short-term leases

The Group and the Company apply the short-term lease recognition exemption to their short-term leases of premises, machineries and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employee benefits

3.12.1 Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12.2 Defined contribution plan

Defined contribution plan is post-employment benefit plans under which the Group and the Company pay fixed contribution into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contribution to the Employees Provident Fund.

3.13 Revenue

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group’s and the Company’s customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The control over the goods or services is transferred over time and revenue is recognised over time if:-

a. the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;

b. the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c. the Group's and Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

3.13.1 Sales of goods

Revenue from sale of goods represents the distribution of building materials is recognised at a point in time when control of the asset is transferred to the customers, generally on delivery of the goods, at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods.

3.13.2 Property development and sales of completed properties

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. 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 (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total development costs of the contract, i.e. the stage of completion).

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the financial year in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits

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Notes to the Financial Statements

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

3.13.2 Property development and sales of completed properties (cont'd)

expected to arise on other unrelated development projects.

The excess of revenue recognised in the profit or loss over the billings to purchasers of properties is recognised as contract asset.

The excess of billings to purchasers of properties over revenue recognised in the profit or loss is recognised as contract liability.

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has passed to the buyers.

3.13.3 Construction contracts

The Group recognises revenue from supply and installation of kitchen cabinets, wardrobes, electrical appliances, sinks and tap fittings, contractors to the construction industry, trading in construction materials and assembling industrial control instruments and engineering equipment production line over time as it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. 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 (e.g. by reference to the contract costs incurred to date as a percentage of the estimated total contract costs of the contract, i.e. the stage of completion).

Where the outcome of a construction cannot be reasonably estimated, revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether construction work has commenced or not. The excess of revenue recognised in the profit or loss over the billings to customers is recognised as contract asset. The excess of billings to customers over revenue recognised in the profit or loss is recognised as contract liabilities.

3.13.4 Contract costs

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

3.13.5 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

3.13.5 Contract assets (cont'd)

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.13.6 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.13.7 Other revenue recognition

Dividend income

Dividend income and other income from investments are recognised in the profit or loss when the right to receive such payment is established.

Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Management fee income

Management fees are recognised when services are rendered.

3.14 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 during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

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 ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.15.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Indirect tax

3.16.1 Sales and service tax

Expenses and assets are recognised net of the amount of sales and service tax, except:-

- when the sales and service tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Indirect tax (cont'd)

3.16.1 Sales and service tax (cont'd)

- when receivables and payables are stated with the amount of sales and service tax included.

The amount of sales and service tax payable to the taxation authority is included as part of payables in the statements of financial position.

3.17 Contingencies

3.17.1 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.

3.17.2 Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.18 Operating segments

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

3.19 Related parties

A related party is a person or entity that is related to the Group and the Company that is preparing its financial statements. A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Related parties (cont'd)

a. A person or a close member of that person's family is related to the reporting entity if that person:-

   i. Has control or joint control over the Group and the Company;

   ii. Has significant influence over the Group and the Company; or

   iii. Is a member of the key management personnel of the Group or the Company.

b. An entity is related to the Group and the Company if any of the following conditions applies:-

   i. The entity and the Group or the Company are members of the same group;

   ii. The entity is an associate or joint venture of the Group or the Company;

   iii. Both the Group or the Company and the entity are joint ventures of the same third party;

   iv. The Group or the Company is a joint venture of a third entity and the other entity is an associate of the same third entity;

   v. The entity is a post-employment benefit plan for the benefits of employees of either the Group or the Company or an entity related to the Company;

   vi. The entity is controlled or jointly-controlled by a person identified in (a) above;

   vii. A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group or the entity;

   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.20 Earnings per ordinary share

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

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

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares during the period.

4 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Total RM'000
Group							
Cost							
At 1 July 2019	1,712	11,686	188	1,551	6,520	3,577	25,234
Additions	-	-	-	40	297	2,054	2,391
Disposals	-	-	-	(380)	-	-	(380)
Written off	-	(270)	-	-	(870)	(125)	(1,265)
Transfer to assets classified as held for sale	-	(2,265)	-	-	-	-	(2,265)
At 30 June 2020	1,712	9,151	188	1,211	5,947	5,506	23,715
Additions	-	-	1	-	12	121	134
Reversal	-	-	-	-	-	(158)	(158)
Disposals	-	-	-	(163)	-	(4)	(167)
Transfer to assets classified as held for sale	-	(3,748)	-	-	-	-	(3,748)
At 30 June 2021	1,712	5,403	189	1,048	5,959	5,465	19,776

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Notes to the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Total RM'000
Group (cont'd)							
Accumulated depreciation							
At 1 July 2019	565	6,271	179	1,433	4,782	3,335	16,565
Charge for the financial year	13	210	2	74	246	775	1,320
Disposals	-	-	-	(338)	-	-	(338)
Written off	-	(270)	-	-	(785)	(116)	(1,171)
Transfer to assets classified as held for sale	-	(1,130)	-	-	-	-	(1,130)
At 30 June 2020	578	5,081	181	1,169	4,243	3,994	15,246
Charge for the financial year	13	181	2	17	232	671	1,116
Disposals	-	-	-	(163)	-	(2)	(165)
Transfer to assets classified as held for sale	-	(88)	-	-	-	-	(88)
At 30 June 2021	591	5,174	183	1,023	4,475	4,663	16,109
Net carrying amount							
At 30 June 2021	1,121	229	6	25	1,484	802	3,667
At 30 June 2020	1,134	4,070	7	42	1,704	1,512	8,469

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and buildings* RM'000	Buildings RM'000	Plant, machinery and tools RM'000	Motor vehicles RM'000	Office renovation, furniture and fittings RM'000	Office equipment and computers RM'000	Total RM'000
Company							
Cost							
At 1 July 2019	1,000	612	13	236	3,458	2,420	7,739
Additions	-	-	-	-	205	2,055	2,260
At 30 June 2020	1,000	612	13	236	3,663	4,475	9,999
Additions	-	-	-	-	11	120	131
Reversal	-	-	-	-	-	(158)	(158)
Disposals	-	-	-	(8)	-	(4)	(12)
At 30 June 2021	1,000	612	13	228	3,674	4,433	9,960
Accumulated depreciation							
At 1 July 2019	8	362	11	232	1,930	2,243	4,786
Charge for the financial year	7	12	-	2	204	755	980
At 30 June 2020	15	374	11	234	2,134	2,998	5,766
Charge for the financial year	7	12	-	1	205	662	887
Disposals	-	-	-	(7)	-	(3)	(10)
At 30 June 2021	22	386	11	228	2,339	3,657	6,643
Net carrying amount							
At 30 June 2021	978	226	2	-	1,335	776	3,317
At 30 June 2020	985	238	2	2	1,529	1,477	4,233

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Notes to the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as securities to financial institutions

The net carrying amounts of assets pledged as securities for bank borrowings are:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Freehold land and building	978	3,709	978	-

The details of assets pledged as securities for bank borrowings are disclosed in Note 19 to the financial statements.

* The cost and carrying amounts of the freehold land are not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

5 RIGHT-OF-USE ASSETS

	Group Leasehold land RM'000	Group Building RM'000	Group Total RM'000	Company Leasehold land RM'000
Cost				
At 1 July 2019 / 30 June 2020	21,942	154	22,096	2,533
Transfer to assets classified as held for sale	(19,410)	-	(19,410)	-
At 30 June 2021	2,532	154	2,686	2,533
Accumulated depreciation				
At 1 July 2019	14,365	52	14,417	1,071
Charge for the financial year	192	4	196	40

5 RIGHT-OF-USE ASSETS (CONT'D)

	Group Leasehold land RM'000	Group Building RM'000	Group Total RM'000	Company Leasehold land RM'000
Accumulated depreciation (cont'd)				
At 30 June 2020	14,557	56	14,613	1,111
Charge for the financial year	188	3	191	39
Transfer to assets classified as for sale	(13,596)	-	(13,596)	-
At 30 June 2021	1,149	59	1,208	1,150
Net carrying amount				
At 30 June 2021	1,383	95	1,478	1,383
At 30 June 2020	7,385	98	7,483	1,422

The net carrying amount of leasehold land of the subsidiary has been pledged as securities for bank borrowings granted to the Company is as follow:-

	Group and Company 2021 RM'000	Group and Company 2020 RM'000
Leasehold land	-	5,726

The details of assets pledged as securities for bank borrowings are disclosed in Note 19 to the financial statements.

6 INVESTMENT PROPERTIES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Fair value:-				
Brought forward	51,740	53,000	30,740	31,720
Transfer to assets classified as held for sale	(4,220)	(1,000)	(4,220)	(720)
Fair value adjustments	135	(260)	165	(260)
Carried forward	47,655	51,740	26,685	30,740

The investment properties comprises the following:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Freehold land and buildings	47,045	46,880	26,485	26,320
Leasehold land and buildings	610	4,860	200	4,420
	47,655	51,740	26,685	30,740

The strata title of the Group's and of the Company's buildings with the net carrying amount of RM155,000 and RM25,000 (2020: RM165,000 and RM25,000) respectively is yet to issue by the relevant authorities.

The Group's and the Company's leasehold land and buildings meet the definition of right-of-use assets but does not required to be reclassified to right-of-use assets.

6 INVESTMENT PROPERTIES (CONT'D)

Income and expenses recognised in the profit or loss

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Rental income	335	556	335	457
Direct operating expenses for investment properties:				
■ income generating investment properties	29	220	29	38
■ non-income generating investment properties	43	43	12	13

Investment properties pledged as securities to financial institutions

Net carrying amount of investment properties pledged as securities for bank borrowings is as follow:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Freehold land	43,050	19,850	23,200	-

The details of assets pledged as securities for bank borrowings are disclosed in Note 19 to the financial statements.

Investment properties are stated at fair value, which has been determined based on valuation performed by independent valuer with recent experience in the location and category of properties being valued at the end of the reporting year using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1, 2 and 3 during the financial year.

7 INVENTORIES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current:-					
Land held for property development	7.1	9,430	9,174	-	-
Current:-					
Trading goods		1,649	1,816	2	158
Completed properties		2,299	2,299	-	-
		3,948	4,115	2	158

7.1 Land held for property development

	Group 2021 RM'000	Group 2020 RM'000
Leasehold land at cost	6,825	6,825
Development at cost	2,349	602
At 1 July	9,174	7,427
Development cost incurred during the financial year	256	1,747
At 30 June	9,430	9,174

7 INVENTORIES (CONT'D)

7.2 Recognised in profit or loss

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Inventories recognised as cost of sales	27,369	75,545	7,897	49,317
Inventories written down	16	837	-	285
Reversal of inventories written down	(1,797)	(437)	(328)	-

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

8 INVESTMENT IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
■ In Malaysia	26,375	25,825
Quasi loans	62,113	62,113
Less : Accumulated impairment losses	(27,528)	(24,811)
	60,960	63,127

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Notes to the Financial Statements

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

The movement of accumulated impairment losses during the financial year is as follow:-

	Company 2021 RM'000	Company 2020 RM'000
Brought forward	24,811	18,696
Recognised during the financial year	2,717	6,115
Carried forward	27,528	24,811

The impairment losses were recognised to adjust the carrying amount of investment in subsidiaries due to net assets of subsidiaries are lower than the cost of investment.

Details of the subsidiaries are as follows:-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2021 (%)	Effective ownership interest and voting interest 2020 (%)	Principal activities
Amor Master Sdn. Bhd	Malaysia	100	100	Investment holding
Better Living Grand Sdn. Bhd.	Malaysia	100	100	Trading in home improvement materials
Eager Vest Sdn. Bhd	Malaysia	100	100	Investment holding
Glorious Future Sdn. Bhd.	Malaysia	100	100	Investment holding
Homemart Distribution Centre Sdn. Bhd.	Malaysia	100	100	Provision of warehousing services
Ipmuda Architectural Products Sdn. Bhd.	Malaysia	100	100	Trading in locksets and architectural hardware products
Ipmuda Borneo Sdn. Bhd.	Malaysia	100	100	Trading and distribution of building materials
Ipmuda Buildermart Sdn. Bhd.	Malaysia	100	100	Trading in building materials

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2021 (%)	Effective ownership interest and voting interest 2020 (%)	Principal activities
Ipmuda Development Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Edar Sdn. Bhd	Malaysia	100	100	Trading and distribution of lubricants and fuel
Ipmuda Lanco Sdn. Bhd	Malaysia	51	51	Wholesale and retail of building materials (ceased operations)
Ipmuda Oil & Gas Sdn. Bhd.	Malaysia	100	100	Dormant
Ipmuda Properties Sdn. Bhd.	Malaysia	100	100	Property development
Ipmuda Construction & Engineering Sdn. Bhd. (formerly known as Ipmuda Rensol Sdn. Bhd.)	Malaysia	100	100	Contractors to the construction industry and trading in construction materials
Oriole Power Sdn. Bhd. (formerly known as Ipmuda Realty Sdn. Bhd.)	Malaysia	100	100	Real estate trading (Dormant)
Ipmuda Selatan Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Tiles & Sanitarywares Sdn. Bhd	Malaysia	100	100	Trading and distribution of tiles, marble and sanitaryware products
Ipmuda Timuran Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Ipmuda Tradelinks Sdn. Bhd.	Malaysia	90	90	Dormant
Ipmuda Utara Sdn. Bhd.	Malaysia	100	100	Trading in building materials
Jentayu Life Sdn. Bhd.	Malaysia	100	100	To carry on the business of healthcare related services
Jentayu (MM2H) Sdn. Bhd.	Malaysia	100	100	To carry on all business in relation to Malaysia My Second Home ("MM2H") programme
Modular Equity Sdn. Bhd.	Malaysia	100	100	Investment holding

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of companies	Principal place of business	Effective ownership interest and voting interest 2021 (%)	Effective ownership interest and voting interest 2020 (%)	Principal activities
Mudacare Sdn. Bhd.	Malaysia	100	100	Trading in medical supplies
Perak Metal Industries Sdn. Bhd.	Malaysia	100	100	Dormant
Roset-BLG Sdn. Bhd.	Malaysia	100	100	Letting of properties
Roset Interiors Sdn. Bhd.	Malaysia	100	100	Engaged as distributor and retailer for the supply and installation of kitchen cabinets, wardrobes, electrical appliances, sinks and tap fittings
Roset Properties Sdn. Bhd.	Malaysia	100	100	Dormant
Sitolly Co. Sdn. Bhd.	Malaysia	80	80	Dormant
Toriki Metal Engineering Sdn. Bhd.	Malaysia	100	100	Property holding
Uniherbal Sdn. Bhd.	Malaysia	100	100	Trading and distribution of health care products
Victory Rally Sdn. Bhd.	Malaysia	100	100	Property holding
JSB Renew Sdn. Bhd. (formerly known as Falcon Zone Sdn. Bhd.)	Malaysia	100	-	Dormant
JSB Renew Solar Sdn.Bhd. (formerly known as Phoenix Moden Sdn. Bhd.)	Malaysia	100	-	Dormant
EST Tradeventures Sdn. Bhd.	Malaysia	85	-	Dormant

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8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Quasi loans

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

Acquisition of a subsidiary

On 28 August 2020, the Company had acquired 100% owned subsidiary, JSB Renew Sdn. Bhd. (formerly known as Falcon Zone Sdn. Bhd.), with an issued and paid-up capital of RM1 comprising of 1 ordinary share for a total cash consideration of RM1.

Additional investment in subsidiaries

On 21 July 2020, the Company subscribed additional 49,998 units of new ordinary shares in Jentayu (MM2H) Sdn. Bhd. for a total cash consideration of RM49,998.

On 23 December 2020, the Company subscribed additional 499,998 units of new ordinary shares in Mudacare Sdn. Bhd. for a total cash consideration of RM499,998.

In previous financial year, the Company subscribed additional 4,500,000 units of new ordinary shares in Ipmuda Buildermart Sdn. Bhd. ("IBM") for a total consideration of RM4,500,000 and paid by way of capitalisation of advances to IBM.

Non-controlling interests

The Group's subsidiaries have non-controlling interests from 10% to 49% at the end of the financial year.

As at the reporting date, the summarised financial information of non-controlling interests have not been presented as the non-controlling interests are immaterial to the Group.

Winding up/Disposal of subsidiaries

30.06.2020

On 24 January 2020, Global Allied Sdn. Bhd., a subsidiary of the Company was under members' voluntary winding up pursuant to Section 439(1)(b) of the Companies Act 2016. An amount of RM1,400,000 being recovered from the subsidiary and resulted in a gain of RM284,000 and RM700,000 recognised in the profit or loss of the Group and of the Company respectively.

On 18 October 2019, the Company disposed off its 68% equity interest in Control Instruments (M) Sdn. Bhd. for a cash consideration of RM9,500,000 which resulted in an impairment loss of RM6,698,000 recognised in the profit or loss in the previous financial year. A loss on disposal of RM307,000 has been recognised in profit or loss in previous financial year.

The effect of the winding up/disposal of Global Allied Sdn. Bhd. and Control Instruments (M) Sdn. Bhd. on the financial position of the Group as at that date of winding up/disposal as shown on page 185.

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Winding up/Disposal of subsidiaries (cont'd)

30.06.2020 (cont'd)

	Global Allied Sdn. Bhd. RM'000	Control Instruments (M) Sdn. Bhd. RM'000
Property, plant and equipment	-	9,742
Right-of-use assets	-	7,615
Trade receivables	-	21,260
Other receivables	-	258
Contract assets	-	23,829
Inventories	-	1,220
Cash and bank balances	2,068	589
Lease liabilities	-	(150)
Trade payables	-	(18,337)
Other payables	(18)	(2,719)
Contract liabilities	-	(10,313)
Deferred tax liabilities	-	(44)
Tax payable	(34)	(271)
Borrowings	-	(7,338)
Amount due to holding company	-	(1,253)
Amount due to a related company	-	(14)
Net assets	2,016	24,074
Less: Non-controlling interests	(900)	(7,668)
	1,116	16,406
Gain/(Loss) on winding up/disposal of subsidiaries	284	(307)
Goodwill	-	99
Impairment loss	-	(6,698)
Proceeds from winding up/disposal	1,400	9,500
Less: Cash and cash equivalents	(2,068)	(589)
Net cash (outflows)/inflows from winding up/disposal	(668)	8,911

Notes to the Financial Statements

9 INVESTMENT IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Unquoted ordinary shares, at cost	49	49	49	49
Share of post-acquisition losses	(42)	(42)	-	-
	7	7	49	49
Less: Accumulated impairment losses	(7)	-	(49)	(38)
	-	7	-	11

The movement of accumulated impairment losses during the financial year is as follow:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Brought forward	-	-	38	38
Addition	7	-	11	-
Carried forward	7	-	49	38

The impairment losses were recognised to adjust the carrying amount of investment in an associate due to net assets of associate is lower than the cost of investment.

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Notes to the Financial Statements

9 INVESTMENT IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE (CONT'D)

Details of the associate is as follows:

Name of company	Principal place of business	Effective ownership interest and voting interest 2021 (%)	Effective ownership interest and voting interest 2020 (%)	Principal activities
Budimex Sdn. Bhd.	Malaysia	49	49	Trading agency of building materials (ceased operations)

The summarised financial information for the associate has not been presented as the associate is immaterial to the Group.

The Group has not recognised any losses relating to this associate for the current and previous financial years as it is immaterial to the Group's results.

	Group and Company 2021 RM'000	Group and Company 2020 RM'000
<u>Amount due from an associate</u>		
Non-trade	9	6

The non-trade balance due from an associate is unsecured and bears no interest.

10 OTHER INVESTMENTS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
FVTOCI				
Non-current				
Quoted shares in Malaysia	154	113	-	-
Club membership	356	448	356	448
	510	561	356	448
Represented by:-				
At fair value	510	561	356	448
Market value:				
Quoted shares	154	113	-	-
Club membership	356	448	356	448

The Group and the Company designated the investment in equity securities and club membership as fair value through other comprehensive income because these investments represent the investments that the Group and the Company intend to hold for long-term strategic purpose.

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Notes to the Financial Statements

10 OTHER INVESTMENTS (CONT'D)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Fair value at 30 June				
Ajiya Berhad	109	77	-	-
Ajiya Berhad (warrants)	1	2	-	-
Globaltec Formation Berhad	1	-	-	-
Eonmetall Group Berhad	6	3	-	-
Hume Industries Berhad	11	11	-	-
Oka Corporation Bhd	26	20	-	-
	154	113	-	-

11 TRADE RECEIVABLES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Trade receivables, secured	13,906	13,906	13,906	13,906
Trade receivables, unsecured	51,558	71,136	22,834	29,219
Retention sums, unsecured	183	183	-	-
	65,647	85,225	36,740	43,125
Less: Accumulated impairment losses	(48,185)	(54,467)	(24,437)	(27,769)
	17,462	30,758	12,303	15,356

11 TRADE RECEIVABLES (CONT'D)

The movement of accumulated impairment losses during the financial year is as follows:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Brought forward	54,467	44,737	27,769	25,169
Addition during the financial year	2,081	19,039	389	5,184
Reversal of impairment losses	(8,314)	(8,783)	(3,721)	(2,584)
Written off	(49)	(526)	-	-
Carried forward	48,185	54,467	24,437	27,769

The Group's and the Company's normal trade credit term granted to trade receivables range from cash term to 120 days (2020: cash term to 120 days). Other credit terms are assessed and approved by management on a case-by-case basis.

One of the major customers of the Group and the Company with outstanding amounts of RM7,108,000 (2020: RM7,108,000) had agreed to settle the outstanding amount via contra of properties which currently are under development. Accordingly, the customer had assigned, transferred and conveyed absolutely to the Group and the Company all its rights, title, interest, benefit, advantage, claim and demand to the said properties. These properties which has an aggregate purchase consideration of RM7,837,000 (2020: RM7,837,000) are expected to be completed in year 2026.

Included in the Group's and the Company's trade receivables consists of the major customers with outstanding of RM4,620,000 (2020: RM4,620,000) and the customers had agreed to settle the amounts due via contra of properties. Accordingly, the customer had assigned, transferred and conveyed absolutely with the customer's subsidiary to the Group and the Company all its rights, title, interest, benefits, advantage, claim and demand to the said properties. These properties are under development and has an aggregate purchase consideration of RM6,652,000 (2020: RM6,652,000). Substantial part of the amounts due from the customers will be utilised to satisfy the purchase consideration of the properties which are expected to be completed in year 2026.

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12 OTHER RECEIVABLES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-trade receivables:				
Third parties	19,782	18,830	14,113	14,230
Deposits	1,455	983	556	513
Prepayments	284	496	229	353
GST recoverable	127	209	125	140
Less: Accumulated impairment losses				
Brought forward	(16,765)	(17,390)	(13,448)	(14,085)
Addition	(153)	(180)	(66)	(168)
Written off	166	805	-	805
Carried forward	(16,752)	(16,765)	(13,514)	(13,448)
	4,896	3,753	1,509	1,788

The component of accumulated impairment losses of other receivables is as follows;

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Third parties	16,546	16,571	13,346	13,280
Deposits	206	194	168	168
	16,752	16,765	13,514	13,448

Notes to the Financial Statements

13 CONTRACT ASSETS/(LIABILITIES)

	Group 2021 RM'000	Group 2020 RM'000
Contract assets	-	354
Contract liabilities	(99)	(599)
	(99)	(245)

Contract assets primarily relates to the right to consideration for work completed on design work but not yet billed as at the reporting date.

Contract liabilities primarily relates to the advance consideration received from a customer for construction contract, which revenue is recognised overtime during the construction of a building.

Contract revenue yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM72,381,000 (2020: RM1,233,000). The Group expects to recognise this revenue over the next 12 to 36 months (2020: 12 to 36 months).

	Group 2021 RM'000	Group 2020 RM'000
Contract liabilities at the beginning of financial year recognised as revenue	496	-
Increase in revenue recognised in the reporting year from performance obligations satisfied (or partially satisfied) in previous financial year	-	5

14 AMOUNT DUE FROM/(TO) SUBSIDIARIES/DISTRIBUTION FROM SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Amount due from/(to) subsidiaries		
Trade related	49,093	45,089
Less: Accumulated impairment losses		
Brought forward	(1,219)	(1,446)
Reversal	299	227
Carried forward	(920)	(1,219)
	48,173	43,870
Non-trade related	(19,067)	(9,381)
Less: Accumulated impairment losses		
Brought forward	(21,442)	(21,150)
Addition	(956)	(1,351)
Reversal	742	274
Written off	-	785
Carried forward	(21,656)	(21,442)
	(40,723)	(30,823)
	7,450	13,047
Distribution from subsidiaries		
Equity	6,209	6,209

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Notes to the Financial Statements

14 AMOUNT DUE FROM/(TO) SUBSIDIARIES/DISTRIBUTION FROM SUBSIDIARIES (CONT'D)

	Company 2021 RM'000	Company 2020 RM'000
Amount due (to)/from subsidiaries		
Trade related	4,156	4,171
Less: Accumulated impairment losses		
Brought forward	-	(138)
Addition	-	(232)
Reversal	-	369
Written off	-	1
Carried forward	-	-
	4,156	4,171
Non-trade related	(47,787)	(52,128)
	(43,631)	(47,957)

The non-trade balances due to subsidiaries are unsecured and bear no interest.

The trade balances due from subsidiaries are subject to the normal trade credit terms ranging from 30 to 90 days (2020: 30 to 90 days).

The distribution from subsidiaries represents unsecured interest-free advances from subsidiaries of which the settlement neither planned nor likely to occur in the foreseeable future.

15 CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM852,000 (2020: RM955,000) which is maintained in the designated Housing Development Account pursuant to the Housing Development (Control and Licensing) Act 1966 and Housing Regulations 1991.

The utilisation of these balances is restricted before completion of the housing development projects and fulfillment of all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

An amount of RM1,237,000 (2020: RM1,845,000) of the Group and of the Company is maintained in the designated finance service revenue account in relation to the term financing facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements.

16 ASSETS CLASSIFIED AS HELD FOR SALE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Assets classified as held for sale	13,865	1,912	3,966	546
Brought forward	1,912	1,084	546	7,741
Disposals	(1,886)	(1,083)	(520)	(7,741)
Transfer from property, plant and equipment	3,660	1,135	-	-
Transfer from right-of-use assets	5,814	-	-	-
Transfer from investment properties	4,220	1,000	4,220	720
Transfer from investment in subsidiaries	425	-	-	-
Loss on remeasurement	(280)	(224)	(280)	(174)
Carried forward	13,865	1,912	3,966	546

16 ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

2021 At the end of financial year, certain property, plant and equipment, right-of-use assets, investment properties, and investment in subsidiaries that are reclassified to assets held for sale are as follows:-

i. On 8 March 2021, the management has approved to dispose 5 units of shop offices in which the Company found a purchaser. The Company only entered into the Sales and Purchase Agreement on 11 March 2021 with the purchaser for a total consideration of RM2,900,000. The transaction is yet to be completed as at signing date.

ii. On 18 January 2021, the management has approved to dispose 3 units of shop offices in which the Company found a purchaser. The Company only entered into the Sales and Purchase Agreement on 18 March 2021 with the purchaser for a total consideration of RM1,100,000 and resulting remeasurement loss of RM280,000 is recognised into profit or loss in current financial year. The transaction is yet to be completed as at signing date.

iii. On 18 December 2020, a subsidiary entered into a Sale and Purchase Agreement with a purchaser to dispose off a leasehold land and building for a total consideration of RM800,000. The transaction is yet to be completed as at signing date.

iv. On 18 June 2021, a subsidiary entered into a Sale and Purchase Agreement with a purchaser to dispose off a leasehold land and building for a total consideration of RM82,000,000. The transaction is yet to be completed as at signing date.

v. On 28 May 2021, the Board of Directors of a subsidiary, JSB Renew Solar Sdn. Bhd. (formerly known as Phoenix Moden Sdn. Bhd.) has intended to dispose off its investment in a subsidiary, EST Tradeventures Sdn. Bhd.. The transaction is yet to be completed as at signing date.

The net carrying amount of leasehold land and buildings of the Group and the Company that have been pledged as securities for bank borrowings as disclosed in Note 19 to the financial statements are RM11,284,000 and RM1,810,000 respectively.

2020 At the end of financial year, certain property, plant and equipment and investment properties that are reclassified to assets held for sale are as follows:-

i. On 5 February 2020, the Company entered into a Sale and Purchase Agreement with a purchaser to dispose off an apartment for a total consideration of RM90,000 and resulting remeasurement loss of RM50,000 is recognised into profit or loss in current financial year. The transaction is completed on 12 January 2021.

ii. On 4 March 2020, the Company entered into a Sale and Purchase Agreement with a purchaser to dispose off an apartment for a total consideration of RM130,000 and resulting remeasurement loss of RM10,000 is recognised into profit or loss in current financial year. The transaction is completed on 19 March 2021.

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Notes to the Financial Statements

16 ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

2020 (cont'd)

iii. On 13 May 2020, the management has approved to dispose an apartment unit in which the Company found a purchaser. The Company only entered into the Sale and Purchase Agreement on 27 August 2020 with the purchaser for a total consideration of RM26,000 and resulting remeasurement loss of RM4,000 is recognised into profit or loss in current financial year. The transaction is completed on 9 August 2021.

iv. On 22 June 2020, the management has approved to dispose 3 units of apartment in which the Company found a purchaser. The Company only entered into the Sales and Purchase Agreement on 27 August 2020 with the purchaser for a total consideration of RM300,000 and resulting remeasurement loss of RM110,000 is recognised into profit or loss in current financial year. The transaction is completed on 14 July 2021.

v. On 24 December 2019, a subsidiary entered into a Sale and Purchase Agreement with a purchaser to dispose off a unit of shoplot for a total consideration of RM230,000 and resulting remeasurement loss of RM50,000 is recognised into profit or loss in current financial year. The transaction is completed on 23 March 2021.

vi. On 29 June 2020, the management of a subsidiary has approved to dispose a leasehold land and building in which the subsidiary found a purchaser. The subsidiary only entered into a Sale and Purchase Agreement on 25 August 2020 for a total consideration of RM5,500,000. The transaction is completed on 23 December 2020.

17 SHARE CAPITAL

	Group and Company 2021 Unit '000	Group and Company 2020 Unit '000	Group and Company 2021 RM'000	Group and Company 2020 RM'000
Issued and fully paid with no par value:-				
Brought forward	72,469	72,469	75,926	75,926
Issued during the financial year:				
■ Private placement	14,494	-	8,995	-
■ Restricted issue	14,494	-	9,856	-
Carried forward	101,457	72,469	94,777	75,926

17 SHARE CAPITAL (CONT'D)

i 14,493,900 new ordinary shares pursuant to private placements at issue price of RM0.56 to RM0.68 per placement share for a total cash consideration of RM8,994,852; and

ii 14,493,900 new ordinary shares pursuant to restricted issue at issue price of RM0.68 per restricted issue share for a total cash consideration of RM9,855,852.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18 OTHER RESERVES

Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of financial assets measured of fair value through other comprehensive income until they are disposed off.

19 BORROWINGS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current				
Secured:-				
Term financing/loan	33,078	5,797	33,078	5,797
Current				
Secured:-				
Term financing/loan	3,513	4,969	3,513	4,969
Business cash financing	-	7,886	-	7,886
Bankers' acceptances	305	10,333	305	8,263
Unsecured:-				
Bank overdrafts	-	3,877	-	2.088
Bankers' acceptances	12,275	25,382	9,856	22,942
	16,093	52,447	13,674	46,148

19 BORROWINGS (CONT'D)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Total borrowings				
Term financing/loan	36,591	10,766	36,591	10,766
Business cash financing	-	7,886	-	7,886
Bank overdrafts	-	3,877	-	2,088
Bankers' acceptances	12,580	35,715	10,161	31,205
	49,171	58,244	46,752	51,945
Maturity of borrowings:-				
Within 1 year	16,093	52,447	13,674	46,148
More than 1 year and less than 5 years	33,078	5,797	33,078	5,797
	49,171	58,244	46,752	51,945

Term financing/loan

Term financing/loan are secured by a subsidiary's leasehold land and building as disclosed in Notes 4, 5, 6 and 16 to the financial statements.

The Group and the Company set up a finance service revenue account for term financing wherein an equivalent of 3 monthly instalments shall be maintained at all times. As at the reporting date, the balance in this account amounted to RM1,237,000 (2020: RM1,845,000) as disclosed in Note 15 to the financial statements.

19 BORROWINGS (CONT'D)

Bankers' acceptances

Bankers' acceptances are secured by negative pledge and a subsidiary's leasehold land and building as disclosed in Notes 4, 5 and 16 to the financial statements.

Business cash financing

In previous financial year, the business cash financing is secured against a subsidiary's freehold land as disclosed in Note 6 to the financial statements.

The range of effective interest rate as at the end of the financial year are as follow:-

	Group 2021 % p.a.	Group 2020 % p.a.	Company 2021 % p.a.	Company 2020 % p.a.
Bankers' acceptances				
Secured	4.75 - 5.15	5.85 - 5.95	4.75 - 5.15	5.85 - 5.95
Unsecured	4.90	3.69 - 6.20	4.90	3.69 - 5.87
Bank overdrafts				
Unsecured	6.65 - 7.40	6.65 - 7.85	6.65 - 6.90	7.40 - 7.65
Term financing/loan				
Secured	4.17 - 8.06	6.08	4.17 - 8.06	6.08
Business cash financing				
Secured	6.47 - 6.72	7.47 - 7.72	6.47 - 6.72	7.47 - 7.72

*p.a. = per annum

20 DEFERRED TAX LIABILITIES

	Group 2021 RM '000	Group 2020 RM '000	Company 2021 RM'000	Company 2020 RM'000
Brought forward	2,468	2,600	1,052	1,095
Recognised in profit or loss	(98)	(132)	(93)	(43)
Carried forward	2,370	2,468	959	1,052

Movement in temporary differences of the Group and of the Company during the financial year is as follows:-

	At 1.7.2019 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30.6.2020 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30.6.2021 RM'000
Group					
Property, plant and equipment	237	(81)	156	(39)	117
Fair value gain on investment properties	2,757	(290)	2,467	(98)	2,369
Unabsorbed capital allowances	(154)	30	(124)	35	(89)
Unutilised tax losses	(277)	246	(31)	4	(27)
Others	37	(37)	-	-	-
	2,600	(132)	2,468	(98)	2,370

20 DEFERRED TAX LIABILITIES (CONT'D)

	At 1.7.2019 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30.6.2020 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30.6.2021 RM'000
Company					
Property, plant and equipment	154	(30)	124	(37)	87
Fair value gain on investment properties	1,095	(43)	1,052	(93)	959
Unutilised tax losses	(154)	30	(124)	37	(87)
	1,095	(43)	1,052	(93)	959

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the subsidiaries or the Company can utilise the benefits there from (stated at gross amount):-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Unutilised tax losses	149,071	136,353	82,419	72,377
Unabsorbed capital allowances	7,102	6,412	2,250	1,558
Property, plant and equipment	13	18	-	-
Impairment loss on financial assets	2,839	3,594	204	416
Inventories written down	2,180	4,014	31	565
	161,205	150,391	84,904	74,916

20 DEFERRED TAX LIABILITIES (CONT'D)

The unabsorbed capital allowances do not expire under current tax legislation. Unutilised tax losses for which no deferred tax asset was recognised expire as follows:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Year of assessment 2025	68,848	69,122	32,246	32,246
Year of assessment 2026	31,948	32,375	19,857	19,857
Year of assessment 2027	34,780	34,856	20,274	20,274
Year of assessment 2028	13,495	-	10,042	-
	149,071	136,353	82,419	72,377

Any amounts not utilised upon expiry period of the above year of assessment will be disregarded.

21 TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 14 to 120 days (2020: 14 to 120 days).

22 OTHER PAYABLES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-trade payables				
Third parties	3,826	4,830	2,170	3,059
Accruals	2,366	2,326	1,903	1,895
Provisions	130	-	130	-
	6,322	7,156	4,203	4,954

23 REVENUE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue recognised at point in time:				
Sales of goods	22,874	80,979	8,376	50,268
Rental income from investment properties	462	99	-	-
	23,336	81,078	8,376	50,268
Revenue recognised over time:				
Construction contracts revenue	6,881	359	-	-
	30,217	81,437	8,376	50,268
Primary geographical markets:-				
Malaysia	30,217	81,437	8,376	50,268

24 FINANCE INCOME

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest on bank and deposits	32	181	27	134
Interest on overdue trade receivables	1,073	1,165	312	347
	1,105	1,346	339	481

25 FINANCE COSTS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest:				
Bankers' acceptances	760	1,877	688	1,569
Bank overdrafts	156	340	113	173
Term financing/loan	1,388	782	1,387	782
Business cash financing	375	616	375	616
Finance lease liabilities	-	3	-	-
Overdue trade payables	712	-	704	-
	3,391	3,618	3,267	3,140

26 LOSS BEFORE TAX

Loss before tax has been determined after charging/(crediting) amongst others, the following items:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Auditors' remuneration:				
statutory audit	207	221	46	50
assurance and related services	5	3	3	3
Directors' fees				
current year	93	106	93	106
prior year	(62)	-	(62)	-
Net foreign exchange gain:				
unrealised	(1)	(6)	-	-
Bad debts written off	19	250	9	250
Bad debts recovered	(138)	(28)	(138)	-
Dividend income:				
other investments (quoted shares in Malaysia)	(7)	(6)	(6)	(5)
Lease income	(339)	(457)	(399)	(521)
Short-term leases	436	454	314	314

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27 TAX INCOME

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current tax				
Current financial year	29	167	-	-
Over provision in prior financial year	(62)	(250)	-	-
	(33)	(83)	-	-
Deferred tax				
Current financial year	(98)	(48)	(93)	(43)
Over recognised in prior financial year	-	(84)	-	-
	(98)	(132)	(93)	(43)
	(131)	(215)	(93)	(43)

A reconciliation of tax income applicable to loss before tax at the statutory tax rate to tax income at the effective tax rate of the Group and of the Company are as follows:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Loss before tax	(9,153)	(38,575)	(13,641)	(26,495)
Tax at Malaysian statutory rate of 24%	(2,197)	(9,258)	(3,274)	(6,359)
Tax effects in respect of:-				
Non-taxable income	(3,420)	(336)	(2)	(1)
Expenses not deductible for tax purposes	2,937	1,564	770	2,496
Movement of deferred tax assets not recognised	2,595	8,088	2,397	3,760
Effect of Real Property Gains Tax	(12)	(43)	(12)	(43)

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27 TAX INCOME (CONT'D)

A reconciliation of tax income applicable to loss before tax at the statutory tax rate to tax income at the effective tax rate of the Group and of the Company are as follows (cont'd):-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Tax effects in respect of (cont'd):-				
Changes in fair value of investment properties	28	104	28	104
Over provision of tax expense in prior financial year	(62)	(250)	-	-
Over recognised of deferred tax in prior financial year	-	(84)	-	-
	(131)	(215)	(93)	(43)

28 PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX

In previous financial year, the Group had disposed off its operating segment for the construction and assembling industrial control instruments and the completion date was 18 October 2019. 3 months results had been shared from the discontinued operations.

An analysis of the results of the discontinued operations is as follows:-

	Group 2020 RM'000
Revenue	15,190
Cost of sales	(13,895)
Gross profit	1,295
Other income	20
	1,315
Administrative expenses	(609)
Other expenses	(50)
Finance costs	(124)
	(783)

28 PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAX (CONT'D)

An analysis of the results of the discontinued operations is as follows:- (cont'd)

	Group 2020 RM'000
Result from operating activities	532
Tax expense	(128)
Profit after tax from discontinued operations	404
Attributable to:	
Owners of the Company	275
Non-controlling interests	129
	404

a. Included in profit before tax from the discontinued operations are as follows:-

	Group 2020 RM'000
Staff costs (including Directors' emoluments)	950

b. The cash flows attributable to the discontinued operations are as follows:-

	Group 2020 RM'000
Net cash used in operating activities	(494)
Net cash used in investing activities	(2,003)
Net cash used in financing activities	(168)
Net cash used in discontinued operations	(2,665)

29 (LOSS)/EARNINGS PER SHARE

a. Basic (loss)/earnings per ordinary shares

Basic (loss)/earnings per share are calculated by dividing (loss)/profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

(Loss)/Profit attributable to ordinary shares:-

	Group 2021	Group 2020
Continuing operations		
Loss from continuing operations attributable to ordinary equity holders of the Company (RM'000)	(8,942)	(38,338)
Weighted average number of ordinary shares in issue ('000)	82,358	72,469
Basic loss per ordinary share (sen)	(10.86)	(52.90)
Discontinued operations		
Profit from discontinued operations attributable to ordinary equity holders of the Company (RM'000)	-	275
Weighted average number of ordinary shares in issue ('000)	-	72,469
Basic earnings per ordinary share (sen)	-	0.38

b. Diluted earnings per ordinary shares

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no dilutive potential ordinary shares.

30 EMPLOYEE BENEFITS EXPENSE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(Excluding Directors)				
Salaries, wages and other emoluments	5,418	15,001	4,668	8,161
Defined contribution plan	589	1,568	498	790
	6,007	16,569	5,166	8,951

Directors' remunerations

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,819	1,790	1,819	1,790
Benefit-in-kind	2	-	2	-
Defined contribution plan	218	295	218	295
	2,039	2,085	2,039	2,085
Non-Executive:				
Allowances	80	71	80	71
Other Directors				
Executive:				
Salaries and other emoluments	-	21	-	-
	-	21	-	-

30 EMPLOYEE BENEFITS EXPENSE (CONT'D)

Directors' remunerations (cont'd)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Analysis excluding benefits-in-kind:-				
Total executive Directors' remuneration	2,037	2,106	2,037	2,085
Total non-executive Directors' remuneration	80	71	80	71
	2,117	2,177	2,117	2,156

31 RELATED PARTY DISCLOSURES

a The related party transactions of the Company during the financial year were as follows:-

	Company 2021 RM'000	Company 2020 RM'000
Sales to subsidiaries	5,424	31,995
Purchases from subsidiaries	1,555	1,211
Handling charge charged by a subsidiary	-	2
Management fees received from subsidiaries	2,830	2,866
Rental charged to subsidiaries	64	64
Selling and distribution charges charged by a subsidiary	2,250	2,690

31 RELATED PARTY DISCLOSURES (CONT'D)

b The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 9 and 14 to the financial statements.

c The key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

Key management includes all the Directors of the Company and certain members of senior management of the Group.

The emoluments of the Directors are disclosed in Notes 26 and 30 to the financial statements.

The remuneration of other key management personnel are as follow:-

	Group and Company 2021 RM'000	Group and Company 2020 RM'000
Short-term employee benefits	1,274	1,735
Defined contribution plan	127	208
	1,401	1,943

32 OPERATING SEGMENTS

For management purposes, the Group is organised into five business units based on their products and services, which comprises the following:-

Business segments	Business activities
Trading	Distributor and supplier of construction and finishing building materials, heavy steel products, architectural hardware, home improvement materials, cabinet systems, fuel and lubricants. This segment offers products and services for the construction, infrastructural and manufacturing sectors and end users.
Contracting	Specialist contractor engaged in fluid engineering systems and maintenance works, contracting and assembling of industrial control instruments and engineering equipment as well as civil engineering works and construction. This segment also engaged in roofing works which products include metal roofing, prefabricated roof trusses and ceiling works and provision of interior fit-out works and services.

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Notes to the Financial Statements

32 OPERATING SEGMENTS (CONT'D)

For management purposes, the Group is organised into five business units based on their products and services, which comprises the following (cont'd):-

Business segments	Business activities
Property development	The development of residential and commercial properties.
Property and investment holding	Properties are leased out for rental income or held for long-term capital appreciation. Investments in quoted and unquoted shares are held for dividend income and capital gains.
Others	Provision of warehousing services within the Group which do not constitute a separate reportable segment.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's five main business segments operate in one geographical area:-

i Malaysia - the operations in this area are principally trading and distribution of building materials, property and investment holding, specialist contracting, manufacturing of kitchen cabinets and wardrobe systems and property development.

Group	Revenue 2021 RM'000	Revenue 2020 RM'000	Non-current assets 2021* RM'000	Non-current assets 2020* RM'000
Malaysia	30,217	81,437	62,230	76,873

* The non-current assets excluding financial instruments.

Major customers

There is no customer which accounted for revenue equal to or more than 10% of the Group's revenue.

32 OPERATING SEGMENTS (CONT'D)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on a mutual agreement basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Those transfers are eliminated on consolidation.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:-

	Note	Trading RM'000	Contracting RM'000	Property development RM'000	Property and investment holding RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
2021								
Revenue								
Revenue from external customers		23,370	6,385	-	462	-	-	30,217
Results								
Finance income		1,100	-	5	-	-	-	1,105
Finance costs		(3,391)	-	-	-	-	-	(3,391)
Tax income/(expense)		120	-	(10)	21	-	-	131
Depreciation of property, plant and equipment		(922)	-	-	(28)	-	(166)	(1,116)
Depreciation of right-of-use assets		(43)	-	(3)	-	-	(145)	(191)
Changes in fair value of investment properties		135	-	-	-	-	-	135
Remeasurement loss of assets held for sale		(280)	-	-	-	-	-	(280)
Dividend income		7	-	-	-	-	-	7
Other non-cash expenses	(b)	7,835	-	-	-	-	-	7,835
Segment (loss)/profit	(c)	(6,267)	(5)	146	(180)	(430)	-	(6,736)

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Notes to the Financial Statements

32 OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments (cont'd):-

	Note	Trading RM'000	Contracting RM'000	Property development RM'000	Property and investment holding RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
2021 (cont'd)								
Assets								
Segment assets	(d)	35,639	336	14,949	56,339	260	-	107,523
Included in segment assets are:								
Additional to non-current assets other than deferred tax assets	(e)	(24)	-	-	-	-	-	(24)
Liabilities								
Segment liabilities	(f)	9,950	14	351	443	448	-	11,206

	Note	Trading RM'000	Contracting Continued RM'000	Contracting Discontinued RM'000	Property development RM'000	Property and investment holding RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
2020									
Revenue									
Revenue from external customers		80,979	359	15,190	-	99	-	-	96,627
Inter-segment revenue	(a)	-	-	-	-	60	-	(60)	-
Total revenue		80,979	359	15,190	-	159	-	(60)	96,627

32 OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments (cont'd):-

	Note	Trading RM'000	Contracting Continued RM'000	Contracting Discontinued RM'000	Property development RM'000	Property and investment holding RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
2020 (cont'd)									
Results									
Finance income		1,328	-	-	18	-	-	-	1,346
Finance costs		(3,618)	-	(124)	-	-	-	-	(3,742)
Tax income/(expense)		283	-	(128)	-	(48)	(20)	-	87
Depreciation of property, plant and equipment		(1,083)	-	-	(5)	(27)	-	(205)	(1,320)
Depreciation of right-of-use assets		(51)	-	-	-	-	-	(145)	(196)
Changes in fair value of investment properties		-	-	-	-	(260)	-	-	(260)
Remeasurement loss of assets held for sale		(224)	-	-	-	-	-	-	(224)
Dividend income		6	-	-	-	-	-	-	6
Other non-cash expenses	(b)	(10,359)	-	-	-	(12)	(4)	-	(10,375)
Segment (loss)/profit	(c)	(32,504)	(546)	528	(10)	(3,378)	350	-	(35,560)
Assets									
Segment assets	(d)	43,663	455	-	13,520	64,232	91	-	121,961
Included in segment assets are:									
Investment in an associate		-	-	-	-	7	-	-	7
Additional to non-current assets other than deferred tax assets	(e)	2,259	-	-	-	132	-	-	2,391
Liabilities									
Segment liabilities	(f)	23,448	892	-	266	1,579	32	-	26,217

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Notes to the Financial Statements

32 OPERATING SEGMENTS (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

a. Inter-segment revenues are eliminated on consolidation.

b. Other major non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:-

	2021 RM'000	2020 RM'000
Bad debts written off	19	250
Inventories written down	16	837
Reversal of inventories written down	(1,797)	(437)
Net impairment (gain)/loss on financial assets	(6,080)	9,631
Property, plant and equipment written off	-	94
Impairment loss on investment in an associate	7	-
	(7,835)	10,375

c. The following items are (deducted from)/added to segment loss to arrive at "loss after tax" presented in the statements of profit or loss:-

	2021 RM'000	2020 RM'000
Segment loss	(6,736)	(35,560)
Finance income	1,105	1,346
Finance cost	(3,391)	(3,742)
	(9,022)	(37,956)

32 OPERATING SEGMENTS (CONT'D)

d The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2021 RM'000	2020 RM'000
Segment assets	107,523	121,961
Tax recoverable	516	433
	108,039	122,394

e Additions to non-current assets other than financial instruments consist of:-

	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	134	2,391
Reversal of property, plant and equipment	(158)	-
	(24)	2,391

f The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2021 RM'000	2020 RM'000
Segment liabilities	11,206	26,217
Deferred tax liabilities	2,370	2,468
Borrowings	49,171	58,244
Tax payable	-	26
	62,747	86,955

33 CONTINGENT LIABILITIES

The Directors are of the opinion that provisions are not required in respect of these matters as it is not probable that a future sacrifice of economic benefits will be required.

	2021 RM'000	2020 RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries	2,420	2,440
Corporate guarantees and letter of undertaking given in favour of third parties for supplying goods to subsidiaries	351	1,282

34 CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total debt divided by total equity less goodwill. Total debt is including bankers' acceptances, business cash financing, term financing/loan and bank overdrafts.

There were no changes in the Group's and the Company's approach to capital management during the current financial year.

The debt-to-equity ratio of the Group and of the Company at the end of the reporting year was as follows:-

	Group 2021	Group 2020	Company 2021	Company 2020
Net debt (RM'000)	49,171	58,244	46,752	51,945
Total capital (RM'000)	45,562	35,704	21,698	16,487

34 CAPITAL MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group and of the Company at the end of the reporting year was as follows (cont'd):-

	Group 2021	Group 2020	Company 2021	Company 2020
Total debt against equity ratio	1.08	1.63	2.15	3.15

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

35 FINANCIAL INSTRUMENTS

35.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

a. Fair value through other comprehensive income ("FVTOCI") and;

b. Amortised cost ("AC").

	2021 AC RM'000	2021 FVTOCI RM'000	2020 AC RM'000	2020 FVTOCI RM'000
Group				
Financial assets				
Other investments	-	510	-	561
Trade receivables	17,462	-	30,758	-
Other receivables	4,485	-	3,048	-
Amount due from an associate	9	-	6	-
Cash and bank balances	4,603	-	3,629	-
	26,559	510	37,441	561

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

a. Fair value through other comprehensive income ("FVTOCI") and;

b. Amortised cost ("AC").

	2021 AC RM'000	2021 FVTOCI RM'000	2020 AC RM'000	2020 FVTOCI RM'000
Company				
Financial assets				
Other investments	-	356	-	448
Trade receivables	12,303	-	15,356	-
Other receivables	1,155	-	1,295	-
Amount due from subsidiaries	7,450	-	13,047	-
Amount due from an associate	9	-	6	-
Cash and bank balances	1,652	-	2,118	-
	22,569	356	31,822	448
Amortised cost				
Financial liabilities				
Trade payables	4,785	18,462	2,413	10,669
Other payables	6,322	7,156	4,203	4,954
Borrowings	49,171	58,244	46,752	51,945
Amount due to subsidiaries	-	-	43,631	47,957
	60,278	83,862	96,999	115,525

35.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group and the Company established policies and procedures to ensure effective management of credit risk, interest rate risk, liquidity risk, foreign currency risk and equity price risk.

The following sections explain key risks faced by the Group and the Company and their management. Financial assets and financial liabilities of the Group and of the Company are summarised in Note 3.5 to financial statements.

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.1 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. 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. Collateral are also obtained from some customers to further mitigate the credit risk exposure. In addition, receivables are monitored on an ongoing basis via management reporting procedures. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparty.

Following are the areas where the Group and the Company are exposed to credit risk:-

Trade receivables

Exposure to credit risk

As at the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company.

Credit risk concentration

The Group has major concentration of credit risk related to the amounts owing by two (2020: two customers) which constituted approximately 58% (2020: 38%) of total trade receivables.

The Company's major concentration of credit risk related to the amounts owing by three (2020: three customers) which constituted approximately 95% (2020: 76%) of total trade receivables.

Recognition and measurement of impairment loss

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

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Notes to the Financial Statements

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and the Company and existence of previous financial difficulties.

In respect of the development properties, most of the end-buyers obtain end-financing to fund their purchases of the Group's properties. In such cases, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on invoice dates for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions.

The ageing analysis of trade receivables of the Group and of the Company are as follows:-

2021	Gross carrying amount RM'000	Expected credit loss RM'000	Net RM'000
Group			
Not past due	1,562	(274)	1,288
Past due 1 to 30 days	2,075	(240)	1,835
Past due 31 to 60 days	888	(87)	801
Past due 61 to 90 days	1,236	(234)	1,002
Past due more than 90 days	59,886	(47,350)	12,536
	65,647	(48,185)	17,462

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The ageing analysis of trade receivables of the Group and of the Company are as follows (cont'd):-

2021	Gross carrying amount RM'000	Expected credit loss RM'000	Net RM'000
Company			
Not past due	64	(7)	57
Past due 1 to 30 days	276	(33)	243
Past due 31 to 60 days	113	(17)	96
Past due 61 to 90 days	215	(43)	172
Past due more than 90 days	36,072	(24,337)	11,735
	36,740	(24,437)	12,303

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Notes to the Financial Statements

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The ageing analysis of trade receivables of the Group and of the Company are as follows (cont'd):-

2020	Gross carrying amount RM'000	Expected credit loss RM'000	Net RM'000
Group			
Not past due	3,408	(32)	3,376
Past due 1 to 30 days	409	(15)	394
Past due 31 to 60 days	2,189	(775)	1,414
Past due 61 to 90 days	5,408	(1,129)	4,279
Past due more than 90 days	73,811	(52,516)	21,295
	85,225	(54,467)	30,758
Company			
Not past due	690	-	690
Past due 1 to 30 days	15	(14)	1
Past due 31 to 60 days	160	(1)	159
Past due 61 to 90 days	831	(203)	628
Past due more than 90 days	41,429	(27,551)	13,878
	43,125	(27,769)	15,356

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.1 Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

Other receivables

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

As at the end of the reporting year, there was no indication that other receivables are not recoverable except for those disclosed in Note 12 to the financial statements.

Inter-company balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group and the Company provide unsecured advances to subsidiaries and an associate and monitors their results regularly.

As at the end of the reporting year, there was no indication that advances to subsidiaries and an associate are not recoverable except for those disclosed in Notes 9 and 14 to the financial statements.

Cash and bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's and the Company's treasury department in accordance with the Group's and the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Financial guarantees

The maximum exposure to credit risk is amounted to RM2,771,000 (2020: RM3,722,000), represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiary would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of their existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Fixed rate instruments				
Bankers' acceptances	12,580	35,715	10,161	31,205
Business cash financing	-	7,886	-	7,886
	12,580	43,601	10,161	39,091
Floating rate instruments				
Term financing/loan	36,591	10,766	36,591	10,766
Bank overdrafts	-	3,877	-	2,088
	36,591	14,643	36,591	12,854

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.2 Interest rate risk (cont'd)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows (cont'd):-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for floating rate instruments

The following illustrates the sensitivity of loss to a reasonably possible change in interest rates of +/-50 (2020: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(Increase)/Decrease on loss during the financial year				
2021	(183)	183	(183)	183
2020	(73)	73	(64)	64

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Notes to the Financial Statements

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.3 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk that arises principally from their various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Analysis of financial liabilities by remaining contractual maturity period

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follow:-

Group	Carrying amount RM'000	Contractual cash flows RM'000	Maturity within 1 year RM'000	Maturity 2 to 5 years RM'000	Maturity more than 5 years RM'000
2021					
Trade payables	4,785	4,785	4,785	-	-
Other payables	6,322	6,322	6,322	-	-
Term financing/loan	36,591	47,221	6,361	40,860	-
Bankers' acceptances	12,580	12,580	12,580	-	-
	60,278	70,908	30,048	40,860	-

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.3 Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity period (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follow (cont'd):-

Group	Carrying amount RM'000	Contractual cash flows RM'000	Maturity within 1 year RM'000	Maturity 2 to 5 years RM'000	Maturity more than 5 years RM'000
2020					
Trade payables	18,462	18,462	18,462	-	-
Other payables	7,156	7,156	7,156	-	-
Term financing/loan	10,766	11,314	5,353	5,961	-
Bankers' acceptances	35,715	35,715	35,715	-	-
Bank overdrafts	3,877	3,877	3,877	-	-
Business cash financing	7,886	7,886	7,886	-	-
	83,862	84,410	78,449	5,961	-

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Notes to the Financial Statements

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.3 Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity period (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as follow (cont'd):-

Company	Carrying amount RM'000	Contractual cash flows RM'000	Maturity within 1 year RM'000	Maturity 2 to 5 years RM'000	Maturity more than 5 years RM'000
2021					
Trade payables	2,413	2,413	2,413	-	-
Other payables	4,203	4,203	4,203	-	-
Amount due to subsidiaries	43,631	43,631	43,631	-	-
Term financing/loan	36,591	47,221	6,361	40,860	-
Bankers' acceptances	10,161	10,161	10,161	-	-
	96,999	107,629	66,769	40,860	-
Financial guarantee*	2,771	2,771	2,771	-	-
2020					
Trade payables	10,669	10,669	10,669	-	-
Other payables	4,954	4,954	4,954	-	-
Amount due to subsidiaries	47,957	47,957	47,957	-	-
Term financing/loan	10,766	11,314	5,353	5,961	-
Bankers' acceptances	31,205	31,205	31,205	-	-
Bank overdrafts	2,088	2,088	2,088	-	-
Business cash financing	7,886	7,886	7,886	-	-
	115,525	116,073	110,112	5,961	-
Financial guarantee*	3,722	3,722	3,722	-	-

**This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting year.*

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group and the Company are exposed to foreign currency risk on income and expenses that are denominated in a currency other than the functional currency of the Group and of the Company. The currency giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), New Taiwan Dollar ("TWD") and Chinese Yuan ("CNY").

The Group's and the Company's financial assets/(financial liabilities) exposure to USD, SGD, TWD and CNY are in relation to:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Financial assets				
Cash and bank balances				
USD	113	118	5	114
SGD	1	1	1	1
TWD	1	-	-	-
CNY	2	-	-	-
Other receivables				
USD	12	1	-	-
	129	120	6	115
Financial liability				
Other payables				
USD	-	(30)	-	-
Net exposure	129	90	6	115

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Notes to the Financial Statements

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management (cont'd)

35.2.4 Foreign currency risk (cont'd)

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting date against the functional currency of the Group and of the Company do not have the material impact on the loss after tax of the Group and of the Company and hence, no sensitivity analysis is presented.

35.2.5 Equity price risk

The Group's and the Company's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group and the Company manage their exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

Any reasonably possible change in the prices of quoted investments at the end of the reporting date does not have material impact on the loss after tax and other comprehensive expenses of the Group and of the Company and hence, no sensitivity analysis is presented.

35.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term in nature or immaterial discounting impact.

35 FINANCIAL INSTRUMENTS (CONT'D)

35.4 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group 2021				
Financial asset				
Other investments:				
■ quoted shares	154	-	-	154
■ club membership	-	356	-	356
Group 2020				
Financial asset				
Other investments:				
■ quoted shares	113	-	-	113
■ club membership	-	448	-	448
Company 2021				
Financial asset				
Other investments:				
■ club membership	-	356	-	356
Company 2020				
Financial asset				
Other investments:				
■ club membership	-	448	-	448

There was no transfer between Level 1, 2 and 3 in 2021 and 2020.

35 FINANCIAL INSTRUMENTS (CONT'D)

35.5 Reconciliation of liabilities arising from financing activities

	1.7.2020 RM'000	Cash flows RM'000	30.6.2021 RM'000
Group			
Term financing/loan	10,766	25,825	36,591

	1.7.2019 RM'000	Discontinued operations RM'000	Cash flows RM'000	30.6.2020 RM'000
Group				
Finance lease liabilities	18	12	(30)	-
Term financing/loan	15,506	137	(4,877)	10,766
	15,524	149	(4,907)	10,766

	1.7.2020 RM'000	Cash flows RM'000	30.6.2021 RM'000
Company			
Amount due to subsidiaries	61,509	5,345	66,854
Term financing/loan	10,766	25,825	36,591
	72,275	31,170	103,445

35 FINANCIAL INSTRUMENTS (CONT'D)

35.5 Reconciliation of liabilities arising from financing activities (cont'd)

	1.7.2019 RM'000	Cash flows RM'000	30.6.2020 RM'000
Company			
Amount due to subsidiaries	45,086	16,423	61,509
Term financing/loan	15,506	(4,740)	10,766
	60,592	11,683	72,275

36 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

a. On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government had imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 had brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Malaysian Government had re-introduced the MCO and Conditional MCO ("CMCO") in several states which are severely affected by the COVID-19 pandemic from 13 January 2021 to 11 May 2021, nationwide MCO from 12 May 2021 to 31 May 2021, Enhanced MCO in several states from 3 July 2021 to 16 July 2021 and Full MCO from 1 June 2021 to indefinitely until daily new COVID-19 cases drop below 4,000 and the Government's target on vaccination and intensive care unit bed usage are met. Besides, the King declared state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

The Group's and the Company's business operation have been slowed down due to the COVID-19 pandemic. As such, the Group's and the Company's financial performance for the current financial year has been affected as there was lower revenue generated. The disruption of their operations during the financial year due to MCO and the relevant financial impact has been taken into account in the financial results of the Group and the Company.

Despite headwinds from uncertain economic environment, the Group has been actively identifying other alternatives

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Notes to the Financial Statements

36 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

a. (cont'd)

to improve its financial performance and thus agreed to plan to diversify its existing businesses to include the Renewable Energy Business and Healthcare Business as well as to monetise the existing underutilised non-core assets.

The Group announced a Proposed Diversification on 4 November 2020 and it is expected to further expand the revenue stream and earnings base of the Group and the Board anticipates that the Proposed Diversification may contribute 25% or more of the net profits of the Group in the future.

Upon the completion of the Proposed Diversification, the Group will undertake to expand its business to include the owning, developing, maintaining, operating, designing and constructing of power plants, involving the generation of energy and electricity using sustainable and renewable energy sources.

Further to that, the Renewable Energy Business also comprises the development of greenfield and brownfield projects which includes independent power producer projects involving other sustainable energy including but not limited to biomass, biogas, small hydro, solar and geothermal.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group and the Company will continue to actively monitor and manage their funds and operations to minimise any impact arising from the COVID-19 pandemic.

b. On 4 November 2020, the Company has announced its intention to undertake the following proposals:-

   i. proposed private placement of up to 14,493,000 new ordinary shares in the Company representing up to 20% of the existing total number of issued shares to independent third party investor(s) to be identified at a later date ("Proposed Private Placement"); and

   ii. proposed restricted issue of up to 14,493,000 new Company's Shares ("Restricted Issue Shares") representing up to 20% of the existing total number of issued Ipmuda Shares to Datuk Beroz Nikmal bin Mirdin, being the Executive Chairman of the Company, Jeefri bin Muhamad Yusup, being the Chief Executive Officer of the Company, Teh Foo Hock, Baevinraj Thiagarajah, Dato' Amiruddin bin Abdul Satar and Abdul Halim bin Jantan, being the independent non-executive directors of the Company ("Proposed Restricted Issue").

On 23 November 2020, Bursa Securities has, vide its letter approved the listing and quotation of up to 14,493,000 Restricted Issue Shares to be issued pursuant to the Proposed Restricted Issue.

On 24 November 2020, Bursa Securities has, vide its letter approved the listing and quotation of up to 7,246,950 Placement Shares to be issued pursuant to the First 10% Proposed Private Placement.

36 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

b. On 4 November 2020, the Company has announced its intention to undertake the following proposals (cont'd):-

   The Company announced that the first tranche of the Private Placement has been completed following the listing of and quotation for 7,175,000 Placement Shares on the Main Market of Bursa Securities on 17 December 2020.

   On 13 January 2021, Bursa Securities has, vide its letter approved the listing and quotation of up to 7,246,950 Placement Shares to be issued pursuant to the Second 10% Proposed Private Placement.

   The Company announced that the Restricted Issue and second tranche of the Private Placement have been completed following the listing of and quotation for 14,493,900 Restricted Issue Shares and 7,318,900 Placement Shares on the Main Market Bursa Securities on 22 March 2021.

c. On 18 June 2021, the Group has announced its intention to undertake the proposed disposal of a piece of leasehold property bearing postal address No. 1 Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, by Roset-BLG Sdn. Bhd., a wholly-owned subsidiary of Better Living Grand Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company to Pixel Valley Sdn. Bhd., a wholly-owned subsidiary of Kerjaya Prospek Property Berhad for a total consideration of RM82,000,000 which shall be satisfied in cash of RM80,000,000 and RM2,000,000 in kind by way of two properties.

   The transaction is yet to be completed as at signing date.

d. On 18 June 2021, the Company has announced its intention to undertake the following proposals:-

   i. proposed special cash dividend of RM30,437,190 on the basis of RM0.30 per ordinary share in the Company to the entitled shareholders on an entitlement date to be determined and announced at a later date. The special cash dividend shall be paid out of the cash consideration of RM80,000,000 to be received pursuant to the proposed property disposal;

   ii. proposed bonus issue of 101,457,300 new shares ("Bonus Shares") together with 152,185,950 free detachable warrants in the Company ("Bonus Warrants") on the basis of two (2) Bonus Shares together with three (3) Bonus Warrants for every two (2) existing Company's shares held by the shareholders of the Company whose names appear on the record of depositors of the Company at the close of business on an entitlement date to be determined and announced at a later date; and

   iii. proposed renounceable rights issue of 101,457,300 new Company's shares ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing Company's shares held by the entitled shareholders on the entitlement date to be determined and announced at a later date at an issue price of RM0.30 per Rights Share.

36 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

d. On 18 June 2021, the Company has announced its intention to undertake the following proposals (cont'd):-

   The proposals are pending completion and any effect to the financial statements will be reflected in the subsequent financial year.

e. On 18 June 2021, the Company has entered into five exclusive heads of agreements with the respective vendors in relation to the proposed acquisitions as elaborated below:-

   i. proposed acquisition of a hospital from third party vendors for a purchase consideration of up to RM18,000,000 to be satisfied via cash and issuance of new ordinary shares in the Company ("proposed acquisition of hospital");

   ii. proposed acquisition of a solar energy asset from related parties and third party vendor for a purchase consideration of RM11,107,000 to be satisfied via issuance of new ordinary shares in the Company; and

   iii. proposed acquisition of a hydro energy asset from related parties and third party vendor for a purchase consideration of RM163,290,152 to be satisfied via issuance of new ordinary shares in the Company.

   The proposals are pending completion and any effect to the financial statements will be reflected in the subsequent financial year.

f. On 24 August 2021, the Company has entered into a conditional share sale agreement with the vendors of Ultimate Forte Sdn. Bhd. in relation to the proposed acquisition of hospital for a total purchase consideration of RM18,000,000 to be satisfied via a combination of cash and issuance of new ordinary shares in the Company.

   (proposed property disposal, proposed special cash dividend, proposed bonus issue of shares and warrants, proposed rights issue of shares and proposed acquisition of hospital are collectively referred to as the "Proposals").

g. On 22 September 2021, the Company has entered into the following conditional share sale agreement ("SSA") in relation to the proposed acquisitions as elaborated below:-

   i. one (1) SSA with Jentayu Capital Sdn. Bhd. and Seri Panglima Sdn. Bhd. for the acquisition of 3,000,000 ordinary shares representing the entire equity interest in Jentayu Solar Sdn. Bhd. for a total purchase consideration of RM11,107,050 to be satisfied via issuance of new ordinary shares in the Company in relation to the proposed acquisition of solar energy asset;

   ii. one (1) SSA with Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. for the acquisition of 200 ordinary shares representing the entire equity interest in Senja Optima, by acquiring one (1) 50% equity interest from Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable

36 **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)**

g On 22 September 2021, the Company has entered into the following conditional share sale agreement ("SSA") in relation to the proposed acquisitions as elaborated below (cont'd):-

ii (cont'd)

Energy Sdn. Bhd. respectively, for a total purchase consideration of RM44,600,200 to be satisfied via cash consideration of RM5,464,000 and issuance of new ordinary shares in the Company amounting to RM39,136,200 in relation to the proposed acquisition of hydro energy asset;

iii one (1) SSA with Jentayu Capital Sdn. Bhd. for the acquisition of 60,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro One Sdn. Bhd. and 40,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro Two Sdn. Bhd. for a total purchase consideration of RM93,600,000 to be satisfied via cash consideration of RM7,488,000 and issuance of new ordinary shares in the Company amounting to RM86,112,000 in relation to the proposed acquisition of hydro energy asset; and

iv one (1) SSA with Jentayu Capital Sdn. Bhd. for 100% of the Junior Bonds in Telekosang Hydro One Sdn. Bhd. for a total purchase consideration of RM38,100,000 to be satisfied via cash consideration of RM3,048,000 and issuance of new ordinary shares in the Company amounting to RM35,052,000 in relation to the proposed acquisition of hydro energy asset.

h On 11 October 2021, Bursa Securities has approved the following on the Main Market of Bursa Securities:-

i admission to the official list and listing of and quotation for 152,185,950 Bonus Warrants;

ii listing of and quotation for 101,457,300 Bonus Shares pursuant to the proposed bonus issue of shares and warrants;

iii listing of and quotation for 101,457,300 Rights Shares pursuant to the proposed bonus issue of shares;

iv listing of and quotation for up to 152,185,950 new ordinary shares in the Company to be issued pursuant to the exercise of the Bonus Warrants; and

36 **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)**

h On 11 October 2021, Bursa Securities has approved the following on the Main Market of Bursa Securities (cont'd):-

v listing of and quotation for up to 18,867,700 new ordinary shares in the Company to be issued pursuant to the proposed acquisition of hospital.

subject to the conditions stipulated therein.

i On 28 October 2021, the Company has issued the circular to the shareholders of the Company in relation to the Proposals and notice of Extraordinary General Meeting ("EGM") on the Proposals. The EGM will be held on 12 November 2021 via online meeting platform for remote participation and voting.

SHAREHOLDER'S INFORMATION

9.1 Analysis of Shareholdings (as at 1 October 2021)

Issued Share capital 101,457,300

Class of shares Ordinary shares

Voting Rights One vote per ordinary share held

9.1.1 Distribution Of Shareholdings (as at 1 October 2021)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	47	1.40	792	0.00
100 - 1,000	1,274	37.93	1,187,643	1.17
1,001 - 10,000	1,542	45.91	6,463,679	6.37
10,001 - 100,000	405	12.05	12,411,054	12.23
100,001 – 5072864 (*)	87	2.59	46,458,932	45.79
5072865 and above (**)	4	0.12	34,935,200	34.44
TOTAL	3,359	100.00	101,457,300	100.00

Notes:
** - Less than 5% of Issued Holdings*
*** - 5% and above of Issued Holdings*

9.1.2 Thirty Largest Shareholders (as at 1 October 2021)

No.	Name of Shareholders (According to the Record of Depositors)	No. of Shares	% of Issued Capital
1	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datin Nurhaida binti Abu Sahid (MGNBNM0001M))	14,500,000	14.29
2	Dutariang Sdn Bhd	7,515,000	7.41
3	Datin Nurhaida binti Abu Sahid	6,676,300	6.58
4	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk Beroz Nikmal bin Mirdin (MGNBNM0001M))	6,243,900	6.15
5	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Jinata bin Muhamad Yusup)	4,400,000	4.34
6	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Jeefri bin Muhamad Yusup)	4,004,000	3.95
7	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Lee Sze Suen (PWM00650)(419672)	3,011,000	2.97
8	Baevinraj Thiagarajah	3,000,000	2.96
9	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lee Sze Suen (PB)	2,048,300	2.02
10	BIMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Abdullah Faroff bin Husain (MGNM84101))	1,980,000	1.95
11	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Siew Mun Chuang (PB)	1,952,100	1.92
12	Azra bin Kamarudin	1,500,000	1.48
13	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Foong Choong Heng (PB)	1,139,500	1.12
14	KOP Mantap Berhad	1,097,000	1.08
15	Lee King Loon	1,000,000	0.99
16	Yoon Lai Chong	840,000	0.83
17	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Azman bin Kamaruddin)	760,000	0.75
18	Abdul Halim bin Jantan	750,000	0.74
19	Noor Azrina binti Mohd Azmi	588,000	0.58
20	Chin Khee Kong & Sons Sdn Bhd	584,500	0.58
21	Harmoni Sdn Bhd	552,800	0.54
22	Leong Lup Yan	550,000	0.54
23	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Meng Hong (7007149))	547,200	0.54
24	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Abdullah Faroff bin Husain)	544,000	0.54
25	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Teh Foo Hock)	532,000	0.52
26	Dato' Amiruddin bin Abdul Satar	500,000	0.49
27	Lim Meng Hong	475,000	0.47
28	Chin Kian Fong	454,800	0.45
29	Pang Hao Chen	450,000	0.44
30	Chan Wey Han	445,000	0.44
	TOTAL	68,640,400	67.65

9.1.3 Substantial Shareholders (as at 1 October 2021)

According to the Company's Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Number of Shares Held Direct	%	Indirect	%
Datin Nurhaida binti Abu Sahid	21,176,300	20.87	-	-
Dutariang Sdn Bhd	7,515,000	7.41	-	-
Datuk Beroz Nikmal bin Mirdin	6,461,900	6.37	21,176,300 [1]	20.87
Num A/L Din Niam	-	-	7,515,000 [2]	7.41

9.1.4 Directors' Interest (as at 1 October 2021)

According to the Company's Register of Directors' Shareholding required to be kept under Section 59 of the Companies Act 2016, the Directors' interest in the ordinary share capital of the Company are as follows:

Name of Directors	Direct Interest	%	Indirect Interest	%
Datuk Beroz Nikmal bin Mirdin	6,461,900	6.37	21,176,300#	20.87
Abdul Halim bin Jantan	750,000	0.74	-	-
Baevinraj Thiagarajah	3,000,000	2.96	-	-
Teh Foo Hock	532,000	0.52	-	-
Dato' Amiruddin bin Abdul Satar	500,000	0.49	-	-
Jeefri bin Muhamad Yusup	4,004,000	3.95	-	-

Notes:
 # - Indirect Interest via the shareholdings of his spouse pursuant to Section 59(11)(c) of the Companies Act 2016
1 - Deemed interested by virtue of his spouse's shareholding in the Company as disclosed pursuant to Section 219 of the Companies Act 2016.
2 - Deemed interested by virtue of Section 8(4) of the Companies Act 2016, through his shareholding in Dutariang Sdn. Bhd. which has direct interest in the shares in the Company.

List of Properties

Loc.	No.	Address	Building Age (approx. years)	Existing Use	Size (m²)	Tenure	Owner	Value (RM)
KEDAH	1	Lot 758, Jalan Ayer Merah 09000 Kulim, Kedah	-	Land	14,277	Freehold	Victory Rally Sdn Bhd	600,000
	2	No. 3 Jalan Sutera Jaya 2/1 Taman Sutera Jaya, 08000 Sungai Petani, Kedah	24	Shop Office	149	Leasehold (1/12/2092)	Ipmuda Bhd	200,000
PULAU PINANG	3	Lot 487 & 509 Jalan Bagan Dalam 12100, Butterworth Pulau Pinang	-	Land	12,291	Freehold	Roset BLG Sdn Bhd	19,850,000
	4	Units 2-1-23,24,26,27,28 Harbour Trade Centre Gat Lebuh MacCallum 10300 Pulau Pinang	27	Office	712	Leasehold (11/8/2090)	IPMUDA Bhd	2,840,000
	5	Units 2-7-16,17,31 Harbour Trade Centre Gat Lebuh MacCallum 10300 Pulau Pinang	27	Office	714	Leasehold (11/8/2090)	IPMUDA Bhd	1,100.000
PERAK	6	1, Jalan Hala Dato 2, 30000 Ipoh, Perak Darul Ridzuan	32	Shophouse	339	Freehold	IPMUDA Bhd	978,100
	7	Lot 1240 Lahat Lane 30200 Ipoh, Perak						
		PT254538 (Lot 398020)	-	Land	3689	Freehold	IPMUDA Bhd	470,000
		PT254539 (Lot 398021)	-	Land		Freehold	IPMUDA Bhd	960,000
SELANGOR	8	No. 1105, 11th Floor, Block A Pusat Dagangan Setia Jaya 9, Jalan PJS 8/9 Selangor	21	Shop Office	47	Leasehold (17/7/2091)	Ipmuda Architectural Products Sdn Bhd	95,002
	9	No.6 Jalan Penchala Seksyen 51 46050 Petaling Jaya Selangor	30*	Land with Buildings	8,094	Leasehold (23/04/2066)	Ipmuda Bhd	1,609,652
	10	A3-3 & A4-4 Apartment Seri Kembangan Jalan Bukit Beruntung 7 Seksyen BB7, Bukit Beruntung 1 48300 Rawang Selangor	10*	Apartment	123	Freehold	Ipmuda Bhd	51,000
	11	1, Jalan 13/1 46200 Petallng Jaya Selangor	28*	Showroom Office and Warehouse	20,772	Leasehold (6/1/2060)	Roset BLG Sdn Bhd	9,123,321

Notes:
** - The building age is from date of purchase as the actual age of the building cannot be ascertained.*

9.2 List of Properties (Cont'd)

Loc.	No.	Address	Building Age (approx. years)	Existing Use	Size (m²)	Tenure	Owner	Value (RM)
NEGERI SEMBILAN	12	No. 44 Jalan TSJ 8/1B Taman Seremban 70450, Seremban Negeri Sembilan	23	Shop Office	164	Freehold	Ipmuda Selatan Sdn Bhd	144,101
KUALA LUMPUR	13	CG09 Block C Plaza Pekeliling 50400 Kuala Lumpur	42	Shop Office	103	Freehold	Ipmuda Bhd	400,000
	14	CG10 Block C Plaza Pekeliling 50400 Kuala Lumpur	42	Shop Office	171	Freehold	Ipmuda Bhd	1,100,000
	15	Lot 20002 (199) Seksyen 43 Jalan Mayang, Kuala Lumpur	-	Land	1,197	Freehold	Ipmuda Bhd	23,200,000
MELAKA	16	B-2-2, Taman Pelangi Apartment Ayer Keroh, Melaka	16	Apartment	103	Freehold	Ipmuda Bhd	110,000
	17	B-3-1, Taman Pelangi Apartment Ayer Keroh, Melaka	16	Apartment	126	Freehold	Ipmuda Bhd	120,000
	18	B-3-2, Taman Pelangi Apartment Ayer Keroh, Melaka	16	Apartment	103	Freehold	Ipmuda Bhd	100,000
	19	B4-22-31B, 22nd Floor, Tower 4 Villa D'Savoy Condo Park A Famosa Resort Alor Gajah, Melaka	16	Apartment	101	Leasehold	Ipmuda Selatan Sdn Bhd	130,000
	20	Lot 125, A Famosa Golf Resort Jalan Kemus Simpang Empat 78000 Alor Gajah, Melaka	10	Land with Bungalow	711	Leasehold (18/12/2094)	Ipmuda Selatan Sdn Bhd	280,000
	21	1 & 3, Jalan IMJ 3 Taman Industri Malim Jaya 75450 Melaka	22	Showroom Office and Warehouse	803	Leasehold (18/11/2095)	Ipmuda Selatan Sdn Bhd	349,719
JOHOR	22	PTD 129839, Masai Mukim Plentong Johor	-	Land	816	Freehold	Ipmuda Selatan Sdn Bhd	110,000
							TOTAL VALUE (RM)	**63,920,895**

Corporate Directory 9.3

IPMUDA BERHAD

9th Floor, Maju Tower,
No 1001, Jalan Sultan Ismail,
50250 Kuala Lumpur

Tel: +603 2719 2828

IPMUDA BUILDERMART SDN BHD / HOMEMART DISTRIBUTION CENTRE SDN BHD

IPMUDA EDAR SDN BHD

No. 6, Jalan Penchala,
Seksyen 51,
Petaling Jaya, 46500,
Selangor Darul Ehsan,
Malaysia

Tel: +603 7781 3977

IPMUDA UTARA SDN BHD

No. 1, Jalan Hala Datoh,
Jalan Datoh, 30000 Ipoh,
Perak Darul Ridzuan,
Malaysia.

Tel: +605 253 8030

No. 3,
Laluan Perindustrian Silibin 1,
Jalan Jelapang, 30020, Ipoh,
Perak Darul Ridzuan,
Malaysia.

IPMUDA SELATAN SDN BHD

No. 35-01 (1st Floor),
Jalan Tampoi Susur 1,
Simpang Taman Gembira,
81200 Johor Bahru,
Johor Darul Takzim,
Malaysia.

Tel: +607 338 4067

IPMUDA PROPERTIES SDN BHD

Kristal Kondominium,
Block A, Jalan Kepayan,
88100 Kota Kinabalu,
Sabah, Malaysia.

Tel: +6088 232 168