



安達環球集團有限公司

**ATTA GLOBAL GROUP BERHAD**

Company No: 198101012950 (79082-V)



# SUSTAINABLE ADVANCEMENT

OF LIMITLESS POTENTIAL

Annual Report 2020

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## SUSTAINABLE ADVANCEMENT OF LIMITLESS POTENTIAL

ATTA Global Group Berhad ("ATTA") with limitless potential aims to expand greater despite challenging times in the Iron & Steel Industry. The Company with its dedication towards greater quality products and solutions, enable the Company to provide reliable services, grow greater with its high quality products. ATTA Global Group Berhad will achieve global expansion with its sustainable advancement and able to deliver long-term value to the customers with its constant pursue of greater vision.

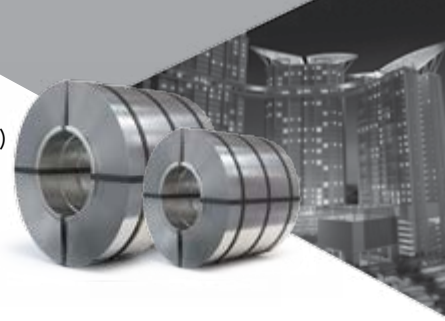
# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Ninth (39th) Annual General Meeting ("39th AGM and/or "AGM") of the Company will be held at Ixora Hotel Prai, 3096, Jalan Baru, Bandar Perai Jaya, 13600 Prai, Penang on Wednesday, 9 December 2020 at 11.00 a.m.

## A G E N D A

AS ORDINARY BUSINESS:	ORDINARY RESOLUTION
1. To receive the Audited Financial Statements for the period ended 30 June 2020, together with the Directors' and Auditors' Reports thereon. (Please refer to Note 2)	
2. To approve the payment of Directors' fees of RM87,000 in respect of the financial period ended 30 June 2020.	1
3. To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM78,000 from 10 December 2020 until the next AGM of the Company.	2
4. To re-elect the following Directors retiring in accordance with the Company's Constitution:	
4.1 Mr. Ng Chin Nam	3
4.2 Ms. Loh Yee Sing	4
5. To re-elect the following Directors who were appointed during the year and retire in accordance with the Company's Constitution:	
5.1 Dato' Sri Tajudin Bin Md Isa	5
5.2 Mr. Goh Chin Heng	6
6. To re-appoint Messrs Grant Thornton as Auditors of the Company for the financial year ending 30 June 2021 and to authorise the Directors to fix their remuneration.	7
<b>AS SPECIAL BUSINESS:</b>	
7. To consider and, if thought fit, pass the following Resolutions:	
<b>7.1 RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR</b> <b>- Mr. Sudesh A/L K.V. Sankaran</b> "That, Mr. Sudesh A/L K.V. Sankaran, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years be retained, to continue to act as an Independent Non-Executive Director of the Company".	8
<b>7.2 AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016</b>	9
"That, subject to the Companies Act 2016 and the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act 2016 to allot and issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deemed fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities."	
"AND FURTHER THAT such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company held next after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier."	

# NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



## AS SPECIAL BUSINESS: (Cont'd)

7. To consider and, if thought fit, pass the following Resolutions: (Cont'd)

### 7.3 PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

10

"That, subject to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the retained profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. The retained profits of the Company based on its audited financial statements as at 30 June 2020 is RM3,193,300.
- (iii) upon completion of the purchase by the Company its own ordinary shares, the Directors of the Company be and are hereby authorized to deal with the ordinary shares purchased in their absolute discretion in the following manners:
  - (a) cancel all the ordinary shares so purchased; and/or
  - (b) retain the ordinary shares so purchased as treasury shares; and/or
  - (c) retain part thereof as treasury shares and cancel the remainder;
  - (d) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force.

And that any authority conferred by this resolution may only continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the Main LR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

# NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 30 November 2020 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

**CHAN EOI LENG**  
(SSM PC No. 202008003055)  
(MAICSA 7030866)  
Chartered Secretary

Ipoh, Perak Darul Ridzuan, Malaysia  
30 October 2020

## NOTES:

### 1. PROXY

A member (other than an exempt authorized nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.

Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/ her holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or fax (603)78904670, otherwise the instrument of proxy should not be treated as valid.

For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.

### 2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act 2016 only requires the Audited Financial Statements to be laid before the Company at the AGM and not shareholders' approval. Hence, Agenda 1 will not be put forward for voting.

### 3. DIRECTORS' FEES AND BENEFITS

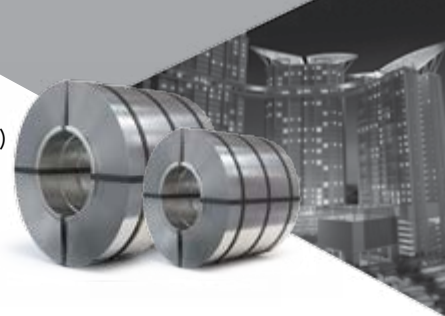
Section 230(1) of the Companies Act 2016 provides amongst others, that "fees" of the directors and "any benefits" payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate resolutions as follows:

Resolution 1: Payment of Directors' fees in respect of the financial period ended 30 June 2020

Resolution 2: Payment of Directors' benefits from 10 December 2020 until the next AGM

The Directors' benefits payable to the Non-Executive Directors for the period from 10 December 2020 until the next AGM of the Company are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees.

# NOTICE OF ANNUAL GENERAL MEETING (Cont'd)



NOTES: (Cont'd)

## 4. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Ordinary Resolution 8 proposed under item 7.1, if passed, will allow Mr. Sudesh A/L K.V. Sankaran to continue to hold office as an Independent Non-Executive Director of the Company.

In line with the Malaysian Code on Corporate Governance, the Board on the recommendation of the Nominating Committee who has carried out an assessment of the Director has recommended that Mr. Sudesh A/L K.V. Sankaran who has served as Director of the Company for a cumulative term of sixteen (16) years, be retained as an Independent Non-Executive Director of the Company based on the following justifications:

- (i) He has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (ii) He remained independent and actively participate in the Board discussion and provide an independent and objective voice on the Board.
- (iii) He has in-depth knowledge of the Company's business operations and he was committed to devoting sufficient time and attention to the Company.
- (iv) He acted in the best interest of all shareholders and will provide the check and balance to the Board.

In line with Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG"), the Company would seek shareholders' approval through a two-tier voting process as described in the Guidance to Practice 4.2 of the said MCCG to retain Mr. Sudesh A/L K.V. Sankaran, who has served as an Independent Non-Executive Director for more than twelve (12) years.

## 5. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016

The Ordinary Resolution 9 proposed under item 7.2, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company ("Share Mandate") for the time being for such purposes as the Directors consider would be in the interests of the Company.

This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company to undertake any shares issuance during the financial year without having to convene a general meeting. The rationale for this proposed Share Mandate is to allow for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In any event, the exercise of the mandate is only to be undertaken if the Board of Directors considers it to be in the best interest of the Company.

In addition, any delay arising from and thereby reducing the administrative time and costs associated with the convening an Extraordinary General Meeting ("EGM") to approve such issuance of shares should be eliminated. However, the Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

This Share Mandate is a renewal of the mandate obtained from the shareholders of the Company at the AGM held on 29 August 2019. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

## 6. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

The Ordinary Resolution 10 proposed under item 7.3, if passed, will empower the Directors to purchase the Company's own shares through Bursa Malaysia Securities Berhad up to 10% of the issued shares of the Company. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

Further information on the above Ordinary Resolution is set out in the Statement to Shareholders of the Company, which is sent out together with the Company's 2020 Annual Report.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Sri Tajudin Bin Md Isa**  
S.S.A.P, D.P.S.K, D.P.N.S, P.G.P.P, J.S.M, P.S.P.P, J.P.N  
(Chairman/Independent Non-Executive Director)

**Tan Kim Hee**  
(Executive Director)

**Ng Chin Nam**  
(Executive Director)

**Chow Choon Hoong**  
(Executive Director)

**Sudesh A/L K.V. Sankaran**  
(Independent Non-Executive Director)

**Dato' Dennis Chuah**  
(Independent Non-Executive Director)

**Loh Yee Sing**  
(Independent Non-Executive Director)

**Goh Chin Heng**  
(Non-Independent Non-Executive Director)

### AUDIT COMMITTEE

Dato' Dennis Chuah (Chairman)  
Sudesh A/L K.V. Sankaran  
Loh Yee Sing

### NOMINATING COMMITTEE

Sudesh A/L K.V. Sankaran (Chairman)  
Dato' Dennis Chuah  
Loh Yee Sing

### REMUNERATION COMMITTEE

Sudesh A/L K.V. Sankaran (Chairman)  
Dato' Dennis Chuah

### ESOS COMMITTEE

Ng Chin Nam  
Siva Raman A/L S. Ramasamy Pattar

### RISK MANAGEMENT COMMITTEE

Chow Choon Hoong (Chairman)  
Ng Chin Nam  
Loh Yee Sing  
Mathavan Pillay A/L Kanasi

### CORPORATE/OPERATIONAL OFFICE

ATTA Global Group Berhad  
[198101012950 (79082-V)]  
No. 2521, Tingkat Perusahaan 6  
Prai Industrial Estate 13600 Prai  
Penang, Malaysia  
Tel No.: 604-6857324 Fax No.: 604-6857306

### SHARE REGISTRARS

Boardroom Share Registrars Sdn. Bhd.  
[199601006647 (378993-D)]  
11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No.: 603-78904700 (Helpdesk)  
Fax No.: 603-78904670  
Website: www.boardroomlimited.com  
Email: bsr.helpdesk@boardroomlimited.com

### REGISTERED OFFICE

No. 55A, Medan Ipoh 1A  
Medan Ipoh Bistari, 31400 Ipoh  
Perak Darul Ridzuan, Malaysia  
Tel No.: 605-5474833  
Fax No.: 605-5474363

### COMPANY SECRETARY

Chan Eoi Leng  
(SSM PC No. 202008003055)  
(MAICSA 7030866)

### AUDITORS

Grant Thornton (AF:0042)  
Chartered Accountants  
Level 5, Menara BHL Bank,  
51, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia  
Tel No.: 604-2287828  
Fax No.: 604-2279828

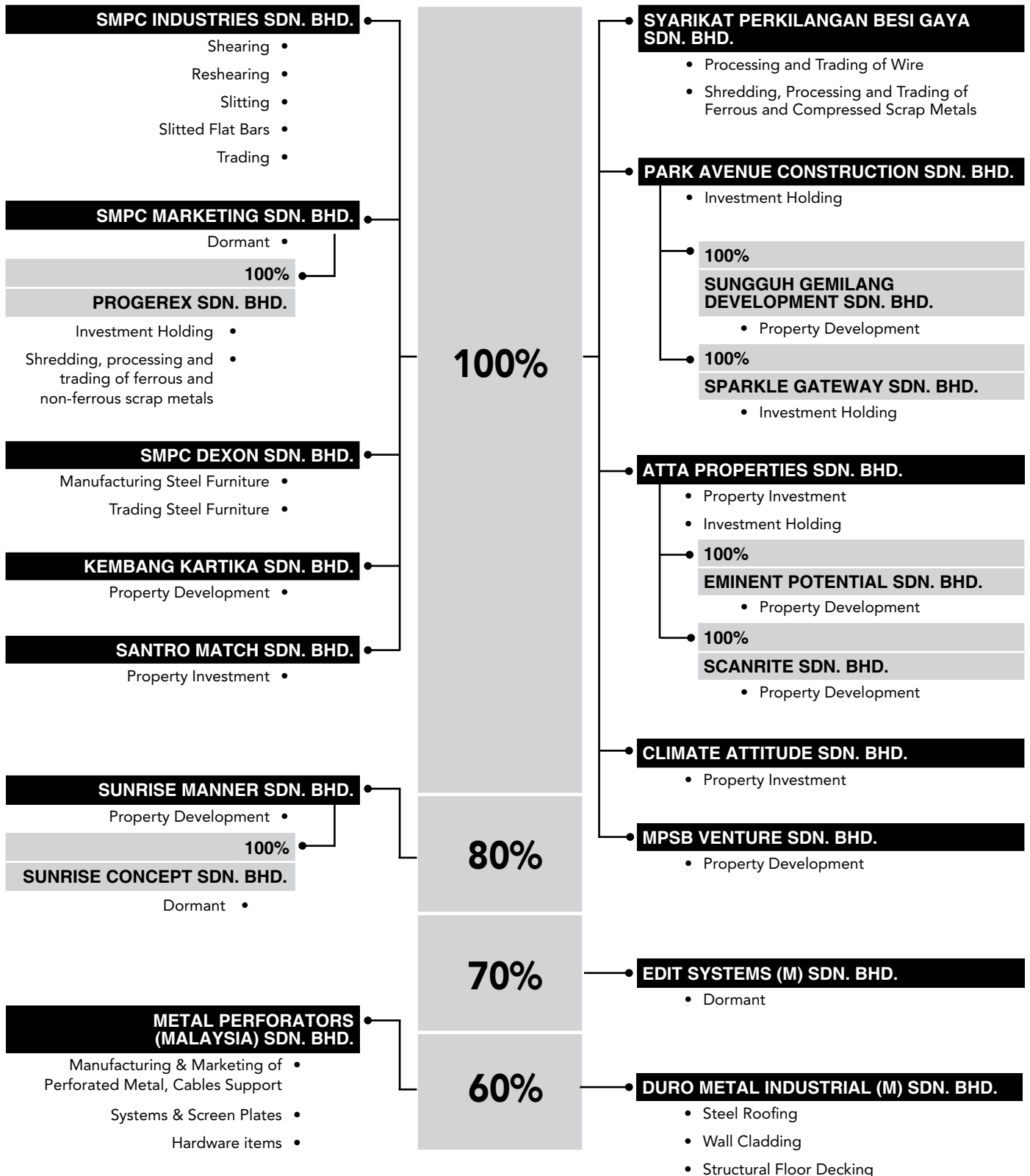
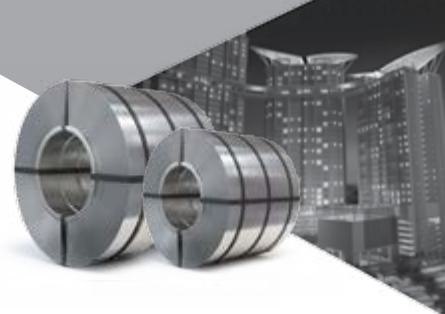
### PRINCIPAL BANKERS

AmBank (M) Berhad  
Amlslamic Bank Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
OCBC Bank (Malaysia) Berhad  
Malayan Banking Berhad  
Maybank Islamic Berhad  
Public Bank Berhad  
RHB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name: ATTA  
Stock Code: 7099

# CORPORATE STRUCTURE





# PROFILE OF THE DIRECTORS

## Dato' Sri Tajudin Bin Md Isa

S.S.A.P, D.P.S.K, D.P.N.S, P.G.P.P, J.S.M, P.S.P.P, J.P.N  
(Chairman/Independent Non-Executive Director)  
Male, Malaysian, aged 61

Dato' Sri Tajudin Bin Md Isa was appointed to the Board of ATTA on 1 October 2020 as the Chairman of the Board.

He started his career as a Junior Executive in Bank Bumiputra Malaysia Berhad in 1981. He then joined the Royal Malaysia Police in 1987. He has holistic and extensive experience in Royal Malaysia Police for 33 years until his retirement on 24 December 2019. During his service in the Royal Malaysia Police, he hold the following various positions:

- Officer in Charge of Police District ("OCPD") in Kota Tinggi, Johor
- Officer in Charge of Commercial Crime Investigation Department in Penang
- Officer in Charge of Criminal Investigation ("OCCI") in Selangor
- Chief Police Officer ("CPO") in Perlis and Kuala Lumpur
- Deputy Director of Commercial Crime Investigation Department ("RMP")
- Director of Crime Prevention and Community Safety Department ("RMP")
- Director of Logistics and Technology Department ("RMP")

Currently, he holds directorship in a private limited company.

Other Directorship(s) in Public Companies and Listed Issuers: Nil

## Tan Kim Hee

(Executive Director)  
Male, Malaysian, aged 56

Tan Kim Hee was appointed to the Board of ATTA as a Non-Independent Non-Executive Director on 28 March 2018. He was re-designated as an Executive Director on 18 February 2020.

After graduated from University Kebangsaan Malaysia (UKM), he involved in the telecommunication industry by joining Sapura Group. He builds up his customer network and maintained good relationship with most of the major suppliers during this period. After gaining enough experience, he decided to venture into the telecommunication business on his own strength establishing One Touch Mobile Sdn. Bhd. in year 1998, has over eighteen (18) years of experience in telecommunication industry. Through his commitment and effort, he has successfully gained a foothold in the telecommunication industry. After a few years of determined effort and hard work, he gained his reputation as reliable and efficient businessmen in the market and the company is expanding rapidly under his leadership.

He is also a substantial shareholder of ATTA.

Other Directorship(s) in Public Companies and Listed Issuers: Nil

## Ng Chin Nam

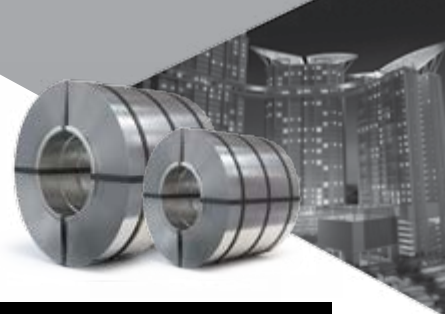
(Executive Director)  
Male, Malaysian, aged 50

Ng Chin Nam is an Executive Director of ATTA through his re-designation effective 1 June 2012. He was appointed to the Board of ATTA on 29 January 2009 as an Independent Non-Executive Director and a member of the company's Audit Committee till his re-designation in June 2012. He is also a member of the ESOS Committee and Risk Management Committee.

Ng Chin Nam has more than 20 years of experience in the fields of accounting, auditing, taxation and corporate finance. He started his career in 1992, in a manufacturing environment. He joined an international audit firm in 1997 after obtaining his professional qualification from the Chartered Institute of Management Accountants (CIMA). He left the audit firm in 2000 and was head of the finance department of different listed companies until 2012.

Other Directorship(s) in Public Companies and Listed Issuers: Asia File Corporation Bhd.

## PROFILE OF THE DIRECTORS (Cont'd)



### **Chow Choon Hoong**

(Executive Director)  
Male, Malaysian, aged 56

Chow Choon Hoong is an Executive Director of ATTA. He was appointed to the Board of ATTA on 29 June 2015 and also the Chairman of Risk Management Committee.

He graduated with a Bachelor of Science Degree in Civil Engineering and Specialized in Structural and Transportation Engineering. He served as a Civil Engineer of Tokyu Construction Sdn. Bhd. from year 1992 to 1993. Then, he served as an Assistant Resident Engineer of Ving Tai Development Sdn. Bhd. from year 1993 to 1994. After that, he worked as a Project Coordinator and Structural Detailed Design Engineer of Sepakat Setia Perunding Sdn. Bhd. in year 1994 until 1997. Thereafter, he worked as a Project Manager of MUI Properties Sdn. Bhd. from year 1997 to 1998. Presently, he is a Director of Duro Metal Industrial (M) Sdn. Bhd. and Metal Perforators (Malaysia) Sdn. Bhd., the subsidiaries of ATTA.

Other Directorship(s) in Public Companies and Listed Issuers: Nil

### **Sudesh A/L K.V. Sankaran**

(Independent Non-Executive Director)  
Male, Malaysian, aged 70

Sudesh A/L K.V. Sankaran was appointed to the Board of ATTA as an Independent Non-Executive Director on 20 December 2004.

He was subsequently appointed as Chairman of the Board on 29 July 2014 and served in that capacity until 18 February 2020. He is also a member of the Audit Committee, the Chairman of Remuneration and Nominating Committees of the Company.

Sudesh A/L K.V. Sankaran graduated with a Bachelor of Arts (Economics) from University of Madras in 1973. He started his career as an Executive in New Zealand Insurance Ltd in 1974. He was appointed as an Assistant Manager in United Oriental Assurance Bhd in 1977. He then held a managerial position from 1982 until 1992 when he was promoted as Regional Manager. Currently, he is a consultant with Sterling Insurance Brokers Sdn. Bhd.

Other Directorship(s) in Public Companies and Listed Issuers: Nil

### **Dato' Dennis Chuah**

(Independent Non-Executive Director)  
Male, Malaysian, aged 47

Dato' Dennis Chuah is an Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA on 25 September 2013. He was also appointed as Chairman of the Audit Committee of the Company on 30 September 2014 and a member of Nominating Committee and Remuneration Committee.

In 1992, he joined Tako Group of Companies as a Sales Executive and was in charge of the sales of electrostatic discharge protective material for the semiconductor and electronics industries in Malaysia and Singapore. He founded Zapstat Sdn Bhd in 1996, a manufacturer of electronic antistatic discharge packaging material, and also one of the pioneer factory producing this advance packaging materials in Malaysia at that time.

Then in the year 2002, he established ETI Corporation Berhad (ETICB), a holding company doing R&D of Battery Management System and energy storage. ETICB was listed on the Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) Market of Bursa Malaysia and has obtained MSC status in R&D and manufacturing of Battery Management System and energy storage. In 2008 when ETICB's market capital value hit RM600 million, he was listed in "The Forbes Asia's 4th and 5th Annual Best Under A Billion". In year 2008 he went on to establish Eclimo Sdn. Bhd., a homegrown electric vehicle company promoting green technology with the vision to provide everyone an Eco Life Mobility and preserve the environment with zero emission. He is the Executive Director of Eclimo Sdn. Bhd..

Other Directorship(s) in Public Companies and Listed Issuers: Nil

# PROFILE OF THE DIRECTORS (Cont'd)

## Loh Yee Sing

(Independent Non-Executive Director)  
Female, Malaysian, aged 45

Loh Yee Sing is an Independent Non-Executive Director of ATTA. She was appointed to the Board of ATTA on 28 November 2016. Concurrently, she was also appointed as a member of the Audit Committee, Nominating Committee and Risk Management Committee of the Company.

She graduated with a Bachelor of Commerce (Accounting), Nelson Polytechnic at New Zealand. She is also a member of the Malaysian Institute of Accountant, Institute of Chartered Accountants New Zealand.

She has more than 15 years' experience in the field of Finance and Accounting. Presently, she is a Senior Accountant of Zhulian Group of Companies.

Other Directorship(s) in Public Companies and Listed Issuers: Nil

## Goh Chin Heng

(Non-Independent Non-Executive Director)  
Male, Malaysian, aged 43

Goh Chin Heng is a Non-Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA on 1 October 2020.

He founded G Reka Management Sdn. Bhd. (formerly known as G Reka Perunding Sdn. Bhd.) ("GRMSB") which is a Grade 7 contractor registered with Construction Industry Development Board ("CIDB") in year 2017 with his solid industrial knowledge. He has been appointed as the Managing Director of GRMSB and he is primarily responsible for the overall business strategy towards the profitable growth of GRMSB as dictated by the Boards strategy. He creates the blueprint for GRMSB, executing the comprehensive business plans and ventures, overseeing GRMSB's financial performance and implementing operating plans and policies which are paralleled with GRMSB's objectives and visions. Uncontroversial, he is presently serving as a Project Director for Titijaya Land Berhad and also the Executive Director of Jade Marvel Group Berhad (formerly known as JMR Conglomeration Berhad). Back in his early career days, Mr. Goh practised as a design and project engineer with Arup Jururunding Sdn. Bhd. and was often involved in large scale development projects undertaken by both public and private sectors.

His quality of being agile coupled with his adequate exposure diversity landed him a position of Senior Engineer with Ivory Properties Group Berhad ("IPGB"), a Malaysian Public Listed Company. He was promoted multiple times throughout his tenure with IPGB and his diligence, dedication, leadership skills and traits led him to the position of Chief Operating Officer. While holding the Chief Operating Officers office, he administered the day-to-day overall quality management of IPGB and collaborated with Chief Executive Officer in driving all businesses and investments of IPGB.

His holistic experience in the real estate industry propelled him into the Directors office of Tropicana Ivory Sdn. Bhd. which was then the joint venture company incorporated between IPGB and Tropicana Corporation Berhad.

He is deemed interest through G Reka Management Sdn. Bhd. (formerly known as G Reka Perunding Sdn. Bhd.), a substantial shareholder of ATTA.

Other Directorship(s) in Public Companies and Listed Issuers: Jade Marvel Group Berhad

### Notes:

i. **Family Relationships with any Directors and/or Major Shareholders**

All the Directors of the Company do not have any family relationship with any Directors and/or Major Shareholders of the Company.

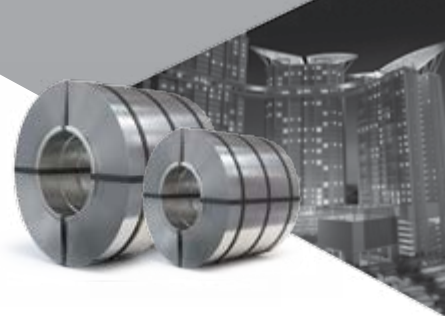
ii. **Conflict of Interest**

All the Directors of the Company do not have any conflict of interest with the Company.

iii. **Non-conviction of Offences**

All the Directors have not been convicted of any offences within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period.

# PROFILE OF KEY SENIOR MANAGEMENT



## Tan Kim Hee

(Executive Director)  
Male, Malaysian, aged 56

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Ø Refer to the Profile of the Board of Directors on page 9}.

## Ng Chin Nam

(Executive Director)  
Male, Malaysian, aged 50

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Ø Refer to the Profile of the Board of Directors on page 9}.

## Chow Choon Hoong

(Executive Director)  
Male, Malaysian, aged 56

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Ø Refer to the Profile of the Board of Directors on page 10}.

## Siva Raman A/L S. Ramasamy Pattar

(Group Financial Controller)  
Male, Malaysian, aged 57

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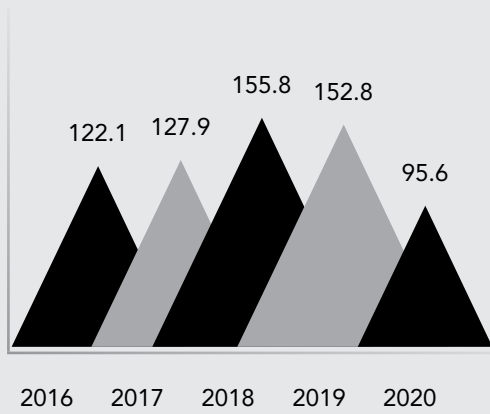
Siva Raman A/L S. Ramasamy Pattar, joined Group formerly known as SMPC in 1985 in Accounts Department after completing his Diploma in Accounting from London Chamber of Commerce and Industries. He graduated with Master of Business Administration ("MBA") specialized in Finance from University of Southern Queensland, Australia. He was promoted to the position of Group Financial Controller in 2010. He has more than 30 years of experience in the fields of accounting, costing and corporate finance.

He is responsible for the Group's financial reporting, corporate finance, financial planning and management, treasury, investor relation, tax planning and compliance.

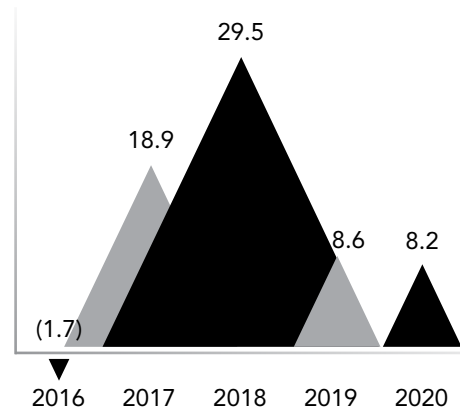
He does not have any family relationship with any Directors and/or Major Shareholders of the Company. He has no conflict of interest with the Company, has no conviction for offences within the past 5 years nor public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

# FINANCIAL HIGHLIGHTS

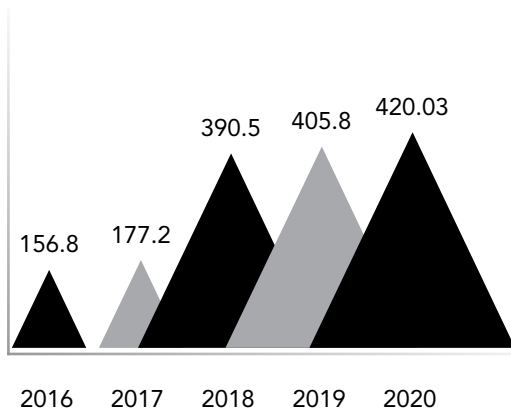
REVENUE (RM'000)



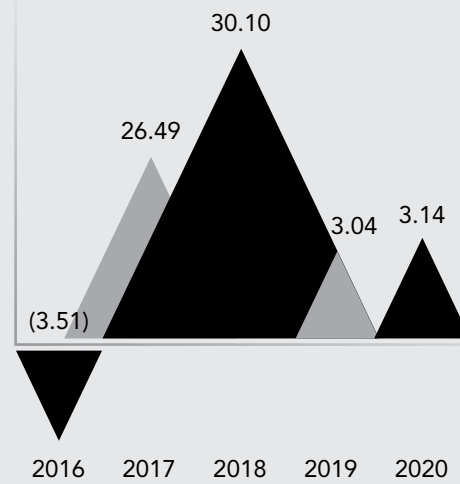
PROFIT/(LOSS) BEFORE TAX (RM'000)



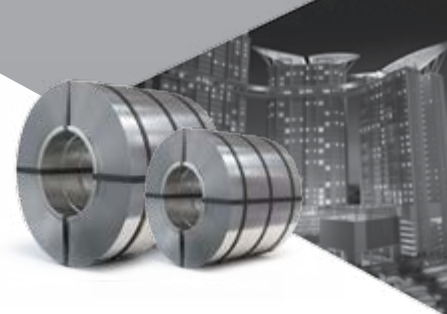
TOTAL ASSETS (RM'000)



EARNING/(LOSS) PER SHARE (SEN)



# MANAGEMENT DISCUSSION & ANALYSIS



## OVERVIEW

### Business and Operations

Atta Global Group Berhad ("ATTA") and its subsidiaries (collectively referred as "the Group") is involved in iron & steel industry, with subsidiaries operating in Prai, Kapar, Klang and Shah Alam, involving in Upstream and Downstream sectors which are principally involved in the process of shearing, re-shearing, slitting of steel coil, slitted flat bars, steel roofing, wall cladding structural floor decking, manufacturing and marketing of perforated metal, cables support, systems and screen plate, steel furniture and the industrial recycling of scrap metal.

Other businesses, including letting of industrial and commercial assets, provision of management consultancy, property development, construction and property investment sector.

### Change of Financial Year

The Group had changed its financial year end from 31 March 2020 to 30 June 2020.

## REVIEW OF FINANCIAL PERFORMANCE

### Sales Revenue

For the financial period ended ("FPE") 30 June 2020, ATTA generated revenue of approximately RM95.601 million. Revenue was partly contributed by progress billing from property development sector amounting to RM21.296 million. However, the uncertainty of the global and domestic economic conditions had impacted the manufacturing and trading division. The material processing (scrap) division is now concentrating more towards tenders and projects to improve its profitability.

### Earnings

The Group recorded a profit before tax of RM8.247 million for the FPE 30 June 2020. The profit is mainly attributed by property development division, recognition of gain on bargain purchase of subsidiaries and also derived from other income.

### Financial Position and Liquidity

The Group has sufficient working capital to sustain its business operation and to continue as a going concern. The Group maintain a healthy statement of financial position and strong cash position as at 30 June 2020. The Group's net assets per share stood at RM1.73 whilst cash and bank balances stood at RM26.3 million.

## REVIEW OF OPERATIONS

### Steel Product Manufacturing And Service Centre

- **Duro Metal Industrial (M) Sdn. Bhd.**
- **Syarikat Perkilangan Besi Gaya Sdn. Bhd.**
- **Metal Perforators (Malaysia) Sdn. Bhd.**
- **SMPC Industries Sdn. Bhd.**
- **SMPC Dexon Sdn. Bhd.**
  
- **Duro Metal Industrial (M) Sdn. Bhd. ("DURO")** is a manufacturing company of metal roofing and wall cladding sheets. DURO's range of roofing and wall cladding profiles include Durozip, Megadek, Skydek II, Durospan, V-Clad, 3 Pan Klip System 700 and also, we manufacture to the customer requirements for non-standard items. At DURO, we manufacture high tensile galvanized C-purlins and Z-purlins together with Durodek metal floor decking system for structural and composite concrete floor design requirements.  
  
DURO's products are manufactured to international standards, such as, ASTM, AS and BS. All the products are tested and verified by independent third-party test labs in accordance with the required local and international standards.
  
- **Syarikat Perkilangan Besi Gaya Sdn. Bhd. ("SPBG")** involved in metal processing business. Mainly involved in shredding, shearing, processing and trading of ferrous scrap metals. The sorted scrap metals will be purchased by the Company and processed to scrap metal blocks. The scrap metal blocks will be sold to the customers. The processing stage is relatively simple.

The metal processing business of the Group is a cash business, which requires huge cash outlay for the purpose of purchase of raw materials, i.e. scrap metals. The processing and turnover for the metal processing business is within a short period of time. Hence, the availability of sufficient financial resources will be the main success factor, as the Group intends to expand the scale of its metal processing business. Financial availability will be one of the competitive advantages to the Group in sourcing raw materials in more competitive pricing.

# MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

## REVIEW OF OPERATIONS (Cont'd)

### Steel Product Manufacturing And Service Centre (Cont'd)

- **Metal Perforators (Malaysia) Sdn. Bhd. ("MPM")** was incorporated in 1972 with initial principle business of manufacturing and trading of metal products. Today, MPM business is closely related to the national growth sector in construction, oil & gas, infrastructure projects and major manufacturing sector. With its assurance of high-quality products, prompt delivery and efficient service, MPM has grown to command a major share of the local market and are on our way to establish a strong international presence.
- **SMPC Industries Sdn. Bhd.** is a steel processor and it has state of the art metal coil processing centers in Klang, Malaysia. The processing centre core operation comprises the shearing, re-shearing and slitting metal coil.
- **SMPC Dexon Sdn. Bhd. ("DEXON")** is one of the manufacturers – exporter of steel furniture specializing in various ranges such as office, university, school, hostel, laboratory, military and marine along with solutions for Special Projects.

DEXON's products such as filing cabinets, cupboards, storage lockers, tables, beds and other products are exported to more than 10 countries worldwide across Asia, Middle East, Europe, Africa, America and Australia.

DEXON has a team of qualified, skilled and vibrant young people enables to set a benchmark standard in its process and consistency in quality leads to achieve ISO 9001:2008 certification in order to deliver our product guaranteed with value for money and delivery on time.

### Property Development

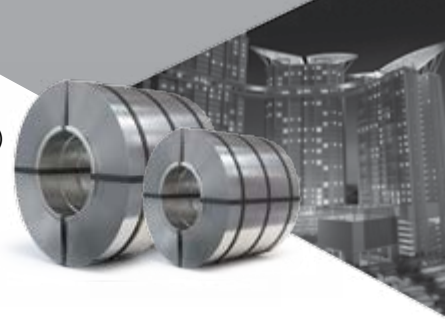
Ongoing property developments are undertaken by the division during the current financial period.

- **Sunrise Manner Sdn. Bhd.**

#### The Sky – Tripark



The Sky Urban Condominium, the flagship component of Tripark is strategically located along Jalan Seladang in Alma, Bukit Mertajam. Gracing the Alma Skylines with 3 aesthetically designed high rise tower of varying heights. The sky capture the eyes and imagination even from afar. Featuring a tastefully clean and minimalist architecture. Launched in 2018, The Sky comprises 560 units with wide selection of layouts with build-ups ranging from 1054 sq ft to 1,399 sq ft with ("GDV") of approximately RM257 Million with completion expected by 2022.



## Property Development (Cont'd)

- **Sungguh Gemilang Development Sdn. Bhd.**

### Marminton Homes



The Condominium nestled in the heart of business precinct Raja Uda, Butterworth, Penang. Marminton Homes is gated and guarded with complete amenities and facilities for the comfort of home owner to unwind and relax at own pace. It comprise 112 Units of condominium units with wide selection of layouts with build – ups ranging 1130 sq. ft. to 1323 sq. ft. and 8 units of 3 storey link house with 2700 sq. ft. with total GDV of approximately RM 70 Million with completion expected by 2021.

## SUSPENSION OF TRADING OF ATTA'S SECURITIES IN BURSA MALAYSIA

The securities of ATTA have been suspended from trading in Bursa Malaysia with effect from 12.08 p.m., Thursday, 16 January 2020, in accordance to Paragraph 16.02(1)(f) of the Main Market Listing Requirements pursuant to a directive from the Securities Commission Malaysia issued under Section 26(1)(c)(ii) of the Capital Markets and Services Act, 2007 ("CMSA") to effect the suspension as provided under Section 28(1)(a) of the CMSA.

The suspension arose from an investigation by the Polis Diraja Malaysia ("PDRM") of an offence under the Dangerous Drugs Act, 1952 of which the ATTA has been implicated by the remand of the former Executive Chairman, Mr. Ooi Chieng Sim, to assist in the investigation. The investigation into the alleged offences would fall under the Dangerous Drugs Act, 1952 and Dangerous Drugs (Forfeiture of Property) Act, 1988. In conjunction with the investigation, the PDRM has applied to freeze/seize certain bank accounts, central depository system ("CDS") accounts and assets (inclusive of properties and motor vehicles) belonging to the ATTA and certain subsidiaries on suspicions that they were obtained from illegal money or money acquired from allegedly criminal activities.

Notwithstanding that some of the assets have been released under bond, the ATTA has asserted its rights to defend those assets seized by making a claim to the Session Court in Pulau Pinang and the ATTA's duty is to provide how the properties were acquired. The ATTA's Solicitor had sent a Letter of Representation to the Attorney General Chamber detailing the background, business operation and how the seized properties were legitimately acquired by the ATTA with relevant evidence provided.

The ATTA's solicitors have opined that the explanation given by the ATTA is justifiable under the law. In the meantime, the Prosecution is in the midst of verifying all documents and explanation given by the ATTA's solicitors to them so that they can make their own fact-checking and a well-considered conclusion on how the seized assets were purchased and obtained.



# MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

## SUSPENSION OF TRADING OF COMPANY'S SECURITIES IN BURSA MALAYSIA (Cont'd)

On 14 May 2020, the following motor vehicles have been released on bond by Police Diraja Malaysia ("PDRM") pursuant to Section 26(2)(a) of the Dangerous Drugs (Forfeiture of Property) Act, 1988:

No.	Name of Company	Description of Motor Vehicle
1.	ATTA Global Group Berhad	BMW X5
2.	SMPC Industries Sdn. Bhd.	Mercedes Benz E350
3.	Progerex Sdn. Bhd.	i) 3 Units of Excavator, Model Kobelco ii) 4 Units of Lorry, Model Hino iii) 1 Unit of Proton Persona

Following the case management held on 8 September 2020, the Court has decided to release the following properties and CDS accounts of the Group:

### 1.1 Properties

Name of Company	Description of Property
Progerex Sdn. Bhd.	i) No. Lot 10707, No. Geran 8716, Daerah Seberang Perai Tengah, Mukim 14. ii) No. Lot 10708, No. Geran 8717, Daerah Seberang Perai Tengah, Mukim 14. iii) No. Lot 10709, No. Geran 8718, Daerah Seberang Perai Tengah, Mukim 14. iv) No. Lot 10710, No. Geran 8719, Daerah Seberang Perai Tengah, Mukim 14. - Total of 2.259 acres at Bukit Minyak, Seberang Perai

### 1.2 A total of 2 securities accounts maintained in the CDS account ATTA under M&A Securities Sdn. Bhd. and Inter-Pacific Securities Sdn. Bhd.

The Court has fixed another case management on 10 November 2020.

As at the date of this report, neither the ATTA nor any of its subsidiaries have been formally charged in the Court for any illegal activity connected with the investigation of the previous Executive Chairman by the PDRM.

## RISK AND MANAGEMENT

The Group and the Company are exposed to a variety of financial risks arising from their operation and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and Group Policy is not to engage in speculative activities. With a sound Risk Management System, the Group had in place a proper mitigation plan to minimise the risk.

### Credit Risk

The Group's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees given.

### Liquidity Risk

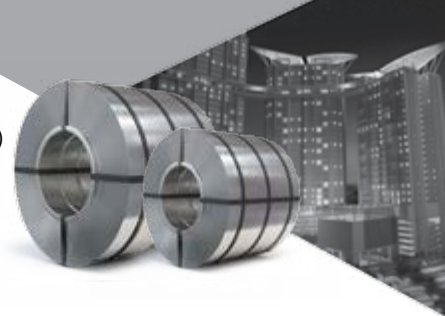
The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met as part of prudent liquidity management.

## STRATEGIES AND EXPANSION PLANS

In order to boost the growth of the Group, our Group's strategy focuses on maximizing business opportunities through the development of properties in strategic locations. Developing properties in strategic locations is paramount in supporting the market focus strategy of developing premium properties. The Group continuously innovate accommodation solution to meet the demand.

The Board has explored and considered various options to ensure its current business continuity are intact and sustainable and concurrently magnifying future business prospect as part of its endeavours to bring value to the Group and maximise the shareholders' return.

# MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



## INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

### COVID-19 Pandemic

The pandemic has and will impact the business of the Group and the Company as the local economy has taken a beating and adversely affected certain sectors. The Company will monitor closely the development of the pandemic and in the meantime has taken a measure to control and reduce cost and streamline its operation to mitigate the adverse consequences of this pandemic.

### Overview and Outlook of the Malaysian Economy

Global economic conditions deteriorated sharply as the COVID-19 pandemic escalated, with significant impact on the Malaysian economy. The domestic economy is also facing the economic effects from the necessary actions taken to contain COVID-19 locally and continued supply disruptions in the commodities sector. Malaysia's gross domestic product ("GDP") growth decelerate to 4.3% for 2019 against GDP growth of 4.7% in 2018 this was due mainly to weaker external demand and supply disruptions in the commodities sectors. Malaysia's GDP projected to be between -2.0% and 0.5% in 2020.

### Manufacturing

For ATTA Group, 2020 is a tough challenging year due to weaker global consumption of steel and volatility in steel price and the COVID-19 Pandemic are adversely impacting manufacturing sectors. In the manufacturing sector, prolonged factory closures in key industrial hubs in the COVID-19 affected countries is disrupting production activities across the global supply chain. As countries implement containment measures, firms are only able to operate at limited capacity amid labour and logistics constraints resulting in domestic firms facing difficulty in procuring input from source countries. The production disruption abroad would also lower demand for Malaysian manufactured products.

The Group shall continue to take precautionary and proactive steps to maximise all segments of its operation to ensure business sustainability and at the same time targeting to achieve better results for the next financial year.

### Property Development

The domestic property market will continue to brace challenges in 2021. The Group is cautious of the current market condition. Our Governments' efforts to boost housing affordability for all Malaysians and new initiatives such as Rent To Own ("RTO") financing schemes, Home Ownership Campaign ("HOC") incentives, Youth Housing schemes and lower threshold price for foreign house buyers would definitely boost the demand - side and along with newly announce market stimulating policies will further help to speed up the recovery process in Malaysia property market.

Property market will always go up and down, the economy will always fluctuate. However, there will always be the right investments to make. Over the long term, placing money into properties in Penang is a sound strategy because land is the most precious commodity in the island state.

The Group's competitiveness will largely depend on, amongst others, its sales and marketing strategies, product design, location of the development and its ability to price and differentiate its development to meet the needs of the target markets in future. The Group focuses on building properties that are affordable. The Group will gradually develop our existing land bank.

### Future Prospects

Barring any unforeseen circumstances, the Group shall remain optimistic of its business sustainability with the support of healthy statement of financial position and strong financial position while maintaining low gearing ratio and strong net tangible assets as well as healthy cash reserves. The Group will continuously seek to remain competitive by taking proactive measures and constantly keeping updated with the latest market condition while continuing efforts to seek new opportunities or markets in its businesses.

## DIVIDEND

The Board does not recommend any dividend for the FPE 30 June 2020.

# SUSTAINABILITY STATEMENT

## CORPORATE SUSTAINABILITY STATEMENT

The Board of directors of ATTA is pleased to present the sustainability statement of the Group according to the requirement of Bursa Malaysia.

The Group recognises the importance and benefits of integrating Economic, Environmental and Social (“EES”) concerns, to mitigate business risk, apply new and innovative technologies, manage our resources and environment as well as support Corporate Social Responsibility (“CSR”) sustainability into its business to sustain its business for long-term. These include working within the law in order to be innovative and demonstrating initiative to meet the requirement of various stakeholders including customers, employees, and shareholders.

## GOVERNANCE STRUCTURE

The Group sustainability efforts will enable the Group and its subsidiaries to chart the way forward through the local and global challenges and risks – now and the future.

The governance structure of the Group’s sustainability is as per below:-

<b>Board of Directors</b>	The Board is responsible for setting the Group’s sustainability strategies set the key elements of the Group’s practices with respect to economic, environmental and social sustainability matters.
<b>Risk Management Committee</b>	The Risk Management Committee oversees the implementation of sustainability strategy, evaluates overall sustainability risks and opportunities. The Risk Management Committee recognises that the steel industries operating environment has changed bringing with it new risks and opportunities.
<b>Head of Departments</b>	The Head of Departments support implementation of sustainability strategies and reports on the key sustainability indicators.

## SCOPE

The Group applies a sound corporate governance framework throughout the organization, environmentally responsible practices and community centric social policies continues with this commitment for the protection and interest of our shareholders and our stakeholders.

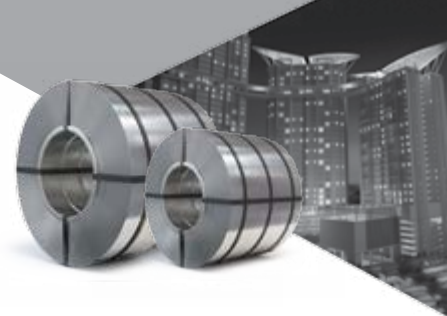
## STAKEHOLDER’S ENGAGEMENT

One of the core principles driving sustainability is effective stakeholder engagement. Stakeholders are those entities who are effected by or can influence a company’s operations and performance. The Board of Directors recognises that the Directors can make better progress in their sustainability journey by collaborating with the stakeholders. The Group continuously engages the stakeholders to identify and respond to their concerns.

We strive to improve our stakeholders’ engagement approach by identifying the sustainability stakeholders as follows:-

Key Stakeholders	Engagement Objectives	Stakeholders Interests
Shareholders and investors	to assist in making informed investment decisions by providing timely financial performance, to ensure accurate, clear timely and complete disclosure of material information.	<ul style="list-style-type: none"> <li>• Strong financial performance</li> <li>• Sustainability reporting</li> </ul>
Employees	to create a safe and healthy workplace and provide training programs.	<ul style="list-style-type: none"> <li>• Employee welfare</li> <li>• Training and development</li> </ul>
Customers	to create stronger market integrity.	<ul style="list-style-type: none"> <li>• Operational concerns</li> <li>• Customer satisfaction</li> </ul>
Suppliers	to drive sustainability across the board	<ul style="list-style-type: none"> <li>• Sustainable practises</li> </ul>

# SUSTAINABILITY STATEMENT (Cont'd)



## STAKEHOLDER'S ENGAGEMENT (Cont'd)

We strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows:- (Cont'd)

Key Stakeholders	Engagement Objectives	Stakeholders Interests
Government and Regulators	to comply with applicable laws and regulations across all operations.	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Annual reporting</li> <li>Sustainability reporting</li> </ul>
Local communities	to support local communities in economic, environmental and social development.	<ul style="list-style-type: none"> <li>Financial contributions</li> </ul>

## MATERIAL SUSTAINABILITY MATTERS

ATTA is an investment holding company whilst its subsidiaries are principally involved in the processing and manufacturing of steel coil, tube, strapping, steel furniture, metal roofing, floor decking, perforated metal and the industrial recycling of scrap metal. We also have diversified into property development. Workplace safety is key social concern in steel industry and project development. In view of this, the Group places high priority for occupational safety and health centric labour practices. The Group organises a health and safety campaign to increase awareness among employees.

The Board has identified the Material Sustainability Matters ("MSM") of the Group as follows:

### Economic

We recognise the value brought to our stakeholders by building a sustainable relationship with stakeholders and utilising our resources to contribute to economic growth.

### Customers

We place high priority on customer engagement with timely delivery, improve the effectiveness of quality management and ensure customers satisfaction in our product and services.

### Employees

The Group understands that its employee is its most valuable asset. Our hiring practises are based on capability and suitability and there is no discrimination in our hiring policies. The wellbeing of our employees remains the priority as their strength and contributions are the Group's result. We create and maintain a safe and healthy workplace.

### Environment

The Group continues to place great importance on the need to protect our environment, maintain good manufacturing practices and adhere to the government environmental policies at all times. All manufacturing facilities are pursuing their own waste reduction programmes.

### Social

The Group is committed to Corporate Social Responsibility ("CSR") by integrating it into the business operations. The Group is always looking for any opportunity to assist charitable organisations and schools by providing products manufactured by the group such as furniture and roofing. The Group is also providing practical industrial training to students from the public and private institutions of higher learning.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of ATTA Global Group Berhad recognizes the importance of good corporate governance. The Board is committed to ensure that the Principles and Best Practices of the Malaysian Code on Corporate Governance ("MCCG") are practised throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance long term shareholders' value and the financial performance of the Group, whilst considering the interests of other stakeholders.

This overview statement sets out the Group's application of the principles of the MCCG and extent of compliance with the best practices throughout the financial period ended 30 June 2020. Furthermore, it also provides investors with an insight into the corporate governance practices of the Company under the leadership of the Board.

This statement is prepared with a resolution of the Board dated 23 October 2020 and in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Main LR") and it is to be read in conjunction with our Corporate Governance Report ("CG Report") which is published on Bursa Malaysia's website and also Company's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### *The Principal Responsibilities of the Board*

The Board assumes full responsibilities to the shareholders for the Group's overall performance with its objectives, strategic planning, development and implementation, decision making, business performance, succession planning, risk management, investor relations, internal control, financial and management information systems for the purpose of achieving the goals of the Company. The day-to-day management of the Group is delegated to the management but key matters are reserved for the Board. All Board members bring an independent judgment to bear on issues of strategy, performance, resources and standards of conduct for the assurance of the corporate goals; and objectives are being made towards the Group's governance assurance framework.

The Board Committees operate within clearly defined Terms of Reference ("TOR"), which sets out matters relevant to the composition, responsibilities and administration of these committees. The Board regularly reviews the TORs of the Board Committees to ensure they are consistent with the rules and regulations prescribed under the Main LR and MCCG.

### *Board Charter and Code of Ethics and Business Conduct*

The Board has established clear functions reserved for the Board and those delegated to Management in the Board Charter (the "Charter") which serves as a reference point for Board's activities. The Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors which are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Charter is available at the Company's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com).

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which will be available on the Company's website:

- Code of Business Conduct and Ethics
- Whistleblowing Policy and Procedures

### *Board Composition and Independence*

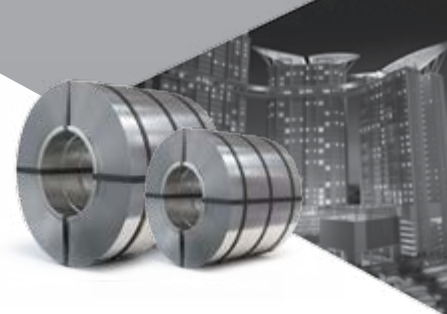
The Board of the Company consists of seven (7) Directors comprising three (3) Executive Directors, one (1) Executive Chairman and three (3) Independent Non-Executive Directors. This complies with the Main LR of Bursa Malaysia to have at least one third (1/3) of the Board consisting of Independent Directors. The Board is appropriately balanced to reflect the interests of the substantial shareholders and at the same time fairly represents and protects the interests of the minority shareholders of the Company. The presence of three (3) Independent Directors fulfils an important role in corporate accountability and is particularly important as they provide independent and unbiased views, advice and judgment.

The size and composition of the Board is well-balanced taking into account that the Directors come from differing backgrounds with commercial, financial and technical experience. With their wide range of functional knowledge and skills, the Board is able to bring in a broader perspective and depth to its decision-making process thereby ensuring efficiency and effectiveness in its management of the Group. In addition, the Independent Non-Executive Directors bring impartiality to Board's discussion and decisions. The Independent Non-Executive Directors ensure that all issues are properly addressed taking into account the interests of all stakeholders.

### *Board Meetings*

The Board meets five (5) times a year on a scheduled basis with additional meetings held when specific urgent or important matters are required to be considered and decided between the scheduled meetings.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### Board Meetings (Cont'd)

In view of the immediate decision making from the Board arising from the Company's securities being suspended by Bursa Malaysia on 16 January 2020 in accordance to Paragraph 16.02(1)(f) of the Main LR pursuant to a directive from Securities Commission Malaysia issued under Section 26(1)(c)(ii) of the Capital Markets and Services Act, 2007 ("CMSA") to effect the suspension as provided under Section 28(1)(a) of the CMSA and following with the seizure of the Group's motor vehicles, banking accounts, CDS Accounts and Properties in respect of the investigation on the offence under the Dangerous Drugs Act, 1952 ("Investigation Cases"), a total of eleven (11) Board Meetings were held during the financial period ended 30 June 2020.

Name of Directors		No. of Meetings Attended
Chiok Kian Chau (appointed on 18 October 2019 and resigned on 13 October 2020)	– Executive Chairman	8 out of 8
Tan Kim Hee	– Executive Director	9 out of 11
Ng Chin Nam	– Executive Director	11 out of 11
Chow Choon Hoong	– Executive Director	11 out of 11
Dato' Dennis Chuah	– Independent Non-Executive Director	11 out of 11
Sudesh A/L K.V. Sankaran	– Independent Non-Executive Director	11 out of 11
Loh Yee Sing	– Independent Non-Executive Director	10 out of 11
Ooi Chieng Sim (ceased as Director on 30 June 2020)	– Executive Director	4 out of 11

All the Directors have complied with the minimum attendance at Board Meetings during the financial period as stipulated by Bursa Malaysia except for Mr. Ooi Chieng Sim where his office has been vacated as he was absent from more than 50% of the total Board of Directors' Meetings held.

### Gender Diversity Policy

The Board has no immediate plan to implement a gender diversity policy as the Board views that any new appointment to the Board shall be based on candidate's capability, skills, experience, core competencies and integrity regardless of gender or ethnicity. However, currently the Board has only one female Director, Ms. Loh Yee Sing.

### Re-appointment and Re-election of Directors

Pursuant to the Company's Constitution, an election of Directors shall take place each year at the Annual General Meeting ("AGM") of the Company where one-third (1/3) of the Directors are subject to retirement by rotation provided always that all Directors shall retire from office once in every three (3) years and shall be eligible for re-election. The Nominating Committee annually assesses the Directors standing for re-appointment and re-election, and recommends the re-appointment and re-election of Directors to the Board for a decision prior to the AGM.

### Training for Directors

The Directors recognize the need to develop and update themselves and the Company provides a dedicated training budget for Directors' continuing education. The following courses were attended by the Directors during the financial period ended 30 June 2020:

#### Name of Course

- Awareness Training of ISO 22000:2018
- Covid-19 and the New Normal: Corporate Rescue Mechanisms in Time of Crises
- Mandatory Accreditation Programme (MAP) Course
- Sales Tax 2018 – Management of Exemption Facilities
- Tax Optimisation on Capital and Industrial Building Allowances 2019
- Training on Internal Quality Audit of ISO 22000:2018

However, every Director is encouraged to evaluate their own training needs and undergo continuous training to equip themselves with enhanced knowledge and effectively contribute their duties to the Board. The Company Secretary circulated from time to time the relevant guidelines on statutory and regulatory requirements to the Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### Board Committees

The Board delegates some of its authorities to Board Committees. The Board entrusts the Committees with specific duties and responsibilities to oversee the Group's affairs and act on behalf of the Board in accordance with their respective TOR. Key issues and decisions arising from Board Committees are referred to the Board for deliberation and decision.

The Board Committees are as follows:

#### (a) Audit Committee

The Audit Committee composed of all Independent Non-Executive Directors, and is chaired by Dato' Dennis Chuah.

A full report of the Audit Committee with details of its membership and a summary of the work performed during the financial year are set out in the Audit Committee Report of this annual report.

#### (b) Nominating Committee

The Nominating Committee was established on 18 January 2002. The Nominating Committee comprises wholly of Independent Non-Executive Directors as follows:

Sudesh A/L K. V. Sankaran	- Independent Non-Executive Director	(Chairman)
Dato' Dennis Chuah	- Independent Non-Executive Director	(Member)
Loh Yee Sing	- Independent Non-Executive Director	(Member)
Chiok Kian Chau*	- Independent Non-Executive Director	(Member)

\* appointed on 18 October 2019 as member of Nominating Committee and resigned on 18 February 2020 by virtue of him be appointed as Executive Chairman of the Company, he would not be able to fulfill the requirement under Paragraph 15.08A of Main LR of Bursa Malaysia which requires exclusively Non-Executive Directors.

The Nominating Committee meets as and when necessary. The role of the Nominating Committee is set out in its TOR and available for reference on the Company's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com).

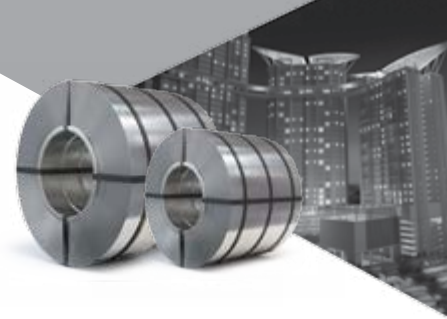
The activities of the Nominating Committee during the financial period are as follows:

- (a) In relation to the Investigation Cases and also where the former Executive Chairman, Ooi Chieng Sim being charged under Section 39(B)(1) of the Dangerous Drugs Act 1952, the Nominating Committee had taken immediate steps to restructuring the Board's composition of the Company and its subsidiaries.

The Nominating Committee had four (4) meetings in the financial period under review and majority members attended the meetings and had undertaken the following activities/actions for recommendation to the Board for approval:

- Formation of the Adhoc Committee comprised of three (3) Executive Directors and two (2) Independent Directors to address the issues arising from the Investigation Case;
  - Tan Kim Hee, being a major shareholder of the Group was proposed and appointed as Executive Director to take stewardship of the Group's direction and spearhead the operations and running of the Group's operations;
  - Chiok Kian Chau with his financial planning and audit background was proposed and appointed also to be the Executive Director to provide a check and balances on the Group's operations and discharging its responsibilities to protect the interest of the shareholders;
  - Suspended the directorship of Ooi Chieng Sim from Executive Chairman of the Company and its subsidiaries as executive roles to enable him to focus on his defence; and
  - Restructured the composition of the Risk Management Committee and Remuneration Committee.
- (b) Reviewed the performance of the Directors who will be retiring at the forthcoming AGM in Year 2020 prior to recommending them for Board's approval.
- (c) Reviewed and assessed the Board balance and composition of the Directors, the Directors' contribution and the effectiveness of the Board as a whole except for Ooi Chieng Sim where his office was vacated on 30 June 2020 and also taking proactive planning to nominate Directors to be in place of Ooi Chieng Sim's directorship in all the subsidiaries level.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### Board Committees (Cont'd)

#### (b) Nominating Committee (Cont'd)

- (d) Reviewed the performance of the Audit Committee and each of its members, the Nominating Committee and the Remuneration Committee.
- (e) Assessed the Independence of the Independent Directors.
- (f) Assessed, justified and made the recommendation to the Board for the retention of Independent Director who have exceeded a cumulative term of twelve (12) years.

The results of the self-assessment by Directors and Board's effectiveness as a whole and the same would be tabled to the Board for review and deliberation. The Nominating Committee upon its assessment carried out for the financial period ended 30 June 2020 was satisfied:

- with its current board size and the effectiveness of the Board/Board Committee and sufficient with appropriate mix of knowledge, wide and varied technical, financial and commercial experience.
- the Board has been able to discharge its duties professionally and effectively.
- the Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined by the Main LR.
- the Directors are able to devote sufficient time commitment to their roles and responsibilities as directors of the company, as none of them holds more than 5 directorships in public listed companies.

All assessments and evaluations carried out by the Nominating Committee in discharging its functions have been properly documented.

#### (c) Remuneration Committee

The Remuneration Committee was established on 18 January 2002. The Remuneration Committee comprises mainly of Independent Non-Executive Directors as follows:

Sudesh A/L K. V. Sankaran	- Independent Non-Executive Director	(Chairman)
Dato' Dennis Chuah	- Independent Non-Executive Director	(Member)
Ooi Chieng Sim (ceased as Director on 30 June 2020)	- Executive Director	(Member)
Chiok Kian Chau (appointed on 18 October 2019 and resigned on 13 October 2020)	- Executive Chairman	(Member)

The Remuneration Committee meets as and when necessary. The role of the Remuneration Committee is set out in its TOR and available for reference on the Company's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com).

The Remuneration Committee had three (3) meetings in the financial period under review and all members attended the meetings. During the financial period ended, the Remuneration Committee had undertaken the following actions in view of the on-going investigation cases caused uncertainty in the overall's operation coupled with the challenging and uncertain market condition due to COVID-19 pandemic:

- recommendation of a pay cut exercise with effect from 1 June 2020 to 31 December 2020 for the Company and its subsidiaries subject to year-end review:

Employees	Pay Cut
(a) Executive Director	30%
(b) Senior Management – salary more than RM10,000 and above per month	15%
(c) Salary more than RM7,000 to RM10,000 per month	10%
(d) Salary more than RM4,000 to RM7,000 per month	5%

- the quantum for the Directors' fee of RM1,500 per month and also Directors' benefit for meeting allowance of RM1,000 per attendance for each Non-Executive Directors and Independent Directors were recommended to be at status quo as to remunerate the Independent Directors who have continued in contributing their effort, time and support in facing and handling the investigation case.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### Board Committees (Cont'd)

#### (d) Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee was established on 18 October 2012. The ESOS Committee comprises the following:

Chiok Kian Chau (appointed on 18 October 2019 and resigned on 13 October 2020)	- Executive Chairman	(Chairman)
Ng Chin Nam	- Executive Director	(Member)
Siva Raman A/L S. Ramasamy Pattar	- Group Financial Controller	(Member)
Ooi Chieng Sim (ceased as Director on 30 June 2020)	- Executive Director	(Member)

### Remuneration of Directors

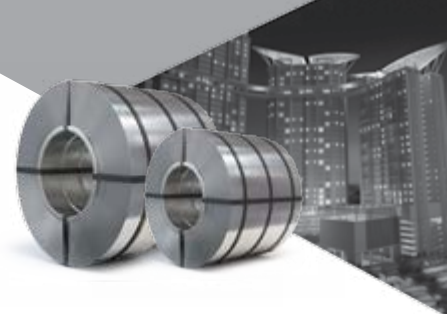
The Remuneration of Directors is reviewed periodically giving due recognition to performance, industry norms and competitive pressures so as to ensure that the Group can attract and retain executives of the necessary quality. The details of the Remuneration of Directors are as follows:

#### Executive Directors' Remuneration

##### Company

Name of Directors	Salary RM	Fee RM	Other Emoluments RM	Defined Contribution RM	Benefit in Kind RM
<b>Executive Director</b>					
Ooi Chieng Sim (ceased as Director on 30 June 2020)	198,000	-	-	23,760	-
Ng Chin Nam	47,940	-	-	5,753	-
Tan Kim Hee *	117,500	-	-	14,100	-
Chiok Kian Chau **	117,500	-	-	14,100	-
Chow Choon Hoong	-	-	-	-	-
<b>Non-Executive Director</b>					
Tan Kim Hee *	-	15,000	-	-	-
Chiok Kian Chau **	-	4,500	4,000	-	-
Sudesh A/L K.V. Sankaran	-	22,500	5,000	-	-
Dato' Dennis Chuah	-	22,500	5,000	-	-
Loh Yee Sing	-	22,500	4,000	-	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### Remuneration of Directors (Cont'd)

#### Executive Directors' Remuneration (Cont'd)

##### Group

Name of Directors	Salary RM	Fee RM	Other Emoluments RM	Defined Contribution RM	Benefit in Kind RM
<b>Executive Director</b>					
Ooi Chieng Sim (ceased as Director on 30 June 2020)	198,000	-	-	23,760	-
Ng Chin Nam	206,760	-	10,800	25,296	-
Tan Kim Hee *	117,500	-	-	14,100	-
Chiok Kian Chau **	117,500	-	-	14,100	-
Chow Choon Hoong	250,000	-	-	30,280	-
<b>Non-Executive Director</b>					
Tan Kim Hee *	-	15,000	-	-	-
Chiok Kian Chau **	-	4,500	4,000	-	-
Sudesh A/L K.V. Sankaran	-	22,500	5,000	-	-
Dato' Dennis Chuah	-	22,500	5,000	-	-
Loh Yee Sing	-	22,500	4,000	-	-

#### Note :

\* redesignated from Non-Independent Non-Executive Director to Executive Director on 18 February 2020.

\*\* appointed on 18 October 2019 as Independent Non-Executive Director, redesignated from Independent Non-Executive Director to Executive Chairman on 18 February 2020, from Executive Chairman to Executive Director on 1 October 2020 and resigned as Executive Director on 13 October 2020.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGERMENTS

### Risk Management and Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. The Statement on Risk Management and Internal Control is set out in this Annual report.

In accordance with the MCCG and the Main Market Listing Requirements of Bursa Securities, the Board has established an internal audit function which reports directly to the Audit Committee. The function is currently outsourced to an independent professional firm. The Audit Committee had also undertaken an annual assessment of the quality of the internal auditor based on an assessment questionnaire, and no material issue and major deficiency had been noted which pose a high risk to the overall system of internal control under review.

### Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects in presenting the annual financial statements and the quarterly announcement of results to shareholders. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting. The Audit Committee reviews the Group's annual and quarterly financial statements and the Group accounting policies to ensure that the Group's financial reporting comply with accounting standards and regulatory requirements.

### Audit Committee

The Board is assisted by the Audit Committee in overseeing the Group's financial reporting, risk management and internal control system. The composition, TOR and summary of the activities of the Audit Committee during the financial period are disclosed in the Audit Committee Report of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGERMENTS (Cont'd)

### *Assessment of Suitability and Independence of External Auditors ("EA")*

The Audit Committee ("AC") had on 28 May 2020 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within the Group's timeline. The AC then decided to recommend for the Board's approval the re-appointment of Messrs. Grant Thornton as EA of the Company for the financial year ending 30 June 2021. At the same time, the AC further undertook an annual assessment of the quality of audit, which encompassed the performance of the EA, Grant Thornton, and the quality of their communications with the AC and the Group, based on the feedback obtained via assessment questionnaires from the company's personnel who had regular contact with the EA team, Grant Thornton throughout the year. The AC also took into account the openness in communication and interaction with the lead audit engagement team through discussion at private meetings, which demonstrated their independence, objectivity and professionalism. Grant Thornton had also confirmed their independence throughout the conduct of their audit engagement with ATTA Group in accordance with the independence criteria set.

The AC was satisfied with the suitability of Grant Thornton based on their quality of service and sufficiency of resources. Having regard to the outcome of the evaluations and the annual assessment of EA which supported the AC's recommendation on the suitability and independence of the EA, the Board approved the AC's recommendation for the shareholders' approval to be sought at the AGM on the appointment of Grant Thornton as EA of the company for the financial year ending 30 June 2021.

A statement by the directors on their responsibilities in preparing the financial statements is set out on this Annual Report.

### *Relationship with Auditors*

The Board has established a formal and transparent arrangement to meet the EA's professional requirements. The EA have continued to highlight to the Audit Committee and Board of Directors matters that require the Board's attention. The Audit Committee will have a private session with the EA without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the AC and the EA. The AC obtains reasonable assurance on the effectiveness of the internal control system through annual independent appraisal by the EA. The EA are invited to attend the Company's AGM.

Further details on the AC in relation to the EA are set out in the AC report in this Annual report.

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

### *Investor Relations and Communication*

The Board believes that shareholders should be informed of all material business matters which influence the Group. Besides the key channels of communication through the Annual Report, general meetings and announcements to Bursa securities, there is also continuous effort to enhance the Group's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com) as a channel of communication and information dissemination.

The Group welcomes dialogue with investors and financial analysts from time to time as a means of effective communication that enables the Board and Management to convey permissible information about the Group's performance, corporate strategy and major development plans.

The AGM remains the principal forum for communication and dialogue with shareholders. The AGM provides the opportunity for interaction amongst shareholder, Directors and Management, where the shareholders are at liberty to raise questions on the AGM agenda. They will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance as the Directors and the representatives of the external auditors will be present to answer any questions that they may have.

### *Poll Voting*

In line with the Listing Requirements, all resolutions set out in the Notice of AGM will be voted by poll and a scrutineer will be appointed to validate the votes cast. Poll voting more accurately and fairly reflects shareholders' views as every vote is recognised thus enforcing greater shareholder's rights.

# CORPORATE SOCIAL RESPONSIBILITY



The Group believes that a good management of Corporate Social Responsibility (“CSR”) is considered as a requirement to meet the evolving needs in a fast-paced business environment. The rising expectations for a sustainable business practices from our stakeholders always drive us to ensure social responsibilities are not being ignored in the course of pursuing business growth.

CSR principles are shared with our employees to ensure their duties are performed with an awareness of social responsibilities. As part of our commitment to staff development, we encourage our employees to upgrade and join various learning and development programs throughout the year.

We also encourage our employees to be environmentally friendly by using recycled paper and switching off lighting and air-conditioning during office breaks and/or when not use to save energy.

As a responsible corporate organization, the Group provides practical industrial training to under graduates from polytechnic and universities for the purpose of industrial trainings as some of our initiatives that demonstrate our commitment towards the community.

On an environmental point of view, the Group always maintains good manufacturing practices and adhere to government environmental policies at all times whereby all our manufacturing units maintain its own waste reduction plans.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

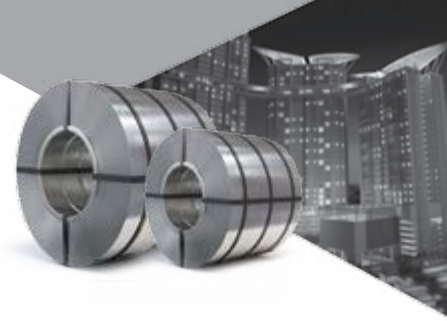
In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed and made a statement to that effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps in safeguarding the assets of the Group and Company for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed issuers ("the Guidelines"), the Board of Directors of ATTA Global Group Berhad ("ATTA" or "the Group") is pleased to include the following Statement of Risk Management & Internal Control ("the Statement") in this annual report.

## BOARD'S RESPONSIBILITIES

The Board of Directors ("the Board") recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity.

In addition, the Board has also received assurance from the Executive Directors and Group Financial Controller, who are primarily responsible for the management of the Group's financial affairs, that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Due to the inherent limitations in any risk management and internal control system, such system put into effect by Management is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

## KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system that facilitates the proper conduct of the Group's businesses are described below:

### 1. Risk Management System

The Risk Management Committee, which is made up of key management staff and Executive Directors, review the risk profiles of the Group. The key risks relating to the Group's strategic and business plans are addressed at the Board and Senior Management Meetings on a periodical basis. In addition, the responsibility of managing the risks of each department within the Group lies with the respective Heads of Department and it is during the periodic management meetings where significant risks identified and the corresponding internal controls implemented are communicated to the Executive Directors and Senior Management.

During the period under review, the process was carried out through management meetings held to discuss key risks and the appropriate mitigating controls. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage risks. This process has been in place for the year under review and up to the date of approval of this statement.

### 2. Internal Control System

Other elements of the Group's internal control system include:

- Organization Structure & Authorisation Procedures

The Group maintains a formal organizational structure with clear delegation of responsibilities and accountabilities. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures to enhance the internal control system of the Group's various business units.

- Group Policies and Procedures

Documented policies and procedures are in place and are regularly reviewed and updated so as to ensure that they maintain their effectiveness and continue to support the Group's business activities as the Group continues to grow.

Certain subsidiaries within the Group are ISO 9001 certified. With this certification, reviews are conducted by independent ISO auditors particularly to ensure compliance with terms and conditions of the respective certifications.

- Information and Communication

Information critical to the achievement of the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

## KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

### 2. Internal Control System (Cont'd)

Other elements of the Group's internal control system include: (Cont'd)

- Monitoring and Review

The Executive Directors are closely involved in the daily operations and are responsible for the business performances of the respective business units. Daily operations of the Group are monitored through attendance at management meetings and informal discussions. Significant issues are brought to the attention of the Board, where necessary.

The quarterly financial statements are presented to the Board for their review, consideration and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.

### 3. Internal Audit Function

The Group's internal audit function is to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. They report directly to the Audit Committee.

Based on the Audit Committee's assessment of risks faced by ATTA, the Audit Committee has appointed a service provider to conduct a specific scope assessment of the cash collection control management processes of Metal Perforators (Malaysia) Sdn Bhd ("MPM") and Duro Metal Industrial (M) Sdn. Bhd. ("DURO"), subsidiaries of ATTA. The results of the assessment had been discussed with Senior Management and subsequently, the findings, including the recommendations for improvement was reported to the Audit Committee at their next scheduled meeting. The total professional fees for the abovementioned specific scope assessment is RM10,500.

## REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the 2020 Annual report. This statement is reviewed in accordance with recommended Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagement and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

## CONCLUSION

The Board is of the view that the Group's risk management and internal control system is adequate to safeguard shareholders' investments and the group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework.

This statement is made in accordance with the resolution of the Board dated 23 October 2020.

# AUDIT COMMITTEE REPORT



The Board of Directors ("the Board") of Atta Global Group Berhad ("ATTA" or "the Company") is pleased to present the Audit Committee ("AC") Report for the financial period ended 30 June 2020 in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Practice 8.4 under Principle B of the Malaysian Code on Corporate Governance 2017 ("MCCG").

In performing their duties and discharging their responsibilities, the AC is guided by its Board Charter and also its Terms of Reference ("TOR") which are available on the Company's website at [www.attaglobalgroup.com](http://www.attaglobalgroup.com).

## Compositions and Meetings

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors; and has complied with the Main LR of Bursa Malaysia which require the AC to have no fewer than three (3) members, all members to be Non-Executive Directors.

The AC, Ms. Loh Yee Sing is a member of the Malaysian Institute of Accountant and accordingly, the Company also meets the requirement of Paragraph 15.09(c)(i) of the Main LR of Bursa Malaysia in that one of its members is a fellow member of the Malaysian Institute of Accountants and Australian Chartered Accountants. All members of the AC are financially literate and are able to analyze and interpret financial statements in order to effectively discharge their duties and responsibilities as members of AC.

A total of seven (7) AC Meetings were held during the financial period ended 30 June 2020 and the details of the attendance were as follows:

Name of Member			No. of Meetings Attended
Dato' Dennis Chuah	- Independent Non-Executive Director	(Chairman)	7 out of 7
Sudesh A/L K.V. Sankaran	- Independent Non-Executive Director	(Member)	7 out of 7
Loh Yee Sing	- Independent Non-Executive Director	(Member)	6 out of 7
Chiok Kian Chau*	- Independent Non-Executive Director	(Member)	1 out of 1

Note:

\* appointed on 18 October 2019 as member of AC and resigned on 18 February 2020 by virtue of him be appointed as Executive Chairman of the Company, he would not be able to fulfill the requirement under Paragraph 15.09(1b) of Main LR of Bursa Malaysia which requires exclusively Non-Executive Directors.

Representatives of the external and internal auditors were present by invitation at the meetings. The detailed profiles of all the members of the AC are shown in the Board of Directors' profile.

The AC Chairman meets regularly with Senior Management to be kept informed of matters affecting the Group. The Group's external auditors were in attendance at four (4) meetings during the financial period. Discussions between the AC and the external auditors were held in two (2) of the said meetings without the presence of any Group executives.

The Company Secretary shall be the Secretary of the AC. The Secretary shall maintain minutes of the proceedings of the meetings of the AC and circulate such minutes to all members of the Board. Other Board members, the Group Financial Controller ("GFC") and employees were invited to facilitate direct communication and also to provide clarification on financial/audit issues and the Group's operation matters and the GFC will brief the AC on specific issues arising from the audit reports or any matters of interest. The AC Chairman presented to the Board the Committee's recommendation to approve the annual and quarterly financial statements and any significant concern as and when raised by the external auditors ("EA") or internal auditors ("IA"). The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the EA or IA in the respective quarterly presentations.

The TOR was reviewed and revised in July 2019 to reflect the requirement of the applicable practices and guidance of the MCCG.

The Nominating Committee reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual effectiveness evaluation. The Nominating Committee is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's TOR, supporting the Board in ensuring the group upholds appropriate corporate governance standards.



# AUDIT COMMITTEE REPORT (Cont'd)

## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial period ended 30 June 2020 in the discharge of its duties and responsibilities:

### (a) External Audit

- (i) Reviewed the scope of work and the Audit Planning Memorandum of the EA which includes reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for statutory audits of the group account and their proposed fees for the statutory audit in respect of the audit for financial period ended 30 June 2020 prior to recommending to the Board for approval.
- (ii) Reviewed with the EA on audit materiality and setting of materiality thresholds for the financial period ended 2020 audit.
- (iii) Reviewed and discuss the results of their audit report and management letter together with management's responses to their audit findings, including corrective actions taken by the management on outstanding audit issues highlighted in the previous audit.
- (iv) Met with the EA twice without the presence of management including the Executive director and GFC to discuss issues requiring attention/significant matters arising from the audit. The EA had highlighted the areas of concern and they have received full co-operation from the management.
- (v) Reviewed and evaluated the performance of the EA and their independence, objectivity and professionalism and assessment questionnaires were used as a tool for the assessment and made recommendations to the Board on their re-appointment. The EA provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

### (b) Financial Reporting

- (i) Reviewed the Group's unaudited quarterly financial statements, ensure compliance with the Companies Act 2016 Main LR, applicable accounting standards and other legal and regulatory requirement before recommending them to the Board for approval for the announcement to Bursa Malaysia. In discharging this role, the AC deliberated with the officers of the Group and EA on the following matters:
  - new accounting standards application during the financial period ended 2020;
  - revenue recognition;
  - valuation of investment properties;
  - net valuation for inventories; and
  - Impairment of trade receivables.
- (ii) Reviewed the audited financial statements of the Company and Group with EA to ensure compliance with the provisions of the Companies Act 2016 and the applicable accounting standards prior to submission to the Board for approval.
- (iii) To safeguard the integrity of information, the GFC had given assurance to the AC that:
  - appropriate accounting policies had been adopted and applied consistently;
  - the going concern basis applied in the annual financial statement was appropriate;
  - prudent judgements and reasonable estimates had been made in accordance with the Malaysian Financial Reporting standards ("MFRS"); and
  - the audited financial statement and quarterly consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and its subsidiaries for financial period ended 2020.

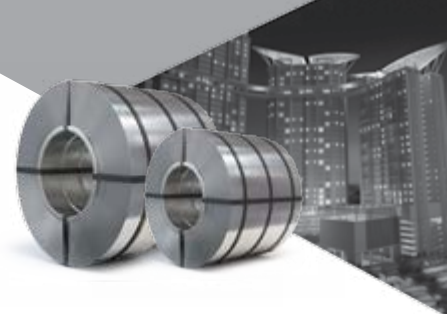
### (c) Internal Audit

- (i) Reviewed and approved the internal audit plan, including the scopes and audit approach.
- (ii) Reviewed and deliberated on the internal audit reports from the Internal Auditor Unit and management's response to the recommendations and presented the reports to the Board of Directors.
- (iii) Carried out an annual review of the performance of the Internal Auditor Unit including assessment of their suitability and independence in performing their obligations by completing a formal evaluation form.

### (d) Related Party Transactions

Reviewed the related party transactions to ensure they are transacted within the limit prescribed under the Main LR.

# AUDIT COMMITTEE REPORT (Cont'd)



## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (Cont'd)

### (e) Annual Report

- (i) Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report.
- (ii) Presented the AC Report to the Board for approval and inclusion in the Annual Report.

### (f) Compliance

Identified and proposed to outsource to a professional service provider firm to review for the Enterprise Risk Management and Compliance with Corporate Liability under Section 17A Malaysian Anti-Corruption (Amendment) Act 2018 to ensure business activities and business risks of the Group are implemented effectively in managing the risk to acceptable level and conducted with integrity within the Group.

## INTERNAL AUDIT FUNCTION

The Internal Audit Function of the Group was outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors report directly to the AC and assist the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit Function are embodied in the Internal Audit Board Charter. The costs incurred by the Group in relation to the Internal Audit Function for the financial period ended 30 June 2020 amounted to approximately RM10,500.

During the financial period ended 30 June 2020, the following activities were carried out by the Internal Audit Function:

- Reviewed and assessed the adequacy and integrity of internal control systems of the Group covering the business processes/audit areas as detailed in the Statement on Risk Management and Internal Control;
- Attended AC meetings to table the Internal Audit Report on findings assessment on internal control system, highlighted the risk and implications, and recommended improvements to the Management on weaknesses found; and
- Reviewed and reported on the follow-up status of previous status findings taken by the Management.

Internal audits are carried out in accordance with the internal annual planning memorandum and reports are issued to the AC for tabling at the AC meeting. The AC deliberates on the findings and recommendations as reported by the Internal Auditors and continues to monitor to ensure appropriate follow-up actions are taken on the recommendations of the Internal Auditors.

# ADDITIONAL COMPLIANCE INFORMATION

## DETAILS OF THE RECURRENT RELATED PARTY TRANSACTIONS

There was no related party transaction during the financial period.

## UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company received proceeds amounting to RM97.794 million from the issuance of 1,222,426,720 Irredeemable Convertible Preference Shares ("ICPS") at an issue price of RM0.08 per ICPS in December 2017. The proceeds have been utilized in the following manner as at 30 June 2020:

Purpose	Approved Utilisation RM'000	Amount Utilised RM'000	Balance Unutilized RM'000
Purchase of new equipment/machineries	6,550	4,078	2,472
Investment in new business	30,000	29,970	30
Upgrading of building	10,000	6,776	3,224
Working capital	50,244	49,325	919
Expenses in relation to the Proposal (ICPS)	1,000	763	237
Total:	<u>97,794</u>	<u>90,912</u>	<u>6,882</u>

## SANCTIONS AND/OR PENALTIES

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial period.

## AUDIT AND NON-AUDIT FEES

During the financial year, the audit fees paid or payable to the External Auditors by the Group and ATTA were RM165,000 and RM50,000 respectively.

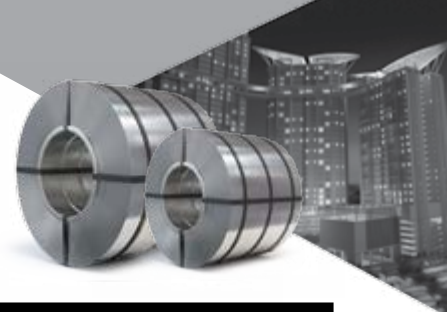
The non-audit fees paid or payable by the Group and ATTA to the External Auditors and a company affiliated to the External Auditors were RM3,000 and RM33,600 respectively. The non-audit fees are in relation to the review of the Statement on Risk Management and Internal Control and Taxation services.

## MATERIAL CONTRACTS AND CONTRACT RELATING TO LOAN AWARDED TO DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors, Chief Executive who is not a Director and substantial shareholders entered into since the end of the previous financial year.

# PROPERTIES OWNED BY THE GROUP

As at 30 June 2020



Location	Description	Tenure	Area	No. of Years Held	Age of Building	Carrying Amount RM	Year of Valuation
<b>ATTA Global Group Berhad</b>							
P.T. No. 1451 H.S. (D) No. 4696 Mukim 1, Province Wellesley Central, Penang	Factory	60 years lease to 2044	6.22247 acres	37	34	17,968,290	2020
<b>ATTA Global Group Berhad</b>							
<b>SMPC Industries Sdn Bhd</b>							
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Penang	Factor Office	60 years lease to 2045	4.01338 acres	24	29	22,031,710	2020
<b>SMPC Industries Sdn Bhd</b>							
Lot 717, 5 1/2 Miles Jalan Kapar, Klang, Selangor Darul Ehsan	Factory Office	Freehold	8.16875 acres	24	23	26,481,415	2009
<b>Progerex Sdn Bhd</b>							
Lot 1501, 1502, Mukim 14, Kampung To' suboh, Bukit Minyak, Simpang Ampat Seberang Perai Selatan, Penang	Land/ Rented	Freehold	2.259 acres	26	24	4,360,424	2020
Lot no. 3793, Mukim 6, Daerah Seberang Perai Tengah, Penang	6 Units of Apartment	Freehold		6	-	300,000	2020
Lot No. 4661, Mukim 07, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5708 Hectares	6	-	300,000	2020
Lot No. 4707, Mukim 03, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5837 Hectares	6	-	250,000	2020
Lot No. 10084, Bandar Gurun Daerah Kuala Mudah, Negeri Kedah	Factory Office	Freehold	7,041sm	4	-	3,200,000	2020
Lot No. 1242, Seksyen 13, Bandar George Town, Daerah Timor Laut, Pulau Pinang	Apartment	Freehold	7,447m2	3	-	1,432,500	-
<b>SMPC Marketing Sdn Bhd</b>							
Lot 176, Tempat Macang Kudung Mukim Jabi, Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	19	-	128,000	2001
<b>Duro Metal Industries Sdn Bhd</b>							
2 <sup>nd</sup> Floor Unit of 4 storey shop office in Taman Kinrara, Puchong, H.S. (M) 22709, PT 19499 Mukim Petaling, Selangor	Office	99 years lease to 2098	1,114 sf	20	20	133,910	1999
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	20	20	48,628	2001

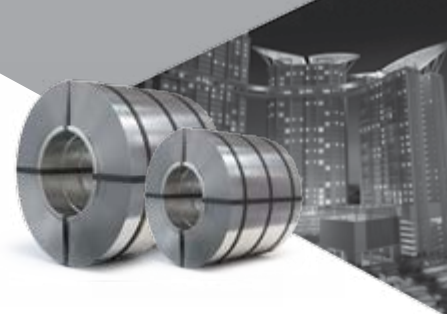
# PROPERTIES OWNED BY THE GROUP (Cont'd)

As at 30 June 2020

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Carrying Amount RM	Year of Valuation
<b>Metal Perforators (Malaysia) Sdn Bhd</b>							
Lot 5 & 7, Jalan Tukang 16/4, P.O. Box 7045, 40700 Shah Alam, Selangor	Leasehold Land Factory Office	99 years lease to 2071 & 2069	32,000sf 24,500sf	48 & 50	38	2,373,398	2005
<b>Kembang Kartika Sdn Bhd</b>							
Lot No. 228 & 1697 Mukim of Pekula, District of Kuala Muda, State of Kedah	Vacant Land	Freehold	10.4444 4.444 hectares	7	-	15,500,000	2020
<b>Part Avenue Construction (M) Sdn Bhd</b>							
Lot No. 410, Mukim 2, Daerah Barat Daya, Penang	Vacant Land	Freehold	23,725sf	7	-	1,919,100	2010
<b>Sunrise Manner Sdn Bhd</b>							
Lot 1146 Jalan Seladang Alma 14000 Bukit Mertajam, Pulau Pinang	Under Development Vacant Land	Freehold	53,443.14 sm	2	-	68,537,513	2018
<b>Climate Attitude Sdn Bhd</b>							
No. 6879A, Jalan Raja Uda, 12300 Butterworth, Pulau Pinang.	Real Estate / Leased Property	Freehold	16,414.5010 sm	1	-	38,692,014	2019
<b>Eminent Potential Sdn Bhd</b>							
Lot No. 576, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Property Development	Freehold	3,065.4889 sm	2	-	2,301,704	2017
<b>Scanrite Sdn Bhd</b>							
Lot No. 3018 & 3019 Seksyen 42, Bandar Kulim, Daerah Kulim, Kedah.	Property Development	Freehold	8,907.000	2	-	1,925,280	2015
<b>Sungguh Gemilang Development Sdn Bhd</b>							
Lot 10078, Seksyen 3, Jalan Cantik, Bandar Butterworth	Property Development	Freehold	7,101.000 sm	2	-	18,764,609	2018
<b>Santro Match Sdn Bhd</b>							
Lot 1587, Seksyen 12, Bandar George town, Pulau Pinang	Properties Investment	Freehold	1,459.3661 sm	1	-	15,000,000	2019
<b>MPSB Venture Sdn Bhd</b>							
Lot 20354 Mukim 13, North East District Penang.	Property Development	Freehold	13,492 sm	1	-	34,864,971	2019

# STATISTICS ON SHAREHOLDINGS

As at 9 October 2020



Total Number of Shares Issued : 213,318,162 (Excluding 774 Treasury Shares)  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per Ordinary Shares

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	282	9.96	8,739	0.00
100 - 1,000	1,018	35.97	335,809	0.16
1,001 - 10,000	931	32.90	4,716,677	2.21
10,001 - 100,000	531	18.76	16,876,044	7.91
100,001 - 10,665,907 (*)	65	2.30	77,213,725	36.20
10,665,908 and above (**)	3	0.11	114,167,168	53.52
<b>Total</b>	<b>2,830</b>	<b>100.00</b>	<b>213,318,162</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

## DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares					
		Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
			%		%		%
1	Dato' Sri Tajudin Bin Md Isa	-	-	-	-	-	-
2	Tan Kim Hee	46,500,000	21.80	-	-	46,500,000	21.80
3	Chiok Kian Chau (resigned on 13 October 2020)	110,000	0.05	-	-	110,000	0.05
4	Ng Chin Nam	187,193	0.09	3,582 <sup>1</sup>	0.00	190,775	0.09
5	Chow Choon Hoong	-	-	-	-	-	-
6	Sudesh A/L K.V. Sankaran	52,000	0.02	-	-	52,000	0.02
7	Dato' Dennis Chuah	-	-	-	-	-	-
8	Loh Yee Sing	-	-	-	-	-	-
9	Goh Chin Heng	-	-	50,020,000 <sup>2</sup>	23.45	50,020,000	23.45

By virtue of his interest in the shares of the Company, **Mr. Tan Kim Hee** is also deemed to have an interest in shares of all the subsidiaries, to the extent that the Company and the holding company have interests.

Other than above, none of the other Directors had any interest in shares in the Company or its related companies.

### Notes:

- Deemed interested by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act, 2016.
- Deemed interested by virtue of his interest in G Reka Management Sdn. Bhd. (formerly known as G Reka Perunding Sdn. Bhd.) pursuant to Section 8 of the Companies Act, 2016.

# STATISTICS ON SHAREHOLDINGS (Cont'd)

As at 9 October 2020

## SUBSTANTIAL SHAREHOLDERS

According to the 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.

No.	Name of Substantial Shareholders	No. of Shares					
		Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
1	G Reka Management Sdn Bhd (Formerly Known As G Reka Perunding Sdn Bhd)	50,020,000	23.45	-	-	50,020,000	23.45
2	Goh Chin Heng	-	-	50,020,000 <sup>1</sup>	23.45	50,020,000	23.45
3	Tan Kim Hee	46,500,000	21.80	-	-	46,500,000	21.80
4	Ooi Chieng Sim	21,980,985	10.30	-	-	21,980,985	10.30

Note:

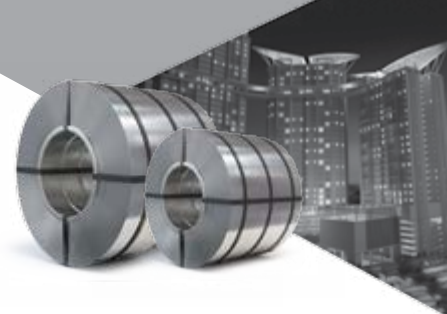
1. Deemed interested by virtue of his interest in G Reka Management Sdn. Bhd. (formerly known as G Reka Perunding Sdn. Bhd.) pursuant to Section 8 of the Companies Act, 2016.

## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	G REKA PERUNDING SDN. BHD.	50,020,000	23.45
2	TAN KIM HEE	42,500,000	19.92
3	OOI CHIENG SIM	21,647,168	10.15
4	MONT PRISTINE DEVELOPMENT SDN. BHD.	9,980,000	4.68
5	A1 CAPITAL SDN BHD	9,509,100	4.46
6	HLS PROPERTIES SDN. BHD.	8,765,900	4.11
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	6,000,000	2.81
8	LIM KEAN WAH	5,550,000	2.60
9	KANG KHOON SENG	4,268,300	2.00
10	TAN KIM HEE	4,000,000	1.88
11	GAINFACTOR SDN.BHD.	2,450,000	1.15
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BOEY CHEE KUN	1,475,900	0.69
13	LIM SIU LUAN	1,450,000	0.68
14	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	1,400,000	0.66
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	1,380,119	0.65
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SOON TANG	1,357,100	0.64
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	1,334,872	0.63
18	HLS PROPERTIES SDN. BHD.	1,106,100	0.52
19	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	989,500	0.46
20	KHOON WENG REALTY SDN. BHD.	920,200	0.43
21	KANG KHOON HUA	901,000	0.42
22	TEH SWEE KIM @ OOI SWEE KIM	850,000	0.40
23	NG KWENG CHAN	770,000	0.36
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH MOOI CHOO (E-PPG)	691,573	0.32
25	WONG NGA YANG	686,900	0.32
26	KANG KHOON SENG	613,900	0.29
27	TEH KIM CHYE	580,000	0.27
28	GOH LEE HIAN	570,663	0.27
29	METALINK INDUSTRIES SDN. BHD.	570,000	0.27
30	OGW BIO RESOURCES SDN.BHD.	506,625	0.24
	<b>TOTAL</b>	<b>182,844,920</b>	<b>85.73</b>

# ANALYSIS OF WARRANTS B HOLDINGS

As at 9 October 2020



Class of Securities : Warrant B 2012/2022  
 No. of Outstanding Warrant B : 24,619,674  
 Voting Rights : 1 Vote Per Warrant B In Respect Of A Meeting Of Warrant B Holders

## ANALYSIS OF WARRANTS B HOLDINGS

Size of Warrantholdings	No. of Warrant B Holders	% of Warrant B Holders	No. of Warrant B	% of Warrant B Issued
Less than 100	247	30.09	9,680	0.04
100 - 1,000	124	15.10	58,169	0.24
1,001 - 10,000	144	17.54	630,427	2.56
10,001 - 100,000	260	31.67	9,552,887	38.80
100,001 to 1,230,982 (*)	46	5.60	14,368,511	58.36
1,230,983 and above (**)	-	-	-	-
<b>Total</b>	<b>821</b>	<b>100.00</b>	<b>24,619,674</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

## DIRECTORS' INTERESTS

No.	Name of Directors	No. of Shares			
		Direct No. of Warrant B	%	Deemed No. of Warrant B	%
1	Dato' Sri Tajudin Bin Md Isa	-	-	-	-
2	Tan Kim Hee	-	-	-	-
3	Chiok Kian Chau (resigned on 13 October 2020)	-	-	-	-
4	Ng Chin Nam	3,979	0.02	-	-
5	Chow Choon Hoong	-	-	-	-
6	Sudesh A/L K.V Sankaran	-	-	-	-
7	Dato' Dennis Chuah	-	-	-	-
8	Loh Yee Sing	-	-	-	-
9	Goh Chin Heng	-	-	-	-



# ANALYSIS OF WARRANTS B HOLDINGS (Cont'd)

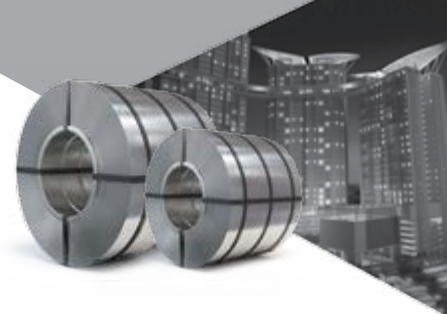
As at 9 October 2020

## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	1,151,387	4.68
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW KIM HWA (6000110)	884,900	3.59
3	SAW GUAT NGOH	810,300	3.29
4	LEONG HON WAH	725,411	2.95
5	EE CHAI CHAI	634,102	2.58
6	TAN KHENG BOON @ TAN KHENG CHENG	626,974	2.55
7	KANAJAYA SDN BHD	575,693	2.34
8	CHU YEE LIM	536,200	2.18
9	NG WEI CHIEN	524,141	2.13
10	LIM KAM YOKE	515,694	2.09
11	LEE POO TECK	500,000	2.03
12	TAN KHENG HUAT	478,000	1.94
13	RAYMOND TAN HOCK SENG	433,054	1.76
14	LIM CHIN PO	403,166	1.64
15	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	402,985	1.64
16	HLS PROPERTIES SDN. BHD.	300,000	1.22
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD KOW WENG CHEANG	268,138	1.09
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW KIM HWA (MY1207)	264,000	1.07
19	EINSTEIN TAY	258,507	1.05
20	CHAN KWANG YEW	254,019	1.03
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG HON WAH	250,038	1.02
22	TAN EE HUNG	220,600	0.90
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK KUAN (E-TSA)	190,089	0.77
24	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RUSTOM FRAMROZE CHOTHIA	182,034	0.74
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIM KAH ENG	177,738	0.72
26	TEH KOK MING	169,330	0.69
27	PANG SIEW LIN	160,155	0.65
28	KUMPULAN PITCHAI SDN BHD	157,504	0.64
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG AH CHUAN	155,437	0.63
30	HO YEW MING	152,174	0.62
	<b>TOTAL</b>	<b>12,361,770</b>	<b>50.23</b>

# ANALYSIS OF WARRANTS C HOLDINGS

As at 9 October 2020



Class of Securities : Warrant C 2014/2024  
 No. of Outstanding Warrant C : 4,837,053  
 Voting Rights : 1 vote per Warrant C in respect of a meeting of Warrant C holders

## ANALYSIS OF WARRANTS C HOLDINGS

Size of Shareholdings	No. of Warrant C Holders	% of Warrant C Holders	No. of Warrant C	% of Warrant C Issued
Less than 100	38	19.00	1,522	0.03
100 - 1,000	28	14.00	12,704	0.26
1,001 - 10,000	52	26.00	213,930	4.42
10,001 - 100,000	71	35.50	2,727,724	56.39
100,001 - 241,851 (*)	9	4.50	1,154,071	23.86
241,852 and above (**)	2	1.00	727,102	15.04
<b>Total</b>	<b>200</b>	<b>100.00</b>	<b>4,837,053</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

## DIRECTORS' INTERESTS

No.	Name of Directors	No. of Shares			
		Direct No. of Warrant C	%	Deemed No. of Warrant C	%
1	Dato' Sri Tajudin Bin Md Isa	-	-	-	-
2	Tan Kim Hee	-	-	-	-
3	Chiok Kian Chau (resigned on 13 October 2020)	-	-	-	-
4	Ng Chin Nam	2,787	0.06	-	-
5	Chow Choon Hoong	-	-	-	-
6	Sudesh A/L K.V. Sankaran	-	-	-	-
7	Dato' Dennis Chuah	-	-	-	-
8	Loh Yee Sing	-	-	-	-
9	Goh Chin Heng	-	-	-	-

# ANALYSIS OF WARRANTS C HOLDINGS (Cont'd)

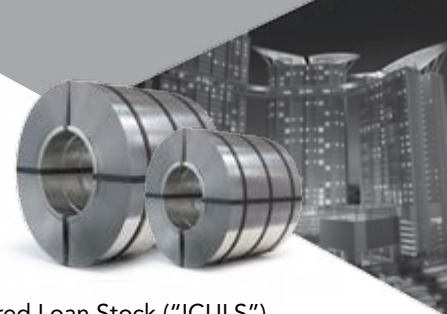
As at 9 October 2020

## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	LIEW JIEW CHOO	368,102	7.61
2	TAN SEE EAN	359,000	7.42
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHEAH CHEE SIONG (PB)	175,000	3.62
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW KIM HWA (6000110)	158,942	3.29
5	OOI CHEE MIN	143,477	2.97
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN VI LANG	123,337	2.55
7	CHU YEE LIM	115,756	2.39
8	OOI HUNG HOCK	115,138	2.38
9	POH CHONG JOO	115,138	2.38
10	LOH CHEE KONG	106,833	2.21
11	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR EWE HONG KHOON	100,450	2.08
12	TEE HOCK SENG	97,569	2.02
13	KHOO POH CHYE	94,413	1.95
14	TAN EE HUNG	92,569	1.91
15	LEONG HON WAH	86,354	1.79
16	KENANGA NOMINEES (TEMPATAN) SDN BHD ABDUL RASIK BIN TALIP (012)	85,600	1.77
17	TEH YEE LIANG	82,298	1.70
18	WU SONG SEE @ GOH SONG SEE	82,111	1.70
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KOK KIEN (E-BPT)	80,600	1.67
20	LEE FOOK ON	79,990	1.65
21	HO YEW KONG	79,872	1.65
22	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN BOON YOK (SMT)	77,585	1.60
23	LEE FOONG SIEN	69,083	1.43
24	SAW GUAT NGOH	65,000	1.34
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO AH KHOW	57,569	1.19
26	CHAI SAD LIAN	56,000	1.16
27	TEY CHAI SENG	50,661	1.05
28	HLS PROPERTIES SDN. BHD.	50,000	1.03
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD CHEONG CHUNG WAI (8110207)	48,128	0.99
30	LOH CHEE KONG	47,897	0.99
	<b>TOTAL</b>	<b>3,264,472</b>	<b>67.49</b>

# ANALYSIS OF ICULS HOLDINGS

As at 9 October 2020



Class of Securities	: Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stock ("ICULS")
No. of ICULS Issued	: 230,934,880
No. of Outstanding ICULS	: 123,489,869
Voting Rights	: 1 vote per ICULS holder in respect of a meeting of ICULS holders

## ANALYSIS OF ICULS HOLDINGS

Size of Shareholdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	2	0.24	180	0.00
100 - 1,000	35	4.28	16,491	0.02
1,001 - 10,000	193	23.59	1,255,998	1.02
10,001 - 100,000	411	50.24	17,415,700	14.10
100,001 - 6,174,492 (*)	175	21.39	88,582,900	71.73
6,174,493 and above (**)	2	0.26	16,218,600	13.13
<b>Total</b>	<b>818</b>	<b>100.00</b>	<b>123,489,869</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

## DIRECTORS' INTERESTS

No.	Name of Directors	No. of Shares			
		Direct No. of ICULS	%	Deemed No. of ICULS	%
1	Dato' Sri Tajudin Bin Md Isa	-	-	-	-
2	Tan Kim Hee	-	-	-	-
3	Chiok Kian Chau (resigned on 13 October 2020)	1,119,400	0.91	-	-
4	Ng Chin Nam	-	-	-	-
5	Chow Choon Hoong	-	-	-	-
6	Sudesh A/L K.V. Sankaran	-	-	-	-
7	Dato' Dennis Chuah	-	-	-	-
8	Loh Yee Sing	-	-	-	-
9	Goh Chin Heng	-	-	-	-

# ANALYSIS OF ICULS HOLDINGS (Cont'd)

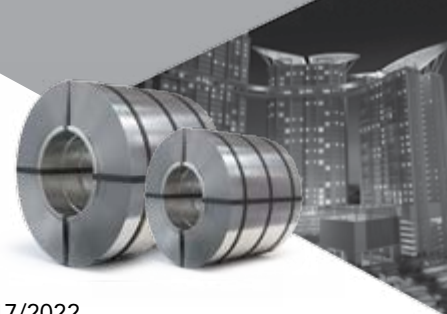
As at 9 October 2020

## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	9,418,600	7.63
2	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	6,800,000	5.51
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHER KHAN BIN KHAN MOHAMAD (CEB)	5,976,100	4.84
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN ING KIONG	4,964,300	4.02
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	4,322,700	3.50
6	HLS PROPERTIES SDN. BHD.	4,119,800	3.34
7	LIM SEOW CHIN	3,854,500	3.12
8	LIM SIU LUAN	3,500,000	2.83
9	POH HONG SWEE	3,100,000	2.51
10	CHEW SAW BEE	2,500,000	2.02
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	2,500,000	2.02
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHEAH CHEE SIONG (PB-0J0022)	1,965,800	1.59
13	LIM SHIOU GHAY	1,499,000	1.21
14	A1 CAPITAL SDN BHD	1,350,000	1.09
15	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	1,300,000	1.05
16	CHIOK KIAN CHAU	1,119,400	0.91
17	KHOW ENG GUAN	1,085,000	0.88
18	A1 CAPITAL SDN BHD	1,000,000	0.81
19	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YEE YIK (MY3081)	900,000	0.73
20	WONG SOK YENG	895,000	0.72
21	CHIANG TECK SOO	815,000	0.66
22	LIM YEN EE	800,000	0.65
23	LE CHANG LOW	770,000	0.62
24	TAN FOOK CHIN	768,800	0.62
25	LEE QUEE CHIOU	731,900	0.59
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD TUANG YUET HWA	721,000	0.58
27	GWEE ENG SENG	720,000	0.58
28	WONG NGA YANG	702,000	0.57
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KEE AIK	700,000	0.57
30	KANG KHOON SENG	650,000	0.53
<b>TOTAL</b>		<b>69,548,900</b>	<b>56.30</b>

# ANALYSIS OF ICPS HOLDINGS

As at 9 October 2020



Class of Securities	: Irredeemable Convertible Preference Shares ("ICPS") 2017/2022
No. of ICPS Issued	: 1,222,426,720
No. of Outstanding ICPS	: 1,171,961,720
Voting Rights	: 1 vote per ICPS holder in respect of a meeting of ICPS holders
	: The ICPS holders are not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances until and unless such holders convert their ICPS into new Shares:
	(a) on a proposal for the winding-up, liquidation, compromise and/or arrangement of the Company for the winding-up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company;
	(b) any resolution which varies or is deemed to vary the rights and privileges attached to the ICPS;
	(c) any resolution to reduce the share capital of the Company;
	(d) any resolution for the purposes of sanctioning the disposal of the whole or a substantial part (as defined in Section 223 of the Companies Act 2016) of the property, business, or undertaking of the Company; and
	(e) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time.

## ANALYSIS OF ICPS HOLDINGS

Size of Shareholdings	No. of ICPS Holders	% of ICPS Holders	No. of ICPS	% of ICPS Issued
Less than 100	12	2.25	690	0.00
100 - 1,000	31	5.81	18,538	0.00
1,001 - 10,000	94	17.64	514,124	0.04
10,001 - 100,000	230	43.15	9,514,952	0.81
100,001 - 58,598,085 (*)	160	30.02	405,328,544	34.59
58,598,086 and above (**)	6	1.13	756,584,872	64.56
<b>Total</b>	<b>533</b>	<b>100.00</b>	<b>1,171,961,720</b>	<b>100.00</b>

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

## DIRECTORS' INTERESTS

No.	Name of Directors	No. of Shares			
		Direct No. of ICPS	%	Deemed No. of ICPS	%
1	Dato' Sri Tajudin Bin Md Isa	-	-	-	-
2	Tan Kim Hee	-	-	-	-
3	Chiok Kian Chau (resigned on 13 October 2020)	-	-	-	-
4	Ng Chin Nam	-	-	30,000 <sup>1</sup>	0.00
5	Chow Choon Hoong	-	-	-	-
6	Sudesh A/L K.V. Sankaran	-	-	-	-
7	Dato' Dennis Chuah	-	-	-	-
8	Loh Yee Sing	-	-	-	-
9	Goh Chin Heng	-	-	-	-

Note:

1. Deemed interested by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act, 2016.

# ANALYSIS OF ICPS HOLDINGS (Cont'd)

As at 9 October 2020

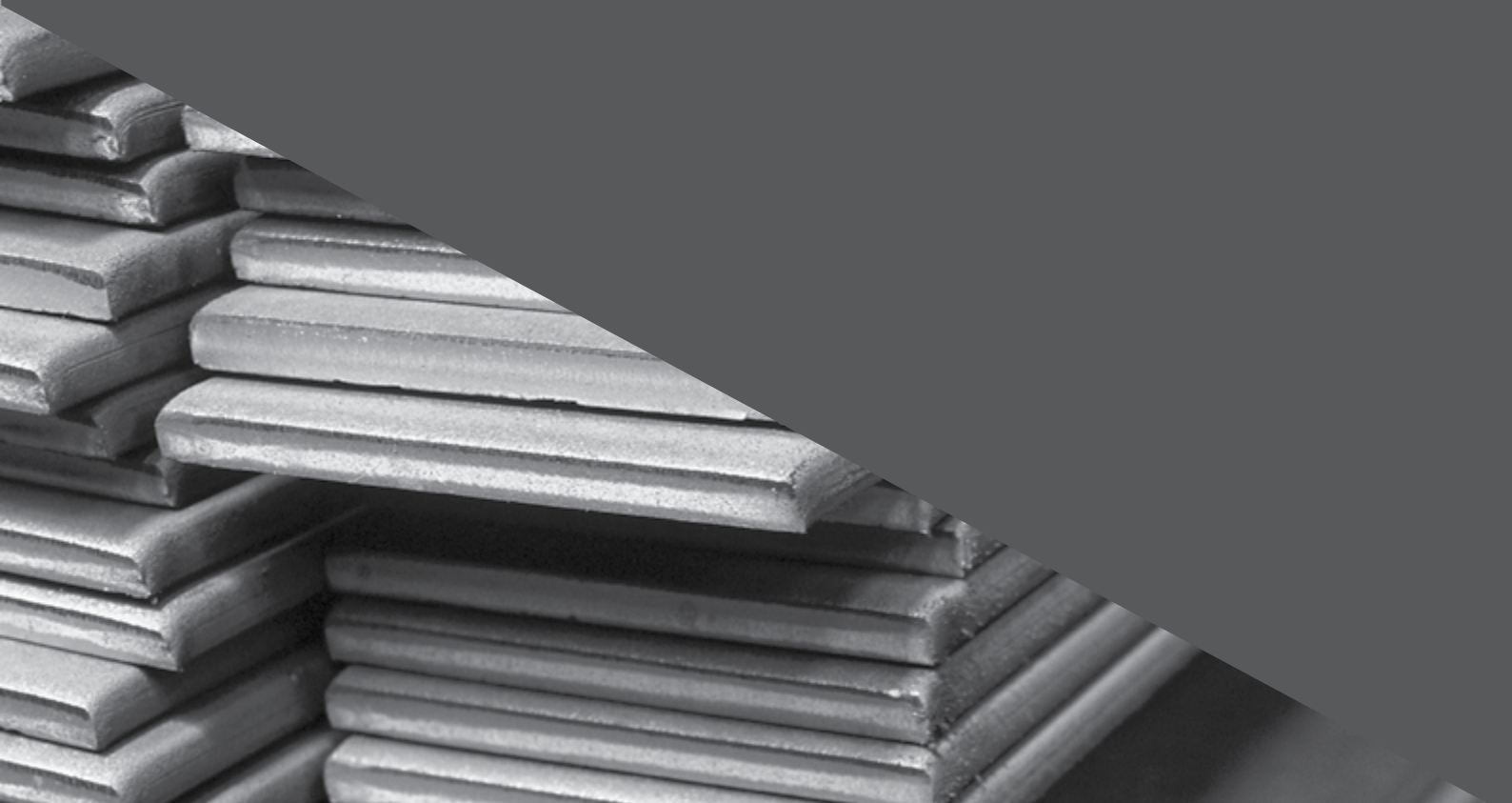
## 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	TAC WIND SDN BHD	215,000,000	18.35
2	LIM SEOW CHIN	173,200,000	14.78
3	SKYLITECH RESOURCES SDN. BHD.	120,000,000	10.24
4	LAGENDA PERDANA SDN. BHD.	107,618,972	9.18
5	HLS PROPERTIES SDN. BHD.	80,765,900	6.89
6	EA DUTAS SDN.BHD.	60,000,000	5.12
7	A1 CAPITAL SDN BHD	47,194,100	4.03
8	SKYLITECH RESOURCES SDN. BHD.	42,000,000	3.58
9	GAINFACTOR SDN.BHD.	40,000,000	3.41
10	A1 CAPITAL SDN BHD	33,833,300	2.89
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SOON TANG	24,422,800	2.08
12	KANG KHOON SENG	21,727,000	1.85
13	HLS PROPERTIES SDN. BHD.	20,000,000	1.71
14	A1 CAPITAL SDN BHD	16,314,000	1.39
15	KHOON WENG REALTY SDN. BHD.	12,611,500	1.08
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	11,700,076	1.00
17	LIM SHIOU GHAY	10,898,100	0.93
18	TAWAKAR ENTERPRISE SDN. BHD.	10,000,000	0.85
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN ING KIONG	8,500,000	0.73
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	7,750,052	0.66
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	7,500,000	0.64
22	TAWAKAR ENTERPRISE SDN. BHD.	5,700,000	0.49
23	TAN FOOK CHIN	4,623,600	0.39
24	LAU SENG KHIANG	4,000,000	0.34
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD KELVIN TAN CHYE HOCK	4,000,000	0.34
26	NG SIEW FONG	3,844,900	0.33
27	KANG KHOON SENG	2,650,000	0.23
28	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	2,550,000	0.22
29	TEH SWEE KIM @ OOI SWEE KIM	2,366,600	0.20
30	SAW LAI SIM	2,000,000	0.17
<b>TOTAL</b>		<b>1,102,770,900</b>	<b>94.10</b>

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# DIRECTORS' REPORT

for the fifteen months period ended 30 June 2020

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period ended **30 June 2020**.

## CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 March 2020 to 30 June 2020 in order to give sufficient time and full cooperation to the Investigation Police Officer with regards to events as detailed in Note 41(i) to the financial statements. Accordingly, the comparative amounts for the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not entirely comparable.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, letting of industrial and commercial properties and management consultancy.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

## RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) after tax for the financial period	<u>6,567,258</u>	<u>(6,661,456)</u>
Attributable to:		
Owners of the Company	6,697,120	(6,661,456)
Non-controlling interests	<u>(129,862)</u>	<u>-</u>
	<u>6,567,258</u>	<u>(6,661,456)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial period ended **30 June 2020** have not been substantially affected by any item, transaction or event of a material and unusual nature other than the following:

- (i) recognition of gain on bargain purchase of subsidiaries amounting to RM18,479,298 included in the Group results, and
- (ii) negative impact from the events as detailed in Note 41 to the financial statements, quantum of which could not be accurately ascertained due to the nature of the events.

## DIVIDENDS

No dividends have been declared or paid by the Company since the end of previous financial year.

The directors do not recommend any dividend payment for the financial period.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial period are disclosed in the notes to the financial statements.

## SHARE CAPITAL AND DEBENTURE

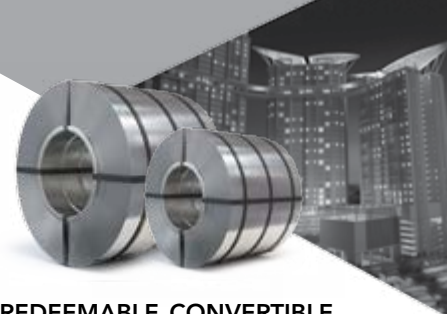
During the financial period, the Company did not issue any share or debenture.

## TREASURY SHARES

As at 30 June 2020, the Company held a total of 774 treasury shares out of its 213,318,936 issued ordinary shares. Further relevant details are disclosed in Note 19.1 to the financial statements.

# DIRECTORS' REPORT (Cont'd)

for the fifteen months period ended 30 June 2020



## 5-YEAR IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS"), 10-YEAR 0% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AND WARRANTS

The salient features of the ICPS, ICULS and Warrants are disclosed in Notes 17, 18 and 19 to the financial statements respectively.

Details of ICPS, ICULS and Warrants issued to directors are disclosed in the section on directors' interests in this report.

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

The details of options over unissued ordinary shares of the Company granted under the ESOS during the financial period are as follows:

Grant date	Exercise price	----- Number of share options over ordinary shares -----			
		Balance at 1.4.2019	Exercised	Lapsed	Balance at 30.6.2020
9.10.2013	RM0.87	703,123	-	(8,013)	695,110
14.10.2014	RM0.87	193,792	-	(3,013)	190,779
15.2.2016	RM0.87	1,739,577	-	(29,000)	1,710,577

The salient features of the ESOS are disclosed in Note 39 to the financial statements.

Details of options granted to directors are disclosed in the section on directors' interests in this report.

## DIRECTORS

The directors who served since the end of the previous financial year to the date of this report are as follows:

### *Directors of the Company:*

Dato' Sri Tajudin Bin Md Isa (appointed on 1.10.2020)

Goh Chin Heng (appointed on 1.10.2020)

Tan Kim Hee

\*Ng Chin Nam

\*Chow Choon Hoong

Dato' Dennis Chuah

Sudesh A/L K.V. Sankaran

Loh Yee Sing

Ooi Chieng Sim (vacated on 30.6.2020)

Chiok Kian Chau (appointed on 18.10.2019 and resigned on 13.10.2020)

### *Directors of the subsidiaries:*

Dhanabalan A/L M. Pitchai Chetty

Tang Tiam Hok

Mahendrakumar A/L Dhanabalan

Siva Raman A/L S. Ramasamy Pattar

Goh Chin Heng

Chiok Kian Chau (appointed on 2.6.2020)

Eric Yew Khee Boon (removed on 26.6.2020)

Wan Nyuk Ming (resigned on 1.11.2019)

Chew Teng Guan (resigned on 20.7.2020)

Teow Mooi Goay (resigned on 20.7.2020)

Lim Ah Chay (resigned on 20.7.2020)

\*also director of subsidiaries

# DIRECTORS' REPORT (Cont'd)

for the fifteen months period ended 30 June 2020

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial period in shares in the Company and or its related corporations during the financial period are as follows:

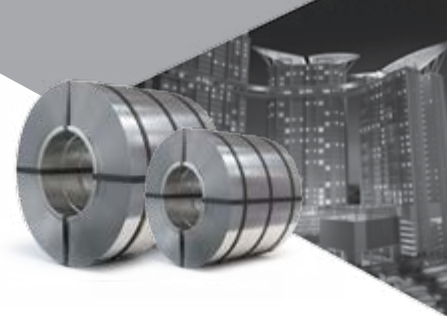
	Number of ordinary shares			
	Balance at 1.4.2019	Bought	Sold	Balance at 30.6.2020
<b>The Company</b>				
<b>Direct Interest:</b>				
<sup>2</sup> Tan Kim Hee	46,500,000	-	-	46,500,000
<sup>1</sup> Chiok Kian Chau	110,000	-	-	110,000
Ng Chin Nam	187,193	-	-	187,193
Sudesh A/L K.V. Sankaran	52,000	-	-	52,000
<b>Deemed Interest:</b>				
<sup>3</sup> Ng Chin Nam	3,582	-	-	3,582

	Number of 5-year 0% ICPS			
	Balance at 1.4.2019	Bought	Sold	Balance at 30.6.2020
<b>The Company</b>				
<b>Deemed Interest:</b>				
<sup>3</sup> Ng Chin Nam	30,000	-	-	30,000

	Number of 10-year 0% ICULS			
	Balance at 1.4.2019	Bought	Sold	Balance at 30.6.2020
<b>The Company</b>				
<b>Direct Interest:</b>				
<sup>1</sup> Chiok Kian Chau	1,119,400	-	-	1,119,400

# DIRECTORS' REPORT (Cont'd)

for the fifteen months period ended 30 June 2020



## DIRECTORS' INTERESTS (Cont'd)

	Number of Warrants B			
	Balance at 1.4.2019	Bought	Sold	Balance at 30.6.2020
The Company				
Direct Interest:				
Ng Chin Nam	3,979	-	-	3,979

	Number of Warrants C			
	Balance at 1.4.2019	Bought	Sold	Balance at 30.6.2020
The Company				
Direct Interest:				
Ng Chin Nam	2,787	-	-	2,787

	Number of options over ordinary shares			
	Balance at 1.4.2019	Exercised	Lapsed	Balance at 30.6.2020
Chow Choon Hoong	74,624	-	-	74,624
Sudesh A/L K.V. Sankaran	569	-	-	569

### Notes:

<sup>1</sup> At date of appointment.

<sup>2</sup> By virtue of his interest in the shares of the Company, he is also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

<sup>3</sup> By virtue of the spouse's interest.

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

## DIRECTORS' REMUNERATION AND BENEFITS

During the financial period, the fees and other benefits received and receivable by the directors of the Company from the Group and the Company are as follows:

	GROUP RM	COMPANY RM
Fees	87,000	87,000
Salaries and allowance	1,822,900	498,940
Defined contribution plans	204,843	57,713
	<u>2,114,743</u>	<u>643,653</u>

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the 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.

# **DIRECTORS' REPORT** (Cont'd)

for the fifteen months period ended 30 June 2020

## **DIRECTORS' REMUNERATION AND BENEFITS** (Cont'd)

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

## **INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

There were no indemnity coverage or insurance effected for the directors, officers and auditors of the Group and of the Company during the financial period.

## **OTHER STATUTORY INFORMATION**

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent,
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading,
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and
- (iv) that have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person other than those disclosed in the notes to the financial statements, and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial period.

In the opinion of directors:

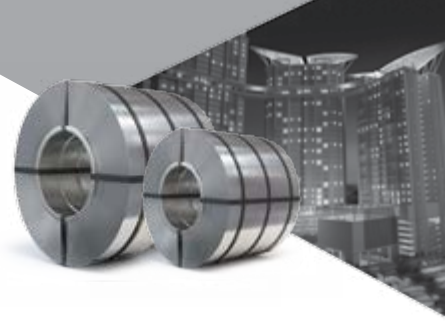
- (i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due, and
- (ii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial period in which this report is made.

## **SIGNIFICANT EVENTS**

Details of the significant events are disclosed in Note 41 to the financial statements.

# DIRECTORS' REPORT (Cont'd)

for the fifteen months period ended 30 June 2020



## AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton**, as remuneration for their services as auditors of the Group and of the Company for the financial period are RM165,000 and RM50,000 respectively.

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

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

.....  
**Ng Chin Nam**

Penang,

Date: 23 October 2020

.....  
**Tan Kim Hee**

# DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 59 to 134 are properly 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 2020** and of their financial performance and cash flows for the financial period then ended.

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

.....  
Ng Chin Nam

Date: 23 October 2020

.....  
Tan Kim Hee

# STATUTORY DECLARATION

I, **Ng Chin Nam**, the officer primarily responsible for the financial management of **Atta Global Group Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 59 to 134 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed at Penang, this 23<sup>rd</sup> )  
day of **October 2020**. )

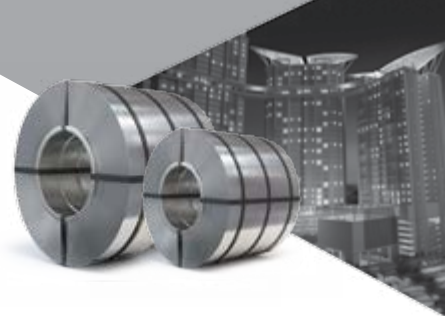
.....  
**Ng Chin Nam**  
(I/C No. 700814-07-5181)

Before me,

.....  
**Liew Juan Leng (P162)**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

to the members of ATTA GLOBAL GROUP BERHAD  
Company No. 198101012950 (79082-V) (Incorporated in Malaysia)



## Report on the Audit of Financial Statements

### Opinion

We have audited the financial statements of **Atta Global Group Berhad**, which comprise the statements of financial position as at **30 June 2020** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including the accounting policies, as set out on pages 59 to 134.

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 2020** and of their financial performance and cash flows for the financial period 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.

### Emphasis of Matter

We refer to the significant event which occurred at the beginning of 2020, details of which are disclosed in Note 41(i) to the financial statements. The Company has been implicated in an offence under the Dangerous Drugs Act, 1952 by the remand of the previous Executive Chairman, Mr. Ooi Chieng Sim, to assist in a drug offence investigation by the Polis Diraja Malaysia ("PDRM"). In conjunction with the investigation, certain bank accounts, central depository system accounts and assets (inclusive of properties and motor vehicle) belonging to the Company and certain subsidiaries have been frozen and seized respectively on suspicions that they were obtained from illegal money or money acquired from allegedly criminal activities.

For those assets which have not been released unconditionally, the Company has asserted its rights to defend those assets seized by submitting Letter of Representation to the Attorney General Chamber detailing the background, business operation and how the seized properties were legitimately acquired by the Company and its subsidiaries with relevant evidences provided.

The Company's solicitors have opined that the explanation given by the Company is justifiable under the law. In the meantime, the Prosecution is in the midst of verifying all documents and explanation given by the Company's solicitors to them so that they can make their own fact checking and a well-considered conclusion on how the seized assets were purchased and obtained.

As at the date of this report, neither the Company nor any of its subsidiaries has been formally charged in the Court for any illegal activity connected with the investigation of the previous Executive Chairman by the PDRM.

Our opinion is not modified in respect of this matter.

### 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.



# INDEPENDENT AUDITORS' REPORT (Cont'd)

to the members of ATTA GLOBAL GROUP BERHAD  
Company No. 198101012950 (79082-V) (Incorporated in Malaysia)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. 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	How our audit addressed the Key Audit Matters
<p><b>Valuation of inventories</b> (Note 6 to the financial statements)</p> <p>Included in the inventories of the Group is a significant amount of property development costs ("PDC") and land held for development ("LHFD") amounting to RM112.86 million and RM43.71 million respectively. Apart from the above mentioned, the Group holds approximately RM22.98 million of other inventories.</p> <p>These have exposed the Group to a risk that the inventories values are not stated at the lower of cost and net realisable value as the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value especially completed and uncompleted properties.</p> <p>There is inherent subjectivity and estimation involved in determining the accuracy of provision for inventory obsolescence and in assessing the adequacy of inventory not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>– the Group's inventory management process;</li> <li>– the Group's measurement and recognition of PDC and LHFD; and</li> <li>– how the Group identifies and assesses inventory write downs.</li> </ul> </li> <li>• Attending inventory counts and reconciling the count results to the inventory listings for completeness.</li> <li>• Examining the additional costs incurred for LHFD against relevant supporting documents on sampling basis.</li> <li>• Examining the perpetual records for inventory movements and to identify slow moving items.</li> <li>• Making inquiries of management regarding the action plans to clear slow moving and obsolete inventories.</li> <li>• Reviewing the net realisable value of inventories on sampling basis.</li> <li>• Evaluating the adequacy of inventories write downs related to slow moving and obsolescence.</li> <li>• Evaluate with management the demand for the Group's property development project and the selling price.</li> </ul>
<p><b>Allowance for expected credit losses on trade receivables</b> (Note 10 to the financial statements)</p> <p>The Group has significant trade receivables as at 30 June 2020 and it is subject to credit risk exposure.</p> <p>The determination of expected credit losses for receivables requires management's judgement in assessing the collectability of the debts after considering their ageing, historical loss experience and forward-looking information for receivables with similar characteristics.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>– the adequacy of the Group's policy in extending credit facility to customers;</li> <li>– the Group's control over sales collection; and</li> <li>– how the Group identifies and assesses the expected credit losses on trade receivables;</li> </ul> </li> <li>• Reviewing the aging analysis of trade receivables and evaluating the collectability for past due accounts.</li> <li>• Reviewing the basis for calculating the expected credit losses is in line with the Group's policy.</li> </ul>

There were no key audit matters in the audit of the separate 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.

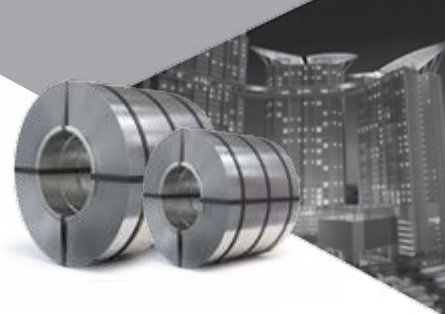
Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

# INDEPENDENT AUDITORS' REPORT (Cont'd)

to the members of ATTA GLOBAL GROUP BERHAD  
Company No. 198101012950 (79082-V) (Incorporated in Malaysia)



## Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are 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 the 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in these financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and of the Company financial statements, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# **INDEPENDENT AUDITORS' REPORT** (Cont'd)

to the members of ATTA GLOBAL GROUP BERHAD  
Company No. 198101012950 (79082-V) (Incorporated in Malaysia)

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

## **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**  
No. AF: 0042  
Chartered Accountants

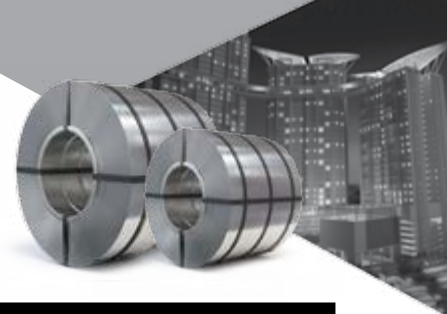
**Penang**

**Date: 23 October 2020**

**John Lau Tiang Hua**  
No. 01107/03/2022 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

as at 30 June 2020



	NOTE	GROUP		COMPANY	
		30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	63,997,054	72,963,402	557,819	879,970
Right-of-use assets	5	105,801	-	-	-
Inventories	6	43,713,988	5,021,974	-	-
Investment properties	7	63,300,000	82,432,181	29,603,297	35,553,998
Investment in subsidiaries	8	-	-	73,956,121	75,474,544
Goodwill on consolidation	9	6,798,696	7,707,916	-	-
		<u>177,915,539</u>	<u>168,125,473</u>	<u>104,117,237</u>	<u>111,908,512</u>
<b>Current assets</b>					
Inventories	6	135,832,263	77,647,460	-	-
Trade and other receivables	10	34,446,412	61,900,911	221,964,019	230,148,158
Contract assets	11	3,590,895	690,239	-	-
Current tax assets		1,726,872	1,594,613	-	-
Other investments	12	22,155,091	16,992,654	-	-
Fixed deposits with licensed banks	13	4,504,232	16,207,715	625,384	607,044
Cash and bank balances	14	21,859,183	62,685,035	8,124,797	533,979
		<u>224,114,948</u>	<u>237,718,627</u>	<u>230,714,200</u>	<u>231,289,181</u>
Non-current asset held for sale	15	<u>18,000,000</u>	-	-	-
<b>TOTAL ASSETS</b>		<u>420,030,487</u>	<u>405,844,100</u>	<u>334,831,437</u>	<u>343,197,693</u>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION (Cont'd)

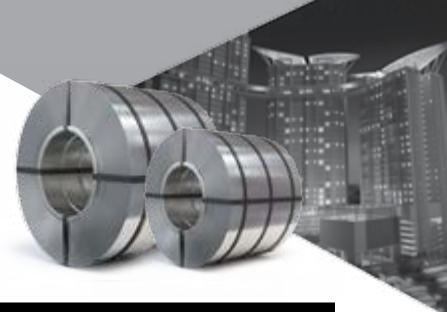
as at 30 June 2020

	NOTE	GROUP		COMPANY	
		30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	212,203,372	212,203,372	212,203,372	212,203,372
Irredeemable Convertible Preference Shares ("ICPS")	17	93,756,938	93,756,938	93,756,938	93,756,938
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	18	12,348,987	12,348,987	12,348,987	12,348,987
Other reserves	19	(50,502)	(48,717)	7,657,244	7,659,029
Retained profits	20	31,731,987	25,033,082	3,193,300	9,852,971
		<b>349,990,782</b>	<b>343,293,662</b>	<b>329,159,841</b>	<b>335,821,297</b>
Non-controlling interests		19,355,065	19,731,718	-	-
<b>Total equity</b>		<b>369,345,847</b>	<b>363,025,380</b>	<b>329,159,841</b>	<b>335,821,297</b>
<b>Non-current liabilities</b>					
Borrowings	21	1,387,569	3,542,309	588,034	2,835,940
Lease liabilities	5	29,739	-	-	-
Deferred tax liabilities	22	4,901,054	4,973,066	2,432,682	1,538,243
		<b>6,318,362</b>	<b>8,515,375</b>	<b>3,020,716</b>	<b>4,374,183</b>
<b>Current liabilities</b>					
Trade and other payables	23	38,725,471	29,892,621	475,546	1,152,240
Contract liabilities	11	2,170,845	63,572	-	-
Borrowings	21	2,848,332	3,689,867	1,762,893	1,643,415
Lease liabilities	5	77,021	-	-	-
Current tax liabilities		544,609	657,285	412,441	206,558
		<b>44,366,278</b>	<b>34,303,345</b>	<b>2,650,880</b>	<b>3,002,213</b>
<b>Total liabilities</b>		<b>50,684,640</b>	<b>42,818,720</b>	<b>5,671,596</b>	<b>7,376,396</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>420,030,487</b>	<b>405,844,100</b>	<b>334,831,437</b>	<b>343,197,693</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

for the fifteen months period ended 30 June 2020



	NOTE	GROUP		COMPANY	
		1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Revenue	24	95,601,267	152,830,333	4,082,142	17,637,872
Other income	25	30,680,891	28,567,233	5,510,508	729,400
Changes in inventories of work in progress, trading inventories and finished goods		(392,926)	(1,609,590)	-	-
Raw materials and consumables used		(30,942,590)	(39,076,049)	-	-
Trading goods purchased		(19,568,951)	(82,568,251)	-	-
Property development costs		(14,889,088)	(428,432)	-	-
Employee benefits expenses	26	(14,232,107)	(11,144,745)	(1,159,941)	(708,640)
Depreciation	27	(5,344,725)	(4,630,373)	(300,978)	(304,294)
Other operating expenses		(32,159,487)	(32,712,454)	(12,854,645)	(1,959,463)
<b>Operating profit/(loss)</b>		<b>8,752,284</b>	<b>9,227,672</b>	<b>(4,722,914)</b>	<b>15,394,875</b>
Finance costs	28	(505,442)	(629,819)	(299,530)	(379,019)
<b>Profit/(Loss) before tax</b>	29	<b>8,246,842</b>	<b>8,597,853</b>	<b>(5,022,444)</b>	<b>15,015,856</b>
Tax expense	30	(1,679,584)	(2,188,956)	(1,639,012)	(179,056)
<b>Total comprehensive income/(loss) for the financial year</b>		<b>6,567,258</b>	<b>6,408,897</b>	<b>(6,661,456)</b>	<b>14,836,800</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		6,697,120	6,418,969	(6,661,456)	14,836,800
Non-controlling interests		(129,862)	(10,072)	-	-
		<b>6,567,258</b>	<b>6,408,897</b>	<b>(6,661,456)</b>	<b>14,836,800</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		6,697,120	6,418,969	(6,661,456)	14,836,800
Non-controlling interests		(129,862)	(10,072)	-	-
		<b>6,567,258</b>	<b>6,408,897</b>	<b>(6,661,456)</b>	<b>14,836,800</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>					
- Basic	31.1	<b>3.14</b>	3.04		
- Diluted	31.2	<b>3.14</b>	3.04		

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the fifteen months period ended 30 June 2020

NOTE	Attributable to Owners of the Company											Total Equity RM	
	Share Capital RM	ICPS RM	ICULS RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Fair Value Reserve RM	Capital Reserve RM	ESOS Reserve RM	Retained Profits RM	Total RM		Non-controlling Interests RM
<b>1.4.2019 to 30.6.2020</b>													
Balance at beginning	212,203,372	93,756,938	12,348,987	(406)	4,203,130	(4,122,590)	-	(262,746)	133,895	25,033,082	343,293,662	19,731,718	363,025,380
Total comprehensive income for financial period	-	-	-	-	-	-	-	-	-	6,697,120	6,697,120	(129,862)	6,567,258
<i>Transactions with owners:</i>													
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(246,791)	(246,791)
Share option lapsed	-	-	-	-	-	-	-	(1,785)	-	1,785	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	(1,785)	-	1,785	-	(246,791)	(246,791)
<b>Balance at end</b>	<b>212,203,372</b>	<b>93,756,938</b>	<b>12,348,987</b>	<b>(406)</b>	<b>4,203,130</b>	<b>(4,122,590)</b>	<b>-</b>	<b>(262,746)</b>	<b>132,110</b>	<b>31,731,987</b>	<b>349,990,782</b>	<b>19,355,065</b>	<b>369,345,847</b>
<b>1.4.2018 to 31.3.2019</b>													
Balance at beginning	208,203,372	94,156,938	12,348,987	(406)	4,203,130	(4,122,590)	3,863,384	(262,746)	156,598	23,377,485	341,924,152	10,523,025	352,447,177
Effects of adopting MFRS 9	-	-	-	-	-	(3,863,384)	-	-	-	1,263,427	(2,599,957)	-	(2,599,957)
Balance at beginning, restated	208,203,372	94,156,938	12,348,987	(406)	4,203,130	(4,122,590)	-	(262,746)	156,598	24,640,912	339,324,195	10,523,025	349,847,220
Total comprehensive income for financial year	-	-	-	-	-	-	-	-	-	6,418,969	6,418,969	(10,072)	6,408,897
<i>Transactions with owners:</i>													
Issuance of shares pursuant to conversion of ICPS	4,000,000	(400,000)	-	-	-	-	-	-	-	3,600,000	3,600,000	-	3,600,000
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	9,218,765	9,218,765
Share option lapsed	-	-	-	-	-	-	-	(22,703)	-	(22,703)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(6,049,502)	-	(6,049,502)
Total transactions with owners	4,000,000	(400,000)	-	-	-	-	-	(22,703)	-	(6,026,799)	(2,449,502)	9,218,765	6,769,263
<b>Balance at end</b>	<b>212,203,372</b>	<b>93,756,938</b>	<b>12,348,987</b>	<b>(406)</b>	<b>4,203,130</b>	<b>(4,122,590)</b>	<b>-</b>	<b>(262,746)</b>	<b>133,895</b>	<b>25,033,082</b>	<b>343,293,662</b>	<b>19,731,718</b>	<b>363,025,380</b>

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The accompanying notes form an integral part of these financial statements.

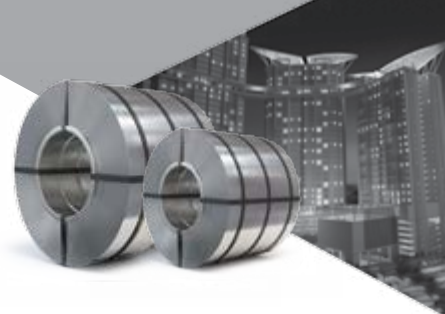
# STATEMENT OF CHANGES IN EQUITY

for the fifteen months period ended 30 June 2020

NOTE	Non-distributable					Distributable		Total Equity RM		
	Share Capital RM	ICPS RM	ICULS RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM		ESOS Reserve RM	Retained Profits RM
<b>1.4.2019 to 30.6.2020</b>										
Balance at beginning	212,203,372	93,756,938	12,348,987	(406)	4,203,130	(4,122,590)	7,445,000	133,895	9,852,971	335,821,297
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-	(6,661,456)	(6,661,456)
<i>Transactions with owners:</i>										
Share option lapsed	-	-	-	-	-	-	(1,785)	-	1,785	-
Balance at end	<b>212,203,372</b>	<b>93,756,938</b>	<b>12,348,987</b>	<b>(406)</b>	<b>4,203,130</b>	<b>(4,122,590)</b>	<b>7,445,000</b>	<b>132,110</b>	<b>3,193,300</b>	<b>329,159,841</b>
<b>1.4.2018 to 31.3.2019</b>										
Balance at beginning	208,203,372	94,156,938	12,348,987	(406)	4,203,130	(4,122,590)	7,445,000	156,598	1,042,970	323,433,999
Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	14,836,800	14,836,800
<i>Transactions with owners:</i>										
Issuance of shares pursuant to conversion of ICPS	4,000,000	(400,000)	-	-	-	-	-	-	-	3,600,000
Share option lapsed	-	-	-	-	-	-	(22,703)	-	22,703	-
Dividends	-	-	-	-	-	-	-	-	(6,049,502)	(6,049,502)
Total transactions with owners	4,000,000	(400,000)	-	-	-	-	(22,703)	-	(6,026,799)	(2,449,502)
Balance at end	212,203,372	93,756,938	12,348,987	(406)	4,203,130	(4,122,590)	7,445,000	133,895	9,852,971	335,821,297

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The accompanying notes form an integral part of these financial statements.





# STATEMENTS OF CASH FLOWS

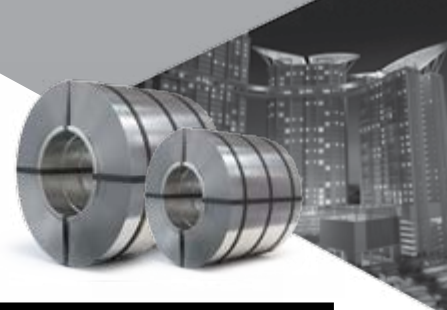
for the fifteen months period ended 30 June 2020

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	8,246,842	8,597,853	(5,022,444)	15,015,856
Adjustments for:				
Allowance for expected credit losses on receivables	282,649	491,894	15,650	-
Bad debts	1,235,409	27,630	1,164,765	-
Debts waived	(1,821,125)	(1,654,023)	(1,707,227)	-
Deemed gain on deconsolidation of a subsidiary	(3,790,420)	-	-	-
Deposit forfeited (income)/expense	(10,000)	800	-	-
Depreciation of property, plant and equipment	5,297,088	4,630,373	300,978	304,294
Depreciation of right-of-use assets	47,637	-	-	-
Dividend income	(32,854)	(590,597)	-	(14,000,000)
Employees retirement benefits obligation	20,841	(2,681)	-	-
Fair value loss/(gain) on investment properties	6,997,509	(3,100,000)	7,077,509	-
Fair value loss on other investments	4,231,009	12,878,396	-	-
Gain on bargain purchase of subsidiaries	(18,479,298)	(16,875,058)	-	-
Gain on disposal of property, plant and equipment	(2,425,533)	(60,998)	(19,244)	-
Gain on disposal of a subsidiary	-	-	(3,762,500)	-
(Gain)/Loss on disposal of other investments	(1,568,883)	976,474	-	-
Impairment losses on investment in subsidiaries	-	-	3,280,927	-
Impairment losses on property, plant and equipment	2,091,692	-	-	-
Interest expense	505,442	629,819	299,530	379,019
Interest income	(701,549)	(2,500,843)	(21,537)	(467,202)
Inventories written down	696,257	-	-	-
Inventories written off	1,456,793	-	-	-
Loss on disposal of investment properties	261,480	-	-	-
Net fair value adjustment on available-for-sale financial assets realised upon disposal	-	(175,000)	-	-
Property, plant and equipment written off	1	4,406	-	-
Reversal of expected credit losses on receivables	(109,489)	-	-	-
Reversal of inventories written down	(37,756)	-	-	-
Operating profit before working capital changes carried forward	2,393,742	3,278,445	1,606,407	1,231,967

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (Cont'd)

for the fifteen months period ended 30 June 2020



	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit before working capital changes brought forward	2,393,742	3,278,445	1,606,407	1,231,967
Increase in inventories	(25,623,266)	(25,346,062)	-	-
Decrease in property development costs	-	10,740,486	-	-
Decrease/(Increase) in receivables	14,008,438	26,369,968	17,124,830	(30,101,859)
Increase in contract assets	(2,900,656)	-	-	-
Decrease in payables	(44,795,431)	(27,996,085)	(25,440)	(145,342)
Increase in contract liabilities	2,107,273	-	-	-
Cash (used in)/from operations	(54,809,900)	(12,953,248)	18,705,797	(29,015,234)
Income tax paid	(2,807,332)	(2,206,407)	(576,072)	(145,054)
Income tax refunded	945,461	-	37,382	-
Real property gains tax paid	(134,660)	-	-	-
Interest paid	(503,904)	(629,819)	(299,530)	(379,019)
Net cash (used in)/from operating activities	(57,310,335)	(15,789,474)	17,867,577	(29,539,307)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(i) Cash flows from acquisition of subsidiaries	(2,924,905)	(22,761,083)	-	-
(ii) Cash flows from disposal of a subsidiary	4,964,533	-	-	-
Dividends received	32,854	590,597	-	14,000,000
Interest received	567,819	2,483,042	3,197	449,401
Proceeds from disposal of investment properties	10,000,000	-	-	-
Proceeds from disposal of other investments	8,503,565	12,676,312	-	-
Proceeds from disposal of property, plant and equipment	5,734,304	61,000	50,000	-
Proceeds from disposal of subsidiary	-	-	5,000,000	-
Purchase of other investments	(16,328,128)	(3,333,467)	-	-
Purchase of investment in subsidiaries	-	-	(3,000,004)	(20,000,000)
Purchase of investment properties	(1,126,808)	(15,212,182)	(1,126,808)	(4,950,702)
(iii) Purchase of property, plant and equipment	(509,473)	(1,643,804)	(9,583)	-
Net cash from/(used in) investing activities	8,913,761	(27,139,585)	916,802	(10,501,301)
Balanced carried forward	(48,396,574)	(42,929,059)	18,784,379	(40,040,608)

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (Cont'd)

for the fifteen months period ended 30 June 2020

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Balance brought forward	(48,396,574)	(42,929,059)	18,784,379	(40,040,608)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	-	(6,049,502)	-	(6,049,502)
Net change in subsidiaries' balances	-	-	(9,065,133)	2,823,370
Placement of fixed deposits	(2,380,540)	(39,918)	-	-
Proceeds from issuance of shares pursuant to - conversion of ICPS	-	3,600,000	-	3,600,000
Repayment of bankers acceptance	(344,000)	(35,000)	-	-
Repayment of principal portion of lease liabilities	(48,216)	-	-	-
Repayment of hire purchase loans	(1,990,509)	(1,921,443)	(211,760)	(310,342)
Repayment of term loan	(1,916,668)	(4,789,039)	(1,916,668)	(1,386,433)
Net cash used in financing activities	(6,679,933)	(9,234,902)	(11,193,561)	(1,322,907)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(55,076,507)</b>	<b>(52,163,961)</b>	<b>7,590,818</b>	<b>(41,363,515)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>76,745,930</b>	<b>128,909,891</b>	<b>533,979</b>	<b>41,897,494</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>21,669,423</b>	<b>76,745,930</b>	<b>8,124,797</b>	<b>533,979</b>
<b>Represented by:</b>				
Fixed deposits with licensed banks	4,504,232	16,207,715	625,384	607,044
Cash and bank balances	21,859,183	62,685,035	8,124,797	533,979
Bank overdrafts	(489,760)	(456,858)	-	-
	25,873,655	78,435,892	8,750,181	1,141,023
Less: Fixed deposits pledged	(4,204,232)	(1,689,962)	(625,384)	(607,044)
	21,669,423	76,745,930	8,124,797	533,979

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (Cont'd)

for the fifteen months period ended 30 June 2020



	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
<b>(i) Cash flows from acquisition of subsidiaries</b>				
Property, plant and equipment	-	122,391	-	-
Investment properties	15,000,000	14,900,000	-	-
Inventories	73,368,845	43,595,442	-	-
Receivables	36,000	20,907,672	-	-
Cash at bank	75,099	1,064,916	-	-
Fixed deposits with licensed banks	-	3,324,000	-	-
Amount due from directors	-	1,733,284	-	-
Current tax assets	2,255	170,993	-	-
Payables	(67,002,897)	(19,783,847)	-	-
Amount due to directors	-	(16,139,735)	-	-
Deferred tax liabilities	-	(16,000)	-	-
Current tax liabilities	-	(31,383)	-	-
Borrowings	-	(3,402,607)	-	-
Net tangible assets	21,479,302	46,445,126	-	-
Non-controlling interests	-	(9,218,765)	-	-
Share of net assets acquired	21,479,302	37,226,361	-	-
Gain on bargain purchase	(18,479,298)	(16,875,058)	-	-
Goodwill on consolidation	-	6,798,696	-	-
Total purchase consideration	3,000,004	27,149,999	-	-
Less: Cash and cash equivalents	(75,099)	(4,388,916)	-	-
Net cash outflows from acquisition of subsidiaries	2,924,905	22,761,083	-	-
<b>(ii) Cash flows from disposal of a subsidiary</b>				
Property, plant and equipment	269	-	-	-
Receivables	12,075,747	-	-	-
Cash at bank	35,467	-	-	-
Payables	(4,090,538)	-	-	-
Amount to related companies	(7,469,326)	-	-	-
Current tax liabilities	(4,468)	-	-	-
Net tangible assets	547,151	-	-	-
Goodwill on consolidation	909,220	-	-	-
Non-controlling interests	(246,791)	-	-	-
Deemed gain on deconsolidation of a subsidiary	3,790,420	-	-	-
Total sale consideration	5,000,000	-	-	-
Less: Cash and cash equivalents	(35,467)	-	-	-
Net cash inflows from disposal of a subsidiary	4,964,533	-	-	-

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS (Cont'd)

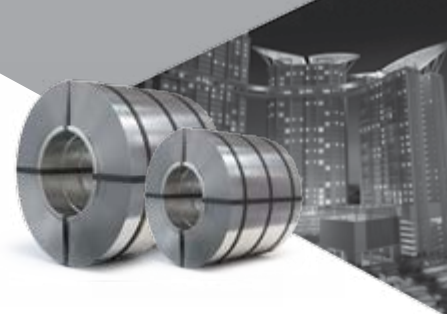
for the fifteen months period ended 30 June 2020

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
<b>(iii) Purchase of property, plant and equipment</b>				
Total acquisition cost	1,731,473	2,238,109	9,583	414,305
Acquired under hire purchase loans	(1,222,000)	(594,305)	-	(414,305)
Total cash acquisition	509,473	1,643,804	9,583	-

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020



## 1. CORPORATE INFORMATION

### General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company changed its financial year end from 31 March 2020 to 30 June 2020 in order to give sufficient time and full cooperation to the Investigation Police Officer with regards to events as detailed in Note 41(i) to the financial statements. Accordingly, the comparative amounts for the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not entirely comparable.

The registered office of the Company is located at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak, Malaysia.

The principal place of business of the Company is located at 2521, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Prai, Penang, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2020.

### Principal Activities

The principal activities of the Company are investment holding, letting of industrial and commercial properties and management consultancy.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

## 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 applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards 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 the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3.

### 2.3 Functional and Presentation Currency

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

### 2.4 Fair Value Measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 2. BASIS OF PREPARATION (Cont'd)

### 2.4 Fair Value Measurement (Cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

### 2.5 Adoption of New Standards/Amendments/Improvements to MFRS

The Group and the Company have adopted the following standards that are mandatory for the current financial period:

#### **Effective for annual periods beginning on or after 1 January 2019**

*MFRS 16 Leases*

*Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation*

*Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement*

*Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*

*Annual Improvements to MFRS Standards 2015-2017 Cycle*

*IC Interpretation 23 Uncertainty over Income Tax Treatments*

The initial application of the above standards did not have any material impact on the financial statements of the Group and of the Company except as mentioned below:

#### **MFRS 16 Leases**

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Basically, MFRS 16 requires the Group and the Company to account operating leases as on-balance sheet items instead of off-balance sheet previously.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases where leases will be recognised as right-of-use assets and corresponding lease liabilities except for short-term leases and leases of low-value assets where the lease rental payments are recognised as an expense in the profit or loss. Leases which were previously classified as finance leases under MFRS 117 continue to be treated as such without any changes upon adoption of MFRS 16 on 1 April 2019.

Operating lease payment previously recognised as rental expense is being replaced with depreciation of right-of-use assets and accretion of interest in profit or loss.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Group is the lessor.

### 2.6 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group and by the Company:

#### **Effective for annual periods beginning on or after 1 January 2020**

*Amendments to References to the Conceptual Framework in MFRS Standards*

*Amendments to MFRS 3 Business Combinations: Definition of a Business*

*Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*

*Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform*

#### **Effective for annual periods beginning on or after 1 June 2020**

*Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions*

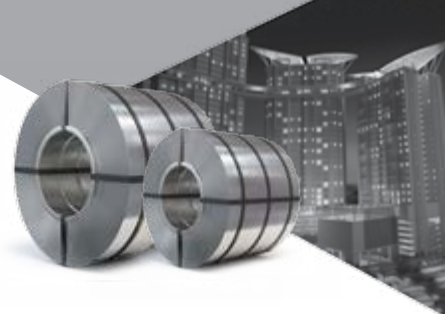
#### **Effective for annual periods beginning on or after 1 January 2021**

*Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement,*

*MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2*

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 2. BASIS OF PREPARATION (Cont'd)

### 2.6 Standards Issued But Not Yet Effective (Cont'd)

#### **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: 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*

#### **Effective for annual periods beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*

#### **Effective date yet to be confirmed**

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

The initial application of the above standards is not expected to have any material impact on the financial statements of the Group and of the Company upon adoption.

### 2.7 Use of Estimates and Judgements

The preparation of financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:

#### (i) 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.

#### **Completed development units**

The management determines the net realisable values of unsold completed development units based on estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market.

#### **Others**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories is disclosed in Note 6 to the financial statements.

#### (ii) Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making these judgements, the Group evaluates based on past experience and by relying on the work of architects.



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 2. BASIS OF PREPARATION (Cont'd)

### 2.7 Use of Estimates and Judgements (Cont'd)

#### (iii) Impairment of plant and machinery

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of the plant and machinery do not exceed their recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

#### (iv) Investment properties at fair value

The Group's investment properties are carried at fair value and changes in fair value are recognised in profit or loss.

Fair value of certain investment properties was determined based on independent professional valuation or updates as appropriate. For those without valuation updates, the Group determines the fair value of such investment properties by reference to the selling prices of recent transactions and asking prices of similar properties premised on the factors of location, accessibility, visibility, time, size and present market trends. The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the Group's investment properties.

#### (v) Allowance for expected credit losses ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. 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 expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### (vi) Impairment of investment in subsidiaries

The Company carries out impairment test based on the estimate of the higher of value-in-use or the fair value less cost to sell of the cash-generating unit ("CGU") to which the investment in the subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

## 3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

### 3.1 Basis of Consolidation

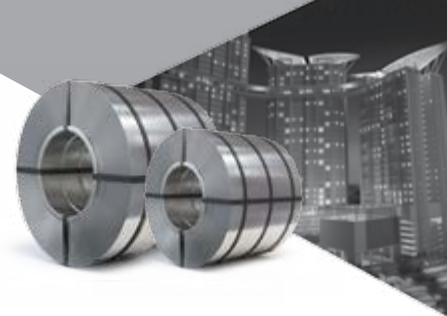
#### (i) Subsidiaries

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

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

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 3. ACCOUNTING POLICIES (Cont'd)

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

#### (i) Subsidiaries (Cont'd)

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

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

#### (ii) Business combination

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

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

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

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

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

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

#### (iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

#### (iv) 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 equity related to the former subsidiary from the consolidated statement of position. Any surplus or deficit arising from the loss of control is recognised in 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 or as an available-for-sale financial asset depending on the level of influence retained.

#### (v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement 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 consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### (vi) Transactions eliminated on consolidation

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

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.2 Goodwill

Goodwill acquired through business combination is initially measured at cost, being the excess of the cost of business acquired over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### 3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Replacement of major parts are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. All other maintenance and repair cost are expensed to profit or loss when incurred.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land	Amortise over lease period of 99 years
Buildings	2%
Freehold condominium	2%
Plant and machinery	5% to 15%
Furniture, fittings, office equipment, motor vehicles and renovation	2% to 33%

Freehold land is not depreciated as it has an infinite life.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

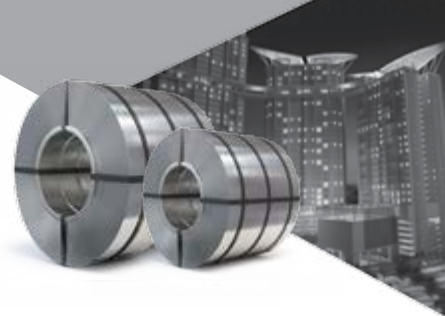
Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

### 3.4 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise, including the corresponding tax effect.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Fair value of investment properties is arrived at by reference to the valuation or updates performed by external independent qualified valuers. For those properties without valuation updates, the fair value is determined by reference to market evidence of transaction prices for similar properties.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.



## 3. ACCOUNTING POLICIES (Cont'd)

### 3.5 Leases

#### *Current financial period*

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

#### (a) Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases of 12 months and below and leases of low-value assets. At the commencement of a lease, the Group recognises a right-of-use asset and a lease liability.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets are 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. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset over the earlier of the useful life of the right-of-use asset and the lease term.

The right-of-use assets are also subject to impairment as described in Note 3.6 hereof.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *Short term leases and leases of low value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery 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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) Group as lessor

The Group lets out its premise to third party under operating lease for rental income. The Group recognises lease payments from lessee as income on a straight-line basis over the period of the lease.

#### *Previous financial year*

#### (a) Group as lessee

In the previous financial year, only finance lease was capitalised by recognising the underlying asset under property, plant and equipment and a corresponding lease liability. The underlying asset was depreciated on the straight-line method over its estimated useful life and interest on the lease payments was charged to profit or loss.

Payments made on operating lease were recognised as an expense in the profit or loss on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.5 Leases (Cont'd)

#### *Previous financial year* (Cont'd)

#### (b) Group as lessor

The Group lets out its premise to third party under operating lease for rental income. The Group recognises lease payments from lessee as income on a straight-line basis over the period of the lease.

### 3.6 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent on those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for those assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

### 3.7 Financial Instruments

#### (a) Recognition

Financial assets or financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the instrument.

#### (b) Classification and measurement of financial assets

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

Financial assets, other than those designated as hedging instruments, are classified into the following categories:

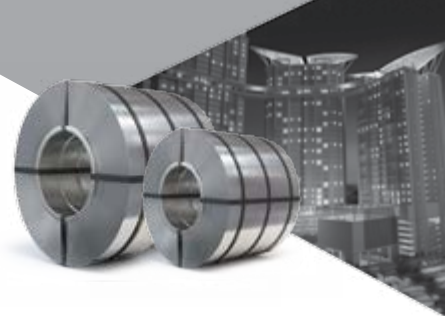
- amortised cost ("AC");
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

However, in the current financial period, the Group does not have any financial assets which are categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to the financial assets that are recognised in profit or loss are presented within financial cost, financial income or other financial items, except for impairment of receivables which is presented within other expenses.



## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments (Cont'd)

#### (b) Classification and measurement of financial assets (Cont'd)

##### *Financial assets at amortised cost ("AC")*

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. The Group's and the Company's cash and bank balances, fixed deposits with licensed banks, trade and other receivables fall into this category of financial instruments.

##### *Financial assets at fair value through profit or loss ("FVTPL")*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### (c) Financial assets - Impairment

All financial assets are subject to review for impairment.

Impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Instruments within the scope of the new requirements include loans, trade and other receivables and other debt-type financial assets measured at amortised cost and financial assets at FVOCI.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

Stage 1 - financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk; and

Stage 2 - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month ECL' are recognised for the Stage 1 category while 'lifetime ECL' are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The ECL model for trade receivables is described in Note 36.3(i).

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.7 Financial Instruments (Cont'd)

#### (d) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss ("FVTPL").

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### (e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently a legally enforceable 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.

#### (f) Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

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

#### (g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statement of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

### 3.8 Inventories

#### (a) Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less impairment losses.

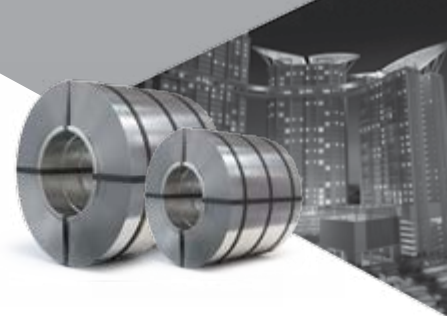
Land held for development is reclassified to property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

#### (b) 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 (Cont'd)

30 June 2020



## 3. ACCOUNTING POLICIES (Cont'd)

### 3.8 Inventories (Cont'd)

#### (b) Property development costs (Cont'd)

Where the outcome of a development can be reliably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to the estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

For the Group's current development project, revenue will be recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers and the satisfaction of performance obligations.

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

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in 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 expected to arise on other unrelated development projects.

The excess of revenue recognised in profit or loss over the billings to purchasers of properties is recognised as contract assets under current assets. The excess of billings to purchasers of properties over revenue recognised in profit or loss is recognised as contract liabilities under current liabilities.

#### (c) Valuation

- (i) Property inventories comprising of completed development units held for sale and property development projects in-progress are valued at the lower of cost and net realisable value.

Costs comprise cost of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, taking into account the time value of money if material.

- (ii) Other inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Cost of raw materials is determined on a first-in, first-out and weighted average cost basis.
- Cost of finished goods and work-in-progress comprises cost of raw materials, direct labour, other direct cost and appropriate proportion of manufacturing overheads based on normal operating capacity and is determined on a weighted average cost basis.
- Cost of trading materials of building materials, hardware items and scraps is determined on a weighted average cost basis.

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

### 3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

### 3.10 Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.10 Non-current Assets Held for Sale (Cont'd)

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRS. Then, on initial classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

### 3.11 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

### 3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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.

### 3.13 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred or rendered to the customer respectively at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue of the Group and of the Company is measured on the following basis:

#### (i) Revenue from sale of goods

Revenue is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of the goods.

#### (ii) Revenue from shearing services

Revenue is recognised at a point in time when the shearing services has been rendered and related performance obligation has been satisfied, generally on the delivery of the final products to the customers.

#### (iii) Revenue from installation service contract

An installation service contract is a contract specifically negotiated for the installation of an asset or a combination of assets that are closely interrelated or interdependent in term of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

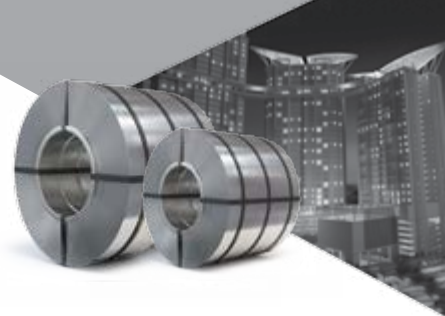
Revenue and profits from the installation service contracts are recognised over time arising from the fulfilment of the performance obligation.

#### (iv) Property development revenue

The Group constructs and sells residential properties under long-term contracts with customers. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work completed. Revenue from property development is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 3. ACCOUNTING POLICIES (Cont'd)

### 3.13 Revenue Recognition (Cont'd)

#### (v) 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.

#### (vi) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

#### (vii) Interest income

Interest is recognised on time proportion basis using the applicable effective interest rate.

#### (viii) Provision of management services

Revenue is recognised on the dates the services are rendered and completed which is upon the satisfaction of performance obligation at a point in time.

#### (ix) Contract balances

This refers to the closing balances of trade receivables and contract assets and liabilities as at the reporting date.

##### *Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### *Contract assets and contract liabilities*

Contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditional on something other than the passage of time. In the case of property development, a contract asset is the excess of cumulative revenue earned over the billings to-date. Contract assets are subject to impairment in accordance to MFRS 9, Financial Instruments. The contract assets of the Group comprise of amounts due from customers on contracts.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration, or the amount is due, from the customer. In the case of property development, a contract liability is the excess of billings to-date over the cumulative revenue earned. The contract liabilities of the Group comprise of amounts due to customers on contracts.

### 3.14 Employee Benefits

#### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions 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 contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.14 Employee Benefits (Cont'd)

#### (iii) Employee share options scheme (Cont'd)

Employees of the Group received incentive in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiaries' best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits/accumulated losses upon expiry of the share options.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### (iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

### 3.15 Income Tax

Income tax expense comprises current 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.

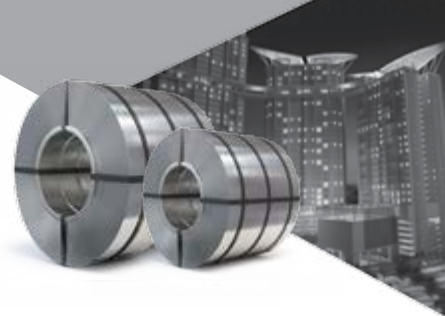
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill and of assets or liabilities in a transaction that is not a business combination and which it 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 period.

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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available to set off against the unutilised tax incentive.



## 3. ACCOUNTING POLICIES (Cont'd)

### 3.16 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rates at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rates at the date of the transaction except for those measured at fair value which shall be translated at the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

### 3.17 Irredeemable Convertible Preference Shares ("ICPS")

ICPS which have a 0% coupon rate are considered to have only the equity component as there is no obligation for payment of interest, principal or for re-purchase.

Any outstanding ICPS not converted at the end of the conversion period shall be mandatorily converted into new shares at the conversion price on the maturity date by surrendering ten ICPS for one new share without any additional consideration required from ICPS holder.

### 3.18 Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS which have a 0% coupon rate are considered to have only the equity component, as there is no obligation for payment of interest, principal or for re-purchase.

The details on the conversion of ICULS to ordinary shares is disclosed in Note 18 to the financial statements.

### 3.19 Warrants

Warrants are classified as equity instruments and its value is allocated based on the Black-Scholes model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital and share premium. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

### 3.20 Share Capital, Share Issuance Costs and Dividends

#### Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

#### Share issuance costs

Share issuance costs attributable to the issuance of new shares are deducted against equity.

#### Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared and approved.

### 3.21 Treasury Shares

When the Company purchases its own issued shares, the amount of consideration paid is recognised directly in equity. Purchased shares are classified as treasury shares and presented as a deduction from total equity. Any gain or loss in the sale of treasury shares is recognised in equity.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 3. ACCOUNTING POLICIES (Cont'd)

### 3.22 Segment Reporting

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

### 3.23 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position but is disclosed as a contingent asset or contingent liability, unless the probability of inflow or 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 assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

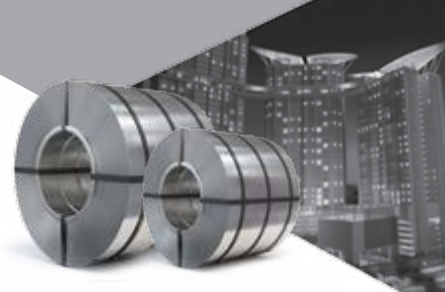
### 3.24 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) Has control or joint control over the Group.
  - (ii) Has significant influence over the Group; or
  - (iii) Is a member of the key management personnel of the Group.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group.
  - (ii) The entity is an associate or joint venture of the other entity.
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
  - (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 Group or is a member of the key management personnel of the entity.
  - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 4. PROPERTY, PLANT AND EQUIPMENT

### GROUP

	Freehold land and buildings and condominium RM	Leasehold land and buildings RM	Plant and machinery RM	Furniture, fittings, office equipment, motor vehicles and renovation work-in-progress RM	Capital RM	Total RM
<b>30.6.2020</b>						
<b>At cost</b>						
Balance at beginning	56,496,805	3,200,000	60,658,718	20,341,204	1,581,158	142,277,885
Additions	-	-	930,277	801,195	-	1,731,472
Disposals	(1,330,000)	-	(290,000)	(3,519,061)	(1,581,158)	(6,720,219)
Disposal of a subsidiary	-	-	(1,791)	-	-	(1,791)
Written off	-	-	-	(2,750)	-	(2,750)
Balance at end	55,166,805	3,200,000	61,297,204	17,620,588	-	137,284,597
<b>Accumulated depreciation</b>						
Balance at beginning	9,063,733	700,342	43,574,919	15,132,201	-	68,471,195
Current charge	767,337	32,763	2,719,699	1,777,289	-	5,297,088
Disposals	(44,333)	-	(279,125)	(3,087,991)	-	(3,411,449)
Disposal of a subsidiary	-	-	(1,522)	-	-	(1,522)
Written off	-	-	-	(2,749)	-	(2,749)
Balance at end	9,786,737	733,105	46,013,971	13,818,750	-	70,352,563
<b>Accumulated impairment losses</b>						
Balance at beginning	-	-	843,288	-	-	843,288
Current year	-	-	2,091,692	-	-	2,091,692
Balance at end	-	-	2,934,980	-	-	2,934,980
<b>Carrying amount</b>	<b>45,380,068</b>	<b>2,466,895</b>	<b>12,348,253</b>	<b>3,801,838</b>	<b>-</b>	<b>63,997,054</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

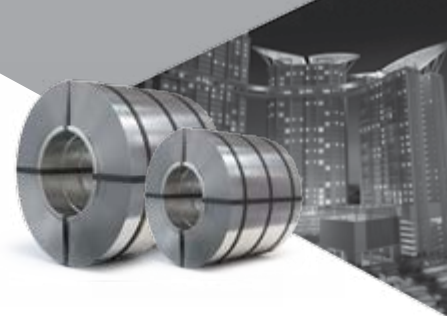
## 4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### GROUP (Cont'd)

	Freehold land and buildings and condominium RM	Leasehold land and buildings RM	Plant and machinery RM	Furniture, fittings, office equipment, motor vehicles and renovation RM	Capital work-in-progress RM	Total RM
31.3.2019						
At cost						
Balance at beginning	54,722,213	3,200,000	59,510,773	19,032,073	2,113,766	138,578,825
Acquisition of a subsidiary	-	-	-	306,926	-	306,926
Additions	-	-	1,432,945	804,730	434	2,238,109
Disposals	-	-	(285,000)	(48,935)	-	(333,935)
Reclassification	274,592	-	-	258,450	(533,042)	-
Reclassified from non-current assets held for sale	1,500,000	-	-	-	-	1,500,000
Written off	-	-	-	(12,040)	-	(12,040)
Balance at end	56,496,805	3,200,000	60,658,718	20,341,204	1,581,158	142,277,885
Accumulated depreciation						
Balance at beginning	8,441,840	674,132	41,647,912	13,233,970	-	63,997,854
Acquisition of a subsidiary	-	-	-	184,535	-	184,535
Current charge	621,893	26,210	2,212,006	1,770,264	-	4,630,373
Disposals	-	-	(284,999)	(48,934)	-	(333,933)
Written off	-	-	-	(7,634)	-	(7,634)
Balance at end	9,063,733	700,342	43,574,919	15,132,201	-	68,471,195
Accumulated impairment losses	-	-	843,288	-	-	843,288
Carrying amount	47,433,072	2,499,658	16,240,511	5,209,003	1,581,158	72,963,402

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### COMPANY

	Furniture, fittings, office equipment and motor vehicles	
	30.6.2020 RM	31.3.2019 RM
<b>At cost</b>		
Balance at beginning	5,223,943	4,809,638
Additions	9,583	414,305
Disposal	(369,072)	-
Balance at end	<u>4,864,454</u>	<u>5,223,943</u>
<b>Accumulated depreciation</b>		
Balance at beginning	4,343,973	4,039,679
Current charge	300,978	304,294
Disposal	(338,316)	-
Balance at end	<u>4,306,635</u>	<u>4,343,973</u>
<b>Carrying amount</b>	<u>557,819</u>	<u>879,970</u>

- (i) The carrying amount of the Group's leasehold land and buildings which are pledged as securities for banking facilities granted to a subsidiary is **RM2,373,398** (31.3.2019: RM2,433,658).
- (ii) The carrying amount of the property, plant and equipment being acquired under hire purchase loans are as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Plant and machinery	1,432,257	2,511,283	-	-
Motor vehicles	<u>1,395,791</u>	<u>2,413,573</u>	<u>385,800</u>	<u>630,913</u>
	<u>2,828,048</u>	<u>4,924,856</u>	<u>385,800</u>	<u>630,913</u>

- (iii) Included in the carrying amount of the property, plant and equipment are right-of-use assets as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Leasehold land and building	2,466,895	2,499,658	-	-
Plant and machinery	1,432,257	2,511,283	-	-
Motor vehicles	<u>1,395,791</u>	<u>2,413,573</u>	<u>385,800</u>	<u>630,913</u>
	<u>5,294,943</u>	<u>7,424,514</u>	<u>385,800</u>	<u>630,913</u>



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leased premises and machinery for its operations. The lease contracts are for lease terms of 2 years. The lease contracts restrict the Group from assigning and subleasing the leased assets. No extension and termination options are expected to be exercised.

The Group also has short term leases of 12 months and below for premises, machinery and office equipment and such lease payments are charged to profit or loss as lease rentals.

30.6.2020

Set out below are the carrying amount of right-of-use assets and lease liabilities and their movements during the financial period:

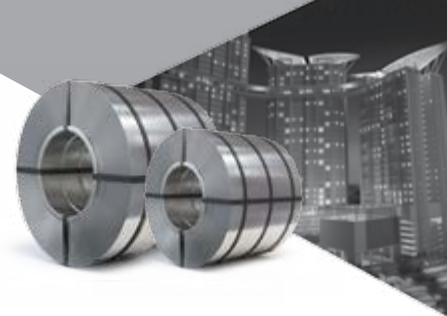
	Premises RM	Machinery RM	Total RM
<b>Right-of-use assets</b>			
Additions	79,216	74,222	153,438
Depreciation	(19,804)	(27,833)	(47,637)
Balance at end	<u>59,412</u>	<u>46,389</u>	<u>105,801</u>
<b>Lease liabilities</b>			
Additions	79,216	74,222	153,438
Accretion of interest	1,584	1,538	3,122
Payment	(21,000)	(28,800)	(49,800)
Balance at end	<u>59,800</u>	<u>46,960</u>	<u>106,760</u>
Represented by:			
Non-current liabilities			29,739
Current liabilities			<u>77,021</u>
			<u>106,760</u>
			1.4.2019 to 30.6.2020 (15 months) RM

The following are the amounts recognised in profit or loss:

Depreciation of right-of-use assets	47,637
Interest expense on lease liabilities	<u>3,122</u>
	<u>50,759</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 6. INVENTORIES

	Note	GROUP	
		30.6.2020 RM	31.3.2019 RM
<b>Non-current assets</b>			
Land held for development	6.1	<u>43,713,988</u>	<u>5,021,974</u>
Represented by:			
Freehold land		42,054,292	3,382,268
Development costs		<u>1,659,696</u>	<u>1,639,706</u>
		<u>43,713,988</u>	<u>5,021,974</u>
<b>Current assets</b>			
Property development costs	6.2	112,855,651	64,158,759
Completed development units	6.3	9,311,444	-
Raw materials		11,520,909	10,951,516
Work-in-progress		587,666	67,050
Finished goods		1,411,490	1,370,560
Trading goods		<u>145,103</u>	<u>1,099,575</u>
		<u>135,832,263</u>	<u>77,647,460</u>
Total inventories		<u>179,546,251</u>	<u>82,669,434</u>

	GROUP	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Recognised in profit or loss during the financial period/year:		
Inventories recognised as cost of sales	48,789,173	31,280,613
Inventories written down	696,257	-
Inventories written off	1,456,793	-
Reversal of inventories written down	<u>(37,756)</u>	<u>-</u>

### 6.1 Land held for development

The movements of land held for development are as follows:

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	5,021,974	-
Arising from acquisition of subsidiaries	<u>38,692,014</u>	<u>5,021,974</u>
Balance at end	<u>43,713,988</u>	<u>5,021,974</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 6. INVENTORIES (Cont'd)

### 6.2 Property development costs

- (i) In the previous financial year, there was a Joint Venture Agreement ("JVA") entered into between Atta Properties Sdn. Bhd. ("APSB"), a wholly-owned subsidiary of the Company and Tetap Gembira Development Sdn. Bhd. ("TGSB"), another subsidiary of the Company on 29 August 2018 to jointly develop a piece of land belonging to TGSB. According to the JVA, APSB and TGSB are entitled to 75% of the gross development value of the project or 75 units in the project and 25% of the gross development value of the project or 25 units in the project respectively. However, during the financial period, the JVA was mutually terminated through a deed of rescission executed on 19 December 2019. The development costs incurred on the joint venture project was recovered from the proceeds received from the disposal of TGSB by the Company during the financial period.
- (ii) The movements of property development costs are as follows:

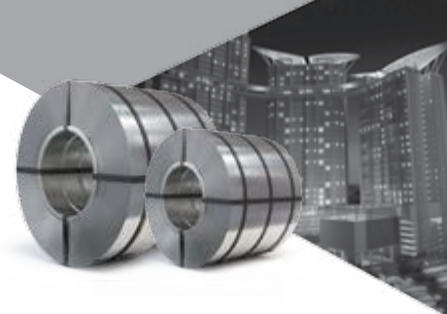
	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	64,587,191	10,740,486
Arising from acquisition of subsidiaries	34,861,991	37,910,658
Development costs incurred during the financial period/year	58,721,097	15,936,047
Disposal of a subsidiary, TGSB	(20,685,664)	-
Reversal of completed development	(3,537,325)	-
Transfer to inventories	(9,311,444)	-
Cost recognised in profit or loss		
Balance at beginning	(428,432)	-
Recognised during the financial period/year	(14,889,088)	(428,432)
Reversal of completed development	3,537,325	-
Balance at end	(11,780,195)	(428,432)
Balance at end	<u>112,855,651</u>	<u>64,158,759</u>
Represented by:		
Freehold land	60,293,704	36,392,694
Development costs	<u>52,561,947</u>	<u>27,766,065</u>
	<u>112,855,651</u>	<u>64,158,759</u>

### 6.3 Completed development units

Completed development units represents unsold completed units transferred from property development costs during the financial period at cost.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 7. INVESTMENT PROPERTIES

The reconciliation of the fair value of investment properties is shown below:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
At fair value:				
Balance at beginning	82,432,181	49,219,999	35,553,998	30,603,296
Acquisition of subsidiaries	15,000,000	14,900,000	-	-
Additions	1,126,808	15,212,182	1,126,808	4,950,702
Disposal	(10,261,480)	-	-	-
(Loss)/Gain on fair value adjustment	(6,997,509)	3,100,000	(7,077,509)	-
Transfer to non-current asset held for sale	(18,000,000)	-	-	-
Balance at end	<u>63,300,000</u>	<u>82,432,181</u>	<u>29,603,297</u>	<u>35,553,998</u>

The investment properties consist of the following:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Commercial properties	63,000,000	71,870,701	29,603,297	35,553,998
Non-commercial properties	300,000	10,561,480	-	-
	<u>63,300,000</u>	<u>82,432,181</u>	<u>29,603,297</u>	<u>35,553,998</u>

- (i) Certain investment properties of the Group and of the Company with carrying amount of **RM40,000,000** (31.3.2019: RM45,950,701) and **RM29,603,297** (31.3.2019: RM35,553,998) respectively are pledged to financial institutions for banking facilities granted to the Company and certain subsidiaries as disclosed in Note 21 to the financial statements.
- (ii) The following amounts are recognised in profit or loss in respect of the investment properties:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Rental income from rental generating properties	3,223,523	3,000,980	3,003,120	2,641,872
Direct operating expenses arising from:				
- Rental generating properties	250,185	202,093	198,971	187,858
- Non-rental generating properties	<u>124,910</u>	<u>123,098</u>	<u>-</u>	<u>-</u>

- (iii) Fair value measurement of the investment properties is disclosed in Note 37 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	30.6.2020 RM	31.3.2019 RM
Unquoted shares, at cost	134,660,736	132,898,232
Less: Accumulated impairment losses	(60,704,615)	(57,423,688)
	<b>73,956,121</b>	<b>75,474,544</b>

The movements of accumulated impairment losses are as follows:

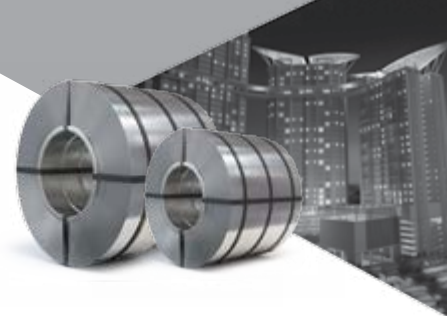
	COMPANY	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	57,423,688	57,423,688
Current year, net	3,280,927	-
Balance at end	<b>60,704,615</b>	<b>57,423,688</b>

Details of the subsidiaries, all of which were incorporated in Malaysia, are as follows:

Name of Entity	Effective Equity Interest		Principal Activities
	30.6.2020 %	31.3.2019 %	
<b>Direct subsidiaries</b>			
SMPC Industries Sdn. Bhd.	100	100	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100	100	Dormant.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	Shredding, shearing, processing and trading of ferrous and non-ferrous scrap metals.
Duro Metal Industrial (M) Sdn. Bhd. ("DMI")	60	60	Manufacturing of steel roofing, wall cladding sheets and other steel related products and provision of related services.
Park Avenue Construction Sdn. Bhd. ("PACSB")	100	100	Investment holding.
SMPC Dexon Sdn. Bhd.	100	100	Manufacturing and trading of steel and other types of furniture and provision of related services.
Metal Perforators (Malaysia) Sdn. Bhd. ("MPM")	60	60	Manufacturing and marketing of perforated metals, cable support systems and screen plates.
Kembang Kartika Sdn. Bhd.	100	100	Property development.
Atta Properties Sdn. Bhd.	100	100	Investment holding and property development.
* Tetap Gembira Development Sdn. Bhd. ("TGSB")	-	55	Property development.
* Sunrise Manner Sdn. Bhd. ("SMSB")	80	80	Property development.
* MPSB Venture Sdn. Bhd.	100	-	Property development.
* Climate Attitude Sdn. Bhd.	100	-	Property investment.
* Santro Match Sdn. Bhd.	100	-	Property investment.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 8. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries, all of which were incorporated in Malaysia, are as follows: (Cont'd)

Name of Entity	Effective Equity Interest		Principal Activities
	30.6.2020 %	31.3.2019 %	
<b>Indirect - held through SMPC Marketing Sdn. Bhd.</b>			
Progerex Sdn. Bhd.	100	100	Shredding, processing and trading of ferrous and non-ferrous scrap metals.
<b>Indirect - held through Park Avenue Construction Sdn. Bhd.</b>			
* Sungguh Gemilang Development Sdn. Bhd.	100	100	Property development.
* Sparkle Gateway Sdn. Bhd.	100	100	Investment holding.
<b>Indirect - held through Atta Properties Sdn. Bhd.</b>			
* Eminent Potential Sdn. Bhd.	100	100	Property development.
* Scanrite Sdn. Bhd.	100	100	Property development.
<b>Indirect - held through Sunrise Manner Sdn. Bhd.</b>			
* Sunrise Concept Sdn. Bhd.	100	100	Dormant.
* Not audited by Grant Thornton.			

### 30.6.2020

- (i) On 15 May 2019, the Company had acquired 5,000,000 ordinary shares, representing 100% equity interest in MPSB Venture Sdn. Bhd. for a total cash consideration of RM3,000,000.
- (ii) On 19 August 2019, the Company had acquired 2 ordinary shares, representing 100% equity interest in Climate Attitude Sdn. Bhd. for a total cash consideration of RM2.
- (iii) On 1 October 2019, the Company had disposed of 1,237,500 ordinary shares, representing 55.31% equity interest in TGSB for a total cash consideration of RM5,000,000.
- (iv) On 15 November 2019, the Company had acquired 2 ordinary shares, representing 100% equity interest in Santro Match Sdn. Bhd. for a total cash consideration of RM2.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 8. INVESTMENT IN SUBSIDIARIES (Cont'd)

31.3.2019

- (i) On 24 May 2018, the Group through PACSB had acquired 250,000 ordinary shares, representing 100% equity interest in Sungguh Gemilang Development Sdn. Bhd. for a total cash consideration of RM1,150,000.
- (ii) On 15 August 2018, the Group through Atta Properties Sdn. Bhd. had acquired 1,500,000 ordinary shares, representing 100% equity interest each in Eminent Potential Sdn. Bhd. and Scanrite Sdn. Bhd. for a total cash consideration of RM4,000,000 and RM2,000,000 respectively.
- (iii) On 4 October 2018, the Company had subscribed for 2,000,000 ordinary shares, representing 80% equity interest SMSB for a total cash consideration of RM20,000,000.
- (iv) On 12 October 2018, the Group through PACSB had acquired 2 ordinary shares, representing 100% equity interest in Sparkle Gateway Sdn. Bhd. for a total cash consideration of RM2.
- (v) On 11 February 2019, the Group through SMSB had incorporated a new wholly-owned subsidiary namely, Sunrise Concept Sdn. Bhd. with an issued share capital of RM1 comprising of 1 ordinary share.

### Subsidiaries with material non-controlling interests

The Group's subsidiaries, namely DMI, MPM, TGSB and SMSB have material non-controlling interests which are set out below. The equity interests held by non-controlling interests are as follows:

	Equity interest held by non-controlling interests	
	2020 %	2019 %
DMI	40	40
MPM	40	40
TGSB	-	45
SMSB	20	20

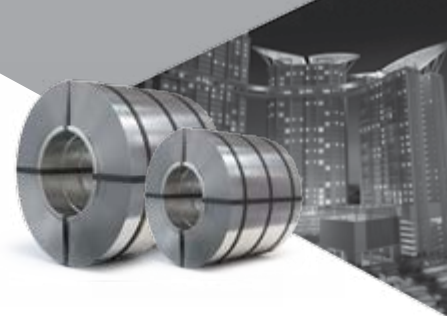
Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before intercompany elimination.

### GROUP

	DMI RM	MPM RM	TGSB RM	SMSB RM	Total RM
As at 30 June 2020					
Non-current assets	3,442,600	6,458,956	-	870,228	10,771,784
Non-current liabilities	(238,052)	(1,890,724)	-	(7,000)	(2,135,776)
Current assets	17,473,402	12,372,266	-	87,576,154	117,421,822
Current liabilities	(9,235,770)	(2,427,051)	-	(39,494,409)	(51,157,230)
Net assets	11,442,180	14,513,447	-	48,944,973	74,900,600

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 8. INVESTMENT IN SUBSIDIARIES (Cont'd)

### Subsidiaries with material non-controlling interests (Cont'd)

	DMI RM	MPM RM	TGSB RM	SMSB RM	Total RM
<b>Period ended 30 June 2020</b>					
Revenue	24,489,125	13,978,454	-	21,296,330	59,763,909
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income for the financial period	(1,866,832)	39,871	-	3,021,709	1,194,748
Net cash generated from/(used in):					
Operating activities	1,529,799	140,498	-	(9,107,161)	(7,436,864)
Investing activities	(13,836)	(202,408)	-	312,459	96,215
Financing activities	29,359	264,729	-	-	294,088
Net change in cash and cash equivalents	1,545,322	202,819	-	(8,794,702)	(7,046,561)
<b>As at 31 March 2019</b>					
Non-current assets	4,279,541	7,102,358	269	894,478	12,276,646
Non-current liabilities	(564,298)	(1,902,636)	-	-	(2,466,934)
Current assets	22,111,943	12,340,713	12,079,192	57,320,406	103,852,254
Current liabilities	(12,355,349)	(3,066,859)	(11,527,122)	(12,291,620)	(39,240,950)
Net assets	13,471,837	14,473,576	552,339	45,923,264	74,421,016
<b>Year ended 31 March 2019</b>					
Revenue	32,131,717	19,069,891	-	991,199	52,192,807
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	(155,745)	256,346	(20,933)	(662,552)	(582,884)
Net cash generated from/(used in):					
Operating activities	776,067	365,060	(2,972)	(9,424,979)	(8,286,824)
Investing activities	(443,563)	(558,342)	-	261,319	(740,586)
Financing activities	(432,103)	(179,269)	(74,866)	20,000,000	19,313,762
Net change in cash and cash equivalents	(99,599)	(372,551)	(77,838)	10,836,340	10,286,352



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 9. GOODWILL ON CONSOLIDATION

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	7,707,916	909,220
Arising from acquisition of subsidiaries	-	6,798,696
Arising from disposal of a subsidiary	(909,220)	-
Balance at end	<u>6,798,696</u>	<u>7,707,916</u>

### Impairment test on goodwill

Goodwill acquired through business combinations has been allocated to its business segment as its cash generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU is determined based on its value-in-use, which applies a discounted cash flow model using cash flow projections based on financial budget and projections approved by management.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

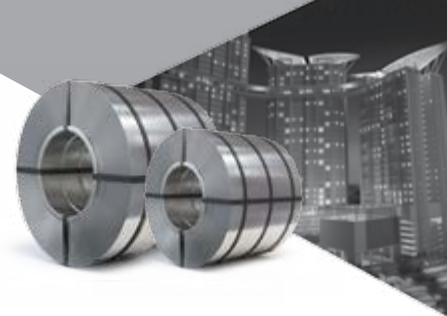
- (i) Cash flow projections  
The five-year cash flow projections are based on the most recent budget approved by the management and management's assessment of future trends of the various businesses which are based on both external and internal sources (historical data).
- (ii) Discount rate  
The discount rate of **6.70%** (31.3.2019: 6.85%) is applied to the cash flow projections in arriving of the net present value of cash flows projection.

## 10. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Trade receivables</b>					
Third parties	10.1	18,110,373	23,004,861	-	-
Less: Allowance for expected credit losses		(3,300,302)	(3,282,227)	-	-
Trade receivables, net		14,810,071	19,722,634	-	-
<b>Other receivables</b>					
Third parties	10.2	7,584,653	10,273,164	1,279,894	36,243
Less: Allowance for expected credit losses		(1,371,239)	(1,216,154)	(15,650)	-
Other receivables, net		6,213,414	9,057,010	1,264,244	36,243
Advance to suppliers		915,236	779,823	-	-
Earnest deposit	10.3	10,400,000	30,000,000	10,400,000	30,000,000
Deposits		891,742	783,208	68,501	67,001
Prepayments		1,174,396	1,074,500	151,130	85,876
GST receivables		41,553	483,736	-	-
Amount due from subsidiaries	10.4	-	-	210,080,144	199,959,038
		<u>34,446,412</u>	<u>61,900,911</u>	<u>221,964,019</u>	<u>230,148,158</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 10. TRADE AND OTHER RECEIVABLES (Cont'd)

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Ringgit Malaysia	34,290,524	60,735,345	221,964,019	230,148,158
US Dollar	18,944	861,062	-	-
Singapore Dollar	136,944	304,504	-	-
	<u>34,446,412</u>	<u>61,900,911</u>	<u>221,964,019</u>	<u>230,148,158</u>

### 10.1 Trade receivables

#### GROUP

- (i) Trade receivables are non-interest bearing and are generally given **14 to 120 days** (31.3.2019: 14 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (ii) Included herein is retention sum of **RM609,723** (31.3.2019: RM1,961,114) relating to the supply of steel roofing, cable support system and its related accessories.
- (iii) The movements of allowance for expected credit losses are as follows:

	30.6.2020 RM	31.3.2019 RM
Balance at beginning	3,282,227	2,819,465
Effects of adopting MFRS 9	-	287,185
Balance at beginning, restated	3,282,227	3,106,650
Current year	18,075	175,577
Balance at end	<u>3,300,302</u>	<u>3,282,227</u>

### 10.2 Other receivables

#### GROUP

Included herein is an amount of **RM440,000** (31.3.2019: RM440,000) due from a corporate shareholder of a subsidiary. The amount is unsecured, non-interest bearing and is repayable on demand.

#### GROUP AND COMPANY

The movements of allowance for expected credit losses are as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Balance at beginning	1,216,154	989,617	-	13,150
Effects of adopting MFRS 9	-	9,303	-	-
Balance at beginning, restated	1,216,154	998,920	-	13,150
Current year	264,574	316,317	15,650	-
Reversal	(109,489)	-	-	-
Written off	-	(99,083)	-	(13,150)
Balance at end	<u>1,371,239</u>	<u>1,216,154</u>	<u>15,650</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 10. TRADE AND OTHER RECEIVABLES (Cont'd)

### 10.3 Earnest deposit

#### GROUP AND COMPANY

The earnest deposit of **RM10,400,000** (31.3.2019: RM30,000,000) was paid to a legal firm as stakeholder, for a proposed joint venture mix development project. The proposed joint venture has been aborted during the financial period and the Company is expected to recover the balance deposit in the next financial year.

### 10.4 Amount due from subsidiaries

#### COMPANY

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and is repayable on demand.

## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Note	GROUP	
		30.6.2020 RM	31.3.2019 RM
<b>Contract assets</b>			
- Excess of cumulative revenue recognised over billings to-date	11.1	<u>3,590,895</u>	<u>690,239</u>
<b>Contract liabilities</b>			
- Excess of billings to-date over cumulative revenue recognised	11.1	2,001,193	-
- Deposits received from customers for sales orders	11.2	<u>169,652</u>	<u>63,572</u>
		<u>2,170,845</u>	<u>63,572</u>

### 11.1 Contract assets/(liabilities) from property development

The Group issues progress billings to its property buyers when the billing milestones are attained and recognises revenue when the performance obligations are satisfied.

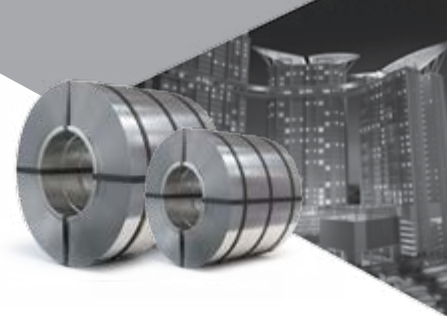
	GROUP	
	30.6.2020 RM	31.3.2019 RM
Revenue recognised to-date	14,716,170	991,199
Progress billings to-date	<u>(13,126,468)</u>	<u>(300,960)</u>
	<u>1,589,702</u>	<u>690,239</u>
Represented by:		
Contract assets	3,590,895	690,239
Contract liabilities	<u>(2,001,193)</u>	-
	<u>1,589,702</u>	<u>690,239</u>

The contract assets primarily relate to the Group's rights to consideration for work completed on property development contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 30 days.

Contract liability is the excess of billings to-date over the cumulative revenue recognised. The unsatisfied performance obligations at the reporting date are expected to be realised between 1 to 3 years.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 11. CONTRACT ASSETS AND CONTRACT LIABILITIES (Cont'd)

### 11.2 Contract liabilities from deposits received from customers

Deposits received from customers represent deposits received for sales orders before the commencement of production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation pursuant to the sales contract.

All deposits received are expected to be recognised as revenue within one year from date of receipt.

The movements of contract liabilities from deposits received from customers are as follows:

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	63,572	-
Decrease on recognition of revenue	(63,572)	-
Increase on receiving deposits for sales orders	169,652	63,572
Balance at end	169,652	63,572

## 12. OTHER INVESTMENTS

	GROUP	
	30.6.2020 RM	31.3.2019 RM
<b>Financial assets at fair value through profit or loss</b>		
Securities quoted in Malaysia	17,268,146	11,848,320
Loan stocks quoted in Malaysia	4,886,945	5,144,334
	22,155,091	16,992,654

## 13. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Encumbered	4,204,232	1,689,962	625,384	607,044
Unencumbered	300,000	14,517,753	-	-
	4,504,232	16,207,715	625,384	607,044

The encumbered fixed deposits are pledged to licensed banks for banking facilities granted to Company and certain subsidiaries.

The effective interest rates of fixed deposits are **2.45% to 3.10%** (31.3.2019: 3.00% to 4.20%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 14. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Ringgit Malaysia	21,754,656	62,579,529	8,124,797	533,979
US Dollar	104,527	105,506	-	-
	<u>21,859,183</u>	<u>62,685,035</u>	<u>8,124,797</u>	<u>533,979</u>

## 15. NON-CURRENT ASSET HELD FOR SALE

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Freehold land and building		
Balance at beginning	-	1,500,000
Reclassified from investment properties	18,000,000	-
Reclassified to property, plant and equipment	-	(1,500,000)
Balance at end	<u>18,000,000</u>	<u>-</u>

### 30.6.2020

On 16 January 2020, Sparkle Gateway Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement with ISEC (Penang) Sdn. Bhd. for the disposal of an investment property for a total consideration of RM18,100,000. The disposal was completed on 21 August 2020.

### 31.3.2019

The freehold land and building have been reclassified to property, plant and equipment as the directors are of the opinion that the disposal cannot be completed within the next twelve months after the reporting date due to dispute with the buyer and is under litigation.

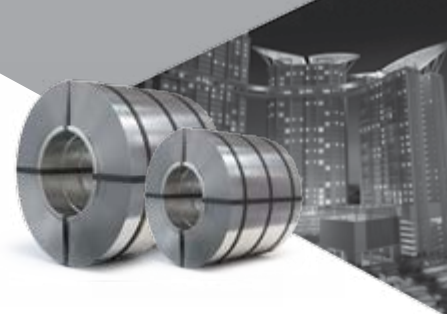
## 16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	30.6.2020	31.3.2019	30.6.2020 RM	31.3.2019 RM
Issued and fully paid:				
Balance at beginning	213,318,936	208,318,936	212,203,372	208,203,372
Arising from conversion of ICPS	-	5,000,000	-	4,000,000
Balance at end	<u>213,318,936</u>	<u>213,318,936</u>	<u>212,203,372</u>	<u>212,203,372</u>

In the previous financial year, the Company had issued 5,000,000 new ordinary shares pursuant to the conversion of 5-year ICPS at a conversion price of RM0.80 each raising RM4,000,000 worth of share capital.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 17. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Number of ICPS of RM0.08 each		Amount	
	30.6.2020	31.3.2019	30.6.2020 RM	31.3.2019 RM
Balance at beginning	1,171,961,720	1,176,961,720	93,756,938	94,156,938
Converted to ordinary shares	-	(5,000,000)	-	(400,000)
Balance at end	<u>1,171,961,720</u>	<u>1,171,961,720</u>	<u>93,756,938</u>	<u>93,756,938</u>

The salient features of the ICPS are as follows:

- (i) Each registered holder of the ICPS shall have the right at any time during the conversion period of five years commencing from and including the date of issue of the ICPS up to the maturity date of 28 November 2022 which is the date immediately preceding the fifth anniversary of the issue date of the ICPS.
- (ii) Based on the conversion price of RM0.80, ICPS can be converted by way of surrendering ten ICPS of RM0.08 each for one new ordinary share or by surrendering for cancellation of one ICPS and RM0.72 cash for one new ordinary share.
- (iii) The ICPS have a tenure period of 5 years from the date of issue and will not be redeemable in cash. All outstanding ICPS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM0.80 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICPS and the maturity date shall be disregarded.
- (iv) A cumulative preference dividend rate of RM0.40 per hundred ICPS per annum if declared, shall be payable annually in arrears out of post taxation profits.
- (v) Upon conversion of the ICPS into new ordinary shares, such shares would rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid prior to the date of the new shares allotment.

## 18. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Number of ICULS of RM0.10 each		Amount	
	30.6.2020	31.3.2019	30.6.2020 RM	31.3.2019 RM
Balance at beginning/end	<u>123,489,869</u>	<u>123,489,869</u>	<u>12,348,987</u>	<u>12,348,987</u>

The ICULS at nominal value of RM0.10 each were constituted by a Trust Deed dated 28 March 2012 made between the Company and the Trustee for the holders of the ICULS.

The salient features of the ICULS are as follows:

- (i) The ICULS shall be convertible into fully paid-up ordinary shares at any time during the tenure of the ICULS from the date of issue of the ICULS up to and including the maturity date of 15 April 2022 by surrendering ten ICULS of RM0.10 each for one new ordinary share or by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each.
- (ii) The ICULS have a tenure period of 10 years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM1 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICULS and the maturity date shall be disregarded.
- (iii) Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date is before the new share allotment.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 19. OTHER RESERVES

	Note	GROUP		COMPANY	
		30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Non-distributable:</b>					
Treasury shares	19.1	(406)	(406)	(406)	(406)
Warrants reserve	19.2	4,203,130	4,203,130	4,203,130	4,203,130
Discount on shares	19.2	(4,122,590)	(4,122,590)	(4,122,590)	(4,122,590)
Fair value reserve	19.3	-	-	-	-
Capital reserve	19.4	(262,746)	(262,746)	7,445,000	7,445,000
ESOS reserve	19.5	132,110	133,895	132,110	133,895
		<u>(50,502)</u>	<u>(48,717)</u>	<u>7,657,244</u>	<u>7,659,029</u>

### 19.1 Treasury shares

The details of the treasury shares during the financial period/year are as follows:

	30.6.2020		31.3.2019	
	Number of shares	RM	Number of shares	RM
Balance at beginning/end	<u>774</u>	<u>406</u>	<u>774</u>	<u>406</u>

Of the total **213,318,936** (31.3.2019: 213,318,936) issued ordinary shares as at 30 June 2020, **774** (31.3.2019: 774) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **213,318,162** (31.3.2019: 213,318,162) ordinary shares.

### 19.2 Warrants reserve and Discount on shares

The warrants reserve comprises the fair values of the following Warrants:

	GROUP AND COMPANY	
	30.6.2020 RM	31.3.2019 RM
Warrants B expiring 9 May 2022 (Note (i))	3,186,005	3,186,005
Warrants C expiring 24 November 2024 (Note (ii))	<u>1,017,125</u>	<u>1,017,125</u>
	<u>4,203,130</u>	<u>4,203,130</u>

#### (i) Warrants B

On 7 May 2012, the Company issued 20,338,186 10-year free detachable warrants 2012/2022 ("Warrants B"). The Warrants B are constituted by a deed poll dated 28 March 2012 and are listed on Bursa Malaysia on 16 May 2012.

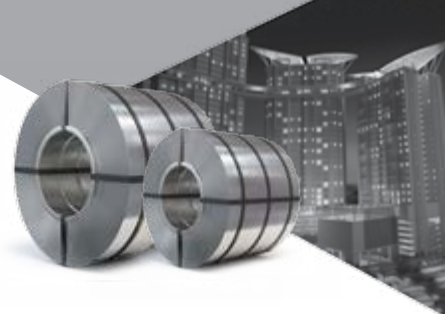
On 24 November 2014, 1,044,807 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to a rights issue exercise.

On 6 December 2017, 3,236,681 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to a rights issue exercise of ICPS.

During the financial year, no Warrants B were exercised. As at 30 June 2020, there was a total of 24,619,674 unexercised Warrants B.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 19. OTHER RESERVES (Cont'd)

### 19.2 Warrants reserve and Discount on shares (Cont'd)

#### (ii) Warrants C

On 18 November 2014, the Company issued 10,711,565 10-year free detachable warrants 2014/2024 ("Warrants C"). The Warrants C are constituted by a deed poll dated 9 October 2014 and are listed on Bursa Malaysia on 25 November 2014.

On 6 December 2017, 635,888 additional Warrants C are issued pursuant to the adjustment made to the outstanding Warrants C consequent to a rights issue exercise of ICPS.

During the financial year, no Warrants C were exercised. As at 30 June 2020, there was a total of 4,837,053 unexercised Warrants C.

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share each in the Company at an exercise price of RM1 per ordinary share.
- The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants until the last market day prior to the tenth anniversary of the date of issue of the Warrants.
- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.
- The Warrants holders are not entitled to any voting right or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrants holders exercise their Warrants for new ordinary shares.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

### 19.3 Fair value reserve

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	-	3,863,384
Effects of adopting MFRS 9	-	(3,863,384)
Balance at beginning, restated/Balance at end	-	-

### 19.4 Capital reserve

#### GROUP

Capital reserve represents the premium paid for the acquisition from its non-controlling interest of a subsidiary and the Group's share of net assets before and after the change in its ownership interest.

#### COMPANY

Capital reserve represents the excess of sales consideration over the carrying amount of the net assets transferred to a subsidiary.



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 19. OTHER RESERVES (Cont'd)

### 19.5 ESOS reserve

	GROUP AND COMPANY	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	133,895	156,598
Share options lapsed	(1,785)	(22,703)
Balance at end	<u>132,110</u>	<u>133,895</u>

The ESOS reserve represents the equity-settled share options granted to employees of certain subsidiaries and the Company's directors. The share option reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry or exercise of the share options.

## 20. RETAINED PROFITS

### COMPANY

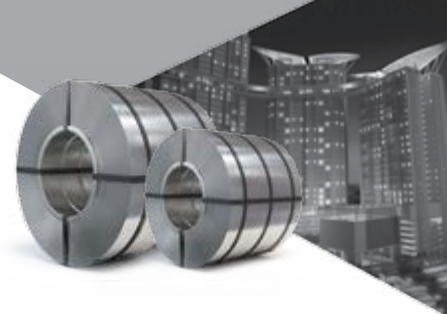
The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

## 21. BORROWINGS

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Non-current liabilities</b>				
<u>Hire purchase loans</u>				
Minimum payment:				
Within 1 year	760,839	1,503,322	105,605	180,956
Later than 1 year but not later than 2 years	440,136	669,742	100	131,444
Later than 2 years but not later than 5 years	408,436	197,443	-	17,380
	<u>1,609,411</u>	<u>2,370,507</u>	<u>105,705</u>	<u>329,780</u>
Future finance charges	(111,094)	(103,681)	(2,602)	(14,917)
	<u>1,498,317</u>	<u>2,266,826</u>	<u>103,103</u>	<u>314,863</u>
Amount due within 1 year included under current liabilities	(698,707)	(1,415,835)	(103,028)	(170,241)
	<u>799,610</u>	<u>850,991</u>	<u>75</u>	<u>144,622</u>
<u>Term loan</u>				
Total amount repayable	2,247,824	4,164,492	2,247,824	4,164,492
Amount due within 1 year included under current liabilities	(1,659,865)	(1,473,174)	(1,659,865)	(1,473,174)
	<u>587,959</u>	<u>2,691,318</u>	<u>587,959</u>	<u>2,691,318</u>
	<u>1,387,569</u>	<u>3,542,309</u>	<u>588,034</u>	<u>2,835,940</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 21. BORROWINGS (Cont'd)

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Current liabilities</b>				
Bank overdraft	489,760	456,858	-	-
Bankers acceptance	-	344,000	-	-
Hire purchase loans	698,707	1,415,835	103,028	170,241
Term loan	1,659,865	1,473,174	1,659,865	1,473,174
	<u>2,848,332</u>	<u>3,689,867</u>	<u>1,762,893</u>	<u>1,643,415</u>
<b>Total borrowings</b>	<u>4,235,901</u>	<u>7,232,176</u>	<u>2,350,927</u>	<u>4,479,355</u>

The borrowings of the Group and of the Company are secured by way of:

- (i) Legal charges and deed of assignment over certain land and buildings of the Company and its subsidiaries;
- (ii) Corporate guarantee of the Company;
- (iii) Pledge of fixed deposits; and
- (iv) Hire purchase assets as disclosed in Note 4(i).

A summary of the effective interest rates and the maturities of the borrowings at the reporting date are as follows:

	Average effective interest rate per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
<b>GROUP</b>					
<b>30.6.2020</b>					
Bank overdraft	7.89	489,760	489,760	-	-
Hire purchase loans	2.13 to 4.39	1,498,317	698,707	408,297	391,313
Term loan	6.70	2,247,824	1,659,865	587,959	-
<b>31.3.2019</b>					
Bank overdraft	9.14	456,858	456,858	-	-
Bankers acceptance	5.85	344,000	344,000	-	-
Hire purchase loans	2.13 to 4.10	2,266,826	1,415,835	646,915	204,076
Term loan	8.20	4,164,492	1,473,174	1,598,619	1,092,699
<b>COMPANY</b>					
<b>30.6.2020</b>					
Hire purchase loans	2.13 to 2.20	103,103	103,028	75	-
Term loan	6.70	2,247,824	1,659,865	587,959	-
<b>31.3.2019</b>					
Hire purchase loans	2.13 to 2.20	314,863	170,241	127,490	17,132
Term loan	8.20	4,164,492	1,473,174	1,598,619	1,092,699

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 22. DEFERRED TAX LIABILITIES

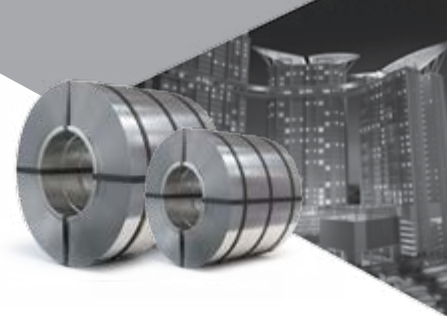
	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Revaluation surplus</b>				
Balance at beginning	2,588,147	1,937,159	859,963	908,524
Recognised in profit or loss	(837,012)	650,988	(48,561)	(48,561)
Balance at end	<u>1,751,135</u>	<u>2,588,147</u>	<u>811,402</u>	<u>859,963</u>
<b>Other temporary differences</b>				
Balance at beginning	2,384,919	2,473,919	678,280	828,280
Arising from acquisition of subsidiaries	-	16,000	-	-
Recognised in profit or loss	504,000	212,000	724,000	155,000
	<u>2,888,919</u>	<u>2,701,919</u>	<u>1,402,280</u>	<u>983,280</u>
Over/(Under) provision in prior year	261,000	(317,000)	219,000	(305,000)
Balance at end	<u>3,149,919</u>	<u>2,384,919</u>	<u>1,621,280</u>	<u>678,280</u>
	<u>4,901,054</u>	<u>4,973,066</u>	<u>2,432,682</u>	<u>1,538,243</u>

The net deferred tax liabilities are represented by temporary differences arising from:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Revaluation surplus	1,751,135	2,588,147	811,402	859,963
Property, plant and equipment	2,899,000	2,555,000	1,929,000	1,550,000
Surplus on fair value of investment properties	1,014,919	995,919	305,280	294,280
Unabsorbed tax losses	(236,000)	(176,000)	(176,000)	(176,000)
Unabsorbed capital allowances	(528,000)	(990,000)	(437,000)	(990,000)
	<u>4,901,054</u>	<u>4,973,066</u>	<u>2,432,682</u>	<u>1,538,243</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 23. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Trade payables</b>					
Third parties	23.1	19,992,673	10,287,744	-	-
<b>Other payables</b>					
Third parties		6,886,138	3,176,325	86,454	79,894
Accruals		1,621,417	1,339,539	44,500	76,500
Prepayments and deposits received for letting of properties		920,607	786,647	344,592	344,592
Deposits received for disposal of investment property		1,778,995	-	-	-
Amount due to a subsidiary	23.2	-	-	-	651,254
Amount due to directors	23.3	5,525,641	14,302,366	-	-
Amount due to a related party	23.4	2,000,000	-	-	-
		<u>18,732,798</u>	<u>19,604,877</u>	<u>475,546</u>	<u>1,152,240</u>
		<u>38,725,471</u>	<u>29,892,621</u>	<u>475,546</u>	<u>1,152,240</u>

### 23.1 Trade payables

#### GROUP

The trade payables are non-interest bearing and are normally settled within **30 to 90 days** (31.3.2019: 14 to 90 days) credit terms.

### 23.2 Amount due to a subsidiary

#### COMPANY

The amount due to a subsidiary was unsecured, non-interest bearing and was repayable on demand.

### 23.3 Amount due to directors

#### GROUP

The amount due to directors is unsecured, non-interest bearing and is repayable on demand.

### 23.4 Amount due to a related party

#### GROUP

The amount is due to a company in which a director of a subsidiary of the Company has substantial financial interest. The amount is unsecured, non-interest bearing and is repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 24. REVENUE

### Disaggregated revenue information

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Types of goods or services:				
Sale of goods	65,717,414	143,538,415	-	-
Shearing services	5,151,606	5,598,837	-	-
Steel roofing installation work	402,775	-	-	-
Property development	21,296,330	991,199	-	-
Rental of industrial and commercial assets	3,015,120	2,671,882	3,003,120	2,641,872
Gross dividend income from investments in quoted securities	18,000	30,000	-	-
Gross dividend income from subsidiaries	-	-	-	14,000,000
Management fee from subsidiaries	-	-	1,079,000	996,000
Miscellaneous income	22	-	22	-
	<u>95,601,267</u>	<u>152,830,333</u>	<u>4,082,142</u>	<u>17,637,872</u>

### Timing of revenue recognition

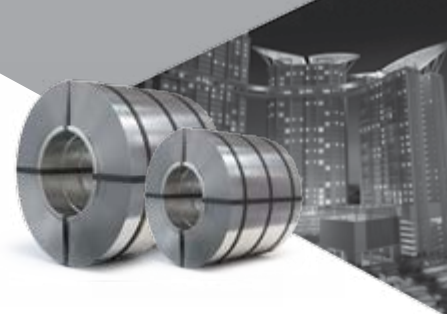
	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Revenue recognised at a point in time	73,902,162	151,839,134	3,003,142	16,641,872
Revenue recognised over time	21,699,105	991,199	1,079,000	996,000
	<u>95,601,267</u>	<u>152,830,333</u>	<u>4,082,142</u>	<u>17,637,872</u>

### Geographical segments

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Malaysia	89,923,178	147,028,597	4,082,142	17,637,872
Others	5,678,089	5,801,736	-	-
	<u>95,601,267</u>	<u>152,830,333</u>	<u>4,082,142</u>	<u>17,637,872</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 25. OTHER INCOME

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Debts waived	1,821,125	1,654,023	1,707,227	-
Deemed gain on deconsolidation of a subsidiary	3,790,420	-	-	-
Deposit forfeited	10,000	-	-	-
Dividend income	14,854	560,597	-	-
Fair value gain on other investment	400	-	-	-
Fair value gain on investment properties	80,000	3,100,000	-	-
Forwarding income	80,000	50,000	-	-
Gain on bargain purchase of subsidiaries	18,479,298	16,875,058	-	-
Gain on disposal of other investments	1,568,883	1,336,051	-	-
Gain on disposal of property, plant and equipment	2,425,533	60,998	19,244	-
Gain on disposal of a subsidiary	-	-	3,762,500	-
Insurance claim	27,411	-	-	-
Interest income	701,549	2,500,843	21,537	467,202
Net fair value adjustment on available-for-sale financial assets upon disposal	-	175,000	-	-
Realised gain on foreign exchange	402,531	242,531	-	-
Rental income	692,243	1,275,095	-	-
Reversal of expected credit losses on receivables	109,489	-	-	-
Others	477,155	737,037	-	262,198
	<b>30,680,891</b>	<b>28,567,233</b>	<b>5,510,508</b>	<b>729,400</b>

## 26. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Wages, salaries and bonus	12,551,420	9,767,808	996,310	588,753
Contributions to defined contribution plan	1,134,398	836,038	114,967	70,214
Employment insurance system	12,180	9,441	624	514
Social security contributions	114,324	86,071	8,432	4,886
Other benefits	419,785	445,387	39,608	44,273
	<b>14,232,107</b>	<b>11,144,745</b>	<b>1,159,941</b>	<b>708,640</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 26. EMPLOYEE BENEFITS EXPENSES (Cont'd)

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM2,027,743** (31.3.2019: RM1,348,106) and **RM556,653** (31.3.2019: RM295,680) respectively as disclosed below.

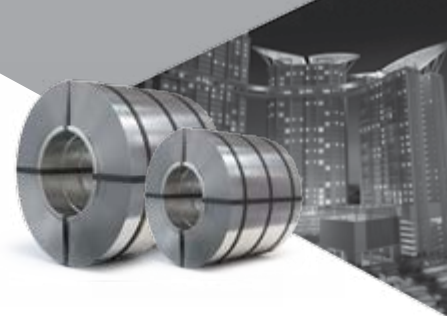
	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
<b>Executive directors:</b>				
<b>Directors of the Company</b>				
Salaries and other emoluments	966,500	524,400	498,940	264,000
Defined contribution plans	113,289	61,632	57,713	31,680
	<b>1,079,789</b>	<b>586,032</b>	<b>556,653</b>	<b>295,680</b>
<b>Directors of subsidiaries:</b>				
Salaries and other emoluments	856,400	684,367	-	-
Defined contribution plans	91,554	77,707	-	-
	<b>947,954</b>	<b>762,074</b>	<b>-</b>	<b>-</b>
<b>Total executive directors' remuneration</b>	<b>2,027,743</b>	<b>1,348,106</b>	<b>556,653</b>	<b>295,680</b>
<b>Non-executive directors:</b>				
<b>Directors of the Company</b>				
Directors' fee	87,000	72,000	87,000	72,000
<b>Total directors' remuneration</b>	<b>2,114,743</b>	<b>1,420,106</b>	<b>643,653</b>	<b>367,680</b>
Represented by:				
Present directors	1,892,983	1,366,882	643,653	367,680
Past directors	221,760	53,224	-	-
	<b>2,114,743</b>	<b>1,420,106</b>	<b>643,653</b>	<b>367,680</b>

## 27. DEPRECIATION

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Depreciation on:				
- property, plant and equipment	5,297,088	4,630,373	300,978	304,294
- right-of-use assets	47,637	-	-	-
	<b>5,344,725</b>	<b>4,630,373</b>	<b>300,978</b>	<b>304,294</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 28. FINANCE COSTS

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Interest expenses on:				
- bank overdraft	52,127	40,375	-	-
- bankers acceptance	16,466	26,349	-	-
- hire purchase loans	146,629	183,406	12,432	13,799
- lease liabilities	3,122	-	-	-
- term loan	287,098	379,689	287,098	365,220
	<u>505,442</u>	<u>629,819</u>	<u>299,530</u>	<u>379,019</u>

## 29. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
After charging:				
Allowance for expected credit losses on receivables	282,649	491,894	15,650	-
Audit fee				
- Statutory audit				
- Company's auditor				
- current year	165,000	147,000	50,000	35,000
- under provision in prior year	7,000	-	5,000	-
- Other auditors				
- current year	55,804	35,800	-	-
- under/(over) provision in prior year	500	(2,500)	-	-
- Non-audit fee				
- Company's auditor	3,000	3,000	3,000	3,000
Bad debts	1,235,409	27,630	1,164,765	-
Deposit forfeited	-	800	-	-
Fair value loss on other investments	4,231,409	12,878,396	-	-
Fair value loss on investment properties	7,077,509	-	7,077,509	-
Impairment losses on investment in subsidiaries	-	-	3,280,927	-
Impairment losses on property, plant and equipment	2,091,692	-	-	-
Inventories written down	696,257	-	-	-
Inventories written off	1,456,793	-	-	-
Loss on disposal of other investments	-	2,312,525	-	-
Loss on disposal of investment properties	261,480	-	-	-
Property, plant and equipment written off	1	4,406	-	-
Realised loss on foreign exchange	5,025	87,819	-	-
Rental expense	1,289,990	394,851	-	-
Reversal of inventories written down	(37,756)	-	-	-
	<u></u>	<u></u>	<u></u>	<u></u>



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 30. TAX EXPENSE

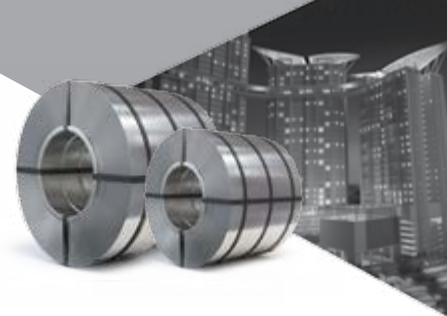
	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Malaysian income tax: Based on results for the financial period/year				
- Current tax	(1,754,550)	(1,312,441)	(596,000)	(390,000)
- Deferred tax relating to the origination and reversal of temporary differences	333,012	(862,988)	(675,439)	(106,439)
	<u>(1,421,538)</u>	<u>(2,175,429)</u>	<u>(1,271,439)</u>	<u>(496,439)</u>
Real property gains tax	(134,660)	-	-	-
(Under)/Over provision in prior years				
- Current tax	137,614	(330,527)	(148,573)	12,383
- Deferred tax	(261,000)	317,000	(219,000)	305,000
	<u>(123,386)</u>	<u>(13,527)</u>	<u>(367,573)</u>	<u>317,383</u>
	<u>(1,679,584)</u>	<u>(2,188,956)</u>	<u>(1,639,012)</u>	<u>(179,056)</u>

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Profit/(Loss) before tax	8,246,842	8,597,853	(5,022,444)	15,015,856
Income tax at Malaysian statutory tax rate of 24%	(1,979,240)	(2,063,485)	1,205,387	(3,603,805)
Income not subject to tax	4,895,348	4,157,982	195,515	3,360,000
Expenses not deductible for tax purposes	(3,174,658)	(3,798,938)	(2,720,902)	(301,195)
Net deferred tax assets not recognised	(2,184,612)	(676,511)	-	-
Utilisation of unabsorbed tax losses and capital allowances	184,612	112,511	-	-
Crystallisation of deferred tax on revaluation upon disposal	744,000	-	-	-
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
	<u>(1,421,538)</u>	<u>(2,175,429)</u>	<u>(1,271,439)</u>	<u>(496,439)</u>
Real property gains tax	(134,660)	-	-	-
(Under)/Over provision in prior years	(123,386)	(13,527)	(367,573)	317,383
	<u>(1,679,584)</u>	<u>(2,188,956)</u>	<u>(1,639,012)</u>	<u>(179,056)</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 30. TAX EXPENSE (Cont'd)

As at the reporting date, the Group has not recognised the following net deferred tax (assets)/liabilities:

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Property, plant and equipment	4,154,000	4,791,000
Unabsorbed tax losses	(15,948,000)	(15,047,000)
Unabsorbed capital allowances	(2,214,000)	(1,752,000)
Unabsorbed reinvestment allowance	(2,121,000)	(2,121,000)
Unabsorbed allowance for increase in export	(475,000)	(475,000)
	<u>(16,604,000)</u>	<u>(14,604,000)</u>

Deferred tax assets have not been recognised on the above temporary differences as the management is unable to determine whether the subsidiaries concerned will be able to generate chargeable income in the foreseeable future to the extent that the above deductible temporary differences can be utilised.

The amount and future availability of unabsorbed tax losses and allowances of the Group and of the Company which are available to be carried forward for set-off against future taxable income are as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Unabsorbed tax losses	66,451,000	62,126,000	735,000	735,000
Unabsorbed capital allowances	9,222,000	7,283,000	1,821,000	4,453,000
Unabsorbed reinvestment allowance	8,837,000	8,837,000	-	-
Unabsorbed allowance for increase in export	<u>1,979,000</u>	<u>1,979,000</u>	<u>-</u>	<u>-</u>

The unabsorbed tax losses, unabsorbed reinvestment allowance and unabsorbed allowance for increase in export can be carried forward for seven consecutive years of assessment immediately following that year of assessment (unabsorbed tax losses, unabsorbed reinvestment allowance and unabsorbed allowance for increase in export accumulated up to year of assessment 2018 can be carried forward until year of assessment 2025) and the unabsorbed capital allowances can be carried forward indefinitely pursuant to the gazetted Finance Act 2018.

The expiry of the unabsorbed tax losses, unabsorbed reinvestment allowance and unabsorbed allowance for increase in export of the Group and of the Company are as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Unabsorbed tax losses</b>				
Year of assessment 2025	61,360,000	61,690,000	735,000	735,000
Year of assessment 2026	436,000	436,000	-	-
Year of assessment 2027	4,655,000	-	-	-
	<u>66,451,000</u>	<u>62,126,000</u>	<u>735,000</u>	<u>735,000</u>
<b>Unabsorbed reinvestment allowance</b>				
Year of assessment 2025	<u>8,837,000</u>	<u>8,837,000</u>	<u>-</u>	<u>-</u>
<b>Unabsorbed allowance for increase in export</b>				
Year of assessment 2025	<u>1,979,000</u>	<u>1,979,000</u>	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 31. EARNINGS PER SHARE

### 31.1 Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and on the weighted average number of shares in issue during the financial period, excluding treasury shares.

	GROUP	
	1.4.2019 to 30.6.2020 (15 months)	1.4.2018 to 31.3.2019 (12 months)
Profit for the financial period/year (RM)	<u>6,697,120</u>	<u>6,418,969</u>
Weighted average number of shares	<u>213,318,936</u>	<u>211,463,766</u>
Basic earnings per share (sen)	<u>3.14</u>	<u>3.04</u>

### 31.2 Diluted earnings per share

The diluted earnings per share of the Group is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period adjusted to assume conversion of all dilutive potential ordinary shares arising from warrants, ICPS, ICULS and share options granted to employees and directors as follows:

	GROUP	
	1.4.2019 to 30.6.2020 (15 months)	1.4.2018 to 31.3.2019 (12 months)
Profit for the financial period/year (RM)	<u>6,697,120</u>	<u>6,418,969</u>
Weighted average number of shares	<u>213,318,936</u>	<u>211,463,766</u>
Diluted earnings per share (sen)	<u>3.14</u>	<u>3.04</u>

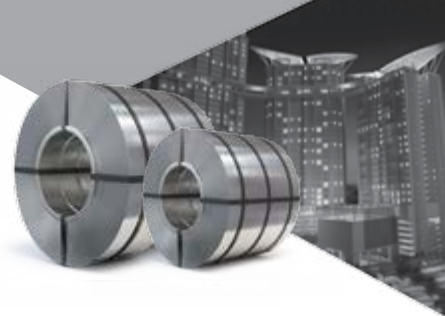
As at the reporting date, the issued convertible instruments were anti-dilutive as the conversion/exercise price were higher than the prevailing mother share price.

## 32. DIVIDENDS

	COMPANY	
	30.6.2020 RM	31.3.2019 RM
In respect of the financial year ended 31 March 2018:		
- Second interim single tier dividend of 2 sen per ordinary share paid on 25 May 2018	-	4,166,363
- Second interim single tier dividend of 0.16 sen per ICPS paid on 25 May 2018	-	1,883,139
	<u>-</u>	<u>6,049,502</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 33. SEGMENTAL INFORMATION

### Reporting format

The primary segment reporting format is determined to be the business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### Business segments

The Group comprises the following main business segments:

- |                            |  |
|----------------------------|--|
| (i) Manufacturing          | Manufacturing and processing of metal related products;                                  |
| (ii) Trading               | Trading of metal related products;   |
| (iii) Property development | Property developer; and  |
| (iv) Others                | Property investment, letting of industrial and commercial assets and investment holding. |

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

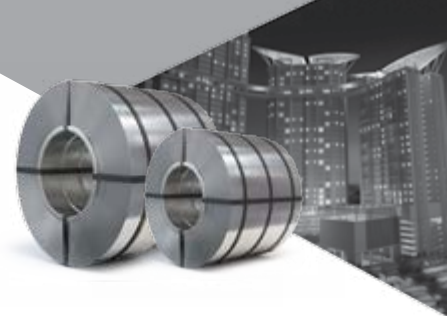
## 33. SEGMENTAL INFORMATION (Cont'd)

### By business segments

	Manufacturing			Trading			Property development			Others			Elimination			Total	
	1.4.2019	1.4.2018	1.4.2019	1.4.2019	1.4.2018	1.4.2019	1.4.2019	1.4.2018	1.4.2019	1.4.2018	1.4.2019	1.4.2018	1.4.2019	1.4.2018	1.4.2019	1.4.2018	
	to	to	to	to	to	to	to	to	to	to	to	to	to	to	to	to	
Revenue	69,982,365	146,546,058	1,289,430	2,573,530	991,199	3,033,142	2,719,546	-	-	-	-	-	-	-	95,601,267	152,830,333	
External sales	1,157,150	1,975,066	228,494	1,837,856	-	1,079,000	14,996,000	(2,464,644)	(18,808,922)	-	-	-	-	-	-	-	
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total revenue</b>	<b>71,139,515</b>	<b>148,521,124</b>	<b>1,517,924</b>	<b>4,411,386</b>	<b>991,199</b>	<b>4,112,142</b>	<b>17,715,546</b>	<b>(2,464,644)</b>	<b>(18,808,922)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,601,267</b>	<b>152,830,333</b>	
<b>Results</b>	<b>(8,884,072)</b>	<b>(1,478,829)</b>	<b>(386,164)</b>	<b>94,638</b>	<b>999,852</b>	<b>(8,025,149)</b>	<b>4,236,110</b>	<b>22,028,144</b>	<b>2,875,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,050,735</b>	<b>6,726,829</b>	
Segment results	13,711	30,671	2,834	5,405	327,594	379,730	2,137,173	-	-	-	-	-	-	-	701,549	2,500,843	
Interest income	(172,872)	(192,001)	(18,325)	(4,422)	(14,469)	(312,661)	(418,927)	-	-	-	-	-	-	-	(505,442)	(629,819)	
Interest expense	204,807	(504,883)	1,549	(38,988)	(15,236)	(1,065,133)	(1,629,849)	-	-	-	-	-	-	-	(1,679,584)	(2,188,956)	
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Profit/(Loss) for the financial year</b>	<b>(8,838,426)</b>	<b>(2,145,042)</b>	<b>(400,106)</b>	<b>56,633</b>	<b>1,297,741</b>	<b>(9,023,213)</b>	<b>4,324,507</b>	<b>22,028,144</b>	<b>2,875,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,567,258</b>	<b>6,408,897</b>	
<b>Assets</b>	<b>82,344,377</b>	<b>98,179,719</b>	<b>22,808,354</b>	<b>24,079,776</b>	<b>138,999,064</b>	<b>82,093,441</b>	<b>488,290,587</b>	<b>495,156,452</b>	<b>(374,152,651)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,940,200</b>	<b>325,356,737</b>	
Segment assets	609,936	843,514	-	-	1,051,654	751,089	65,282	10	-	-	-	-	-	-	1,726,872	1,594,613	
Current tax assets	-	-	-	-	3,878,848	15,600,671	625,384	607,044	-	-	-	-	-	-	4,504,232	16,207,715	
Fixed deposits with licensed banks	-	-	-	-	3,559,640	961,996	9,534,171	53,610,151	-	-	-	184,845	-	-	21,859,183	62,685,035	
Cash and bank balances	6,138,368	7,141,978	2,627,004	786,065	3,559,640	961,996	9,534,171	53,610,151	-	-	-	-	-	-	420,030,487	405,844,100	
<b>Total assets</b>	<b>89,092,681</b>	<b>106,165,211</b>	<b>25,435,358</b>	<b>24,865,841</b>	<b>147,489,206</b>	<b>99,407,197</b>	<b>498,515,424</b>	<b>549,373,657</b>	<b>(340,502,182)</b>	<b>(373,967,806)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>420,030,487</b>	<b>405,844,100</b>	
<b>Liabilities</b>	<b>35,447,674</b>	<b>42,989,311</b>	<b>43,893,805</b>	<b>42,936,637</b>	<b>87,756,165</b>	<b>50,751,366</b>	<b>148,599,061</b>	<b>200,588,931</b>	<b>(274,693,629)</b>	<b>(307,310,052)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,003,076</b>	<b>29,956,193</b>	
Segment liabilities	1,751,733	1,989,184	99,803	99,803	7,000	-	3,042,518	2,884,079	-	-	-	-	-	-	4,901,054	4,973,066	
Deferred tax liabilities	-	-	1,243	4,243	19,570	44,252	552,796	637,790	(29,000)	(29,000)	-	-	-	-	544,609	657,285	
Current tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	1,566,906	2,199,535	318,068	125,000	-	-	2,350,927	4,907,641	-	-	-	-	-	-	4,235,901	7,232,176	
<b>Total liabilities</b>	<b>38,766,313</b>	<b>47,178,030</b>	<b>44,312,919</b>	<b>43,165,683</b>	<b>87,782,735</b>	<b>50,795,618</b>	<b>154,545,302</b>	<b>209,018,441</b>	<b>(274,722,629)</b>	<b>(307,339,052)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,684,640</b>	<b>42,818,720</b>	
<b>Other information</b>	<b>1,099,538</b>	<b>1,513,624</b>	<b>399,162</b>	<b>272,090</b>	<b>33,275</b>	<b>3,090</b>	<b>1,326,305</b>	<b>15,661,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,858,280</b>	<b>17,450,291</b>	
Additions to non-current assets	3,741,311	2,988,934	179,719	90,161	57,525	21,945	1,366,170	1,529,333	-	-	-	-	-	-	5,344,725	4,630,373	
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-cash (income)/expenses other than depreciation	3,407,205	199,834	(4,650)	16,016	-	(1,649,617)	8,142,298	10,820,665	(22,513,717)	(16,875,058)	-	-	-	-	(10,968,864)	(7,488,160)	

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 33. SEGMENTAL INFORMATION (Cont'd)

Notes to segment information:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of property, plant and equipment and investment properties.
- C Other non-cash (income)/expenses consist of the following items:

	GROUP	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Allowance for expected credit losses on receivables	282,649	491,894
Bad debts	1,235,409	27,630
Debts waived	(1,821,125)	(1,654,023)
Deemed gain on deconsolidation of a subsidiary	(3,790,420)	-
Deposit forfeited (income)/expense	(10,000)	800
Employees retirement benefits obligation	20,841	(2,681)
Fair value loss/(gain) on investment properties	6,997,509	(3,100,000)
Fair value loss on other investments	4,231,009	12,878,396
Gain on bargain purchase of subsidiaries	(18,479,298)	(16,875,058)
Gain on disposal of property, plant and equipment	(2,425,533)	(60,998)
(Gain)/Loss on disposal of other investments	(1,568,883)	976,474
Impairment losses on property, plant and equipment	2,091,692	-
Inventories written down	696,257	-
Inventories written off	1,456,793	-
Loss on disposal of investment properties	261,480	-
Net fair value adjustment on available-for-sale financial assets realised upon disposal	-	(175,000)
Property, plant and equipment written off	1	4,406
Reversal of expected credit losses on receivables	(109,489)	-
Reversal of inventories written down	(37,756)	-
	<u>(10,968,864)</u>	<u>(7,488,160)</u>

### 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 geographical location of its customers. In Malaysia, its home country, the Group's areas of operation are principally manufacturing, trading of metal related products and property development.

	Revenue		Non-current assets	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	30.6.2020 RM	31.3.2019 RM
Malaysia	89,923,178	147,028,597	177,915,539	168,125,473
Others	5,678,089	5,801,736	-	-
	<u>95,601,267</u>	<u>152,830,333</u>	<u>177,915,539</u>	<u>168,125,473</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 33. SEGMENTAL INFORMATION (Cont'd)

Non-current assets information presented above which excludes financial assets, consist of the following items as presented in the Group's statement of financial position:

	30.6.2020 RM	31.3.2019 RM
Property, plant and equipment	63,997,054	72,963,402
Right-of-use assets	105,801	-
Inventories	43,713,988	5,021,974
Investment properties	63,300,000	82,432,181
Goodwill on consolidation	6,798,696	7,707,916
	<u>177,915,539</u>	<u>168,125,473</u>

### Information about major customers

Total revenue from 1 (31.3.2019: 1) major customer which contributed more than 10% of the Group revenue amounted to **RM20,362,072** (31.3.2019: RM88,058,829).

## 34. RELATED PARTY DISCLOSURES

### (i) Identity of related parties

The Group and the Company have related party relationship with its subsidiaries, key management personnel and the following parties:

Related party	Relationship
Hock Lok Siew Realty Sdn. Bhd. ("HLSR")	: A company in which a former director of the Company, Mr. Ooi Chieng Sim, has substantial financial interest.

### (ii) Related party transactions

	COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Management fee received from subsidiaries	<u>1,079,000</u>	<u>996,000</u>

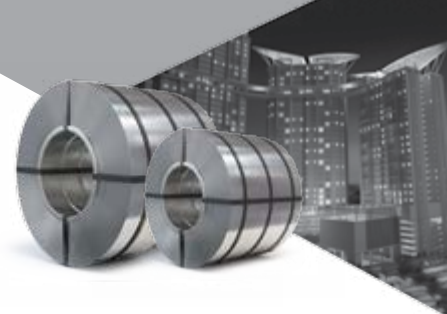
### (iii) Understanding Agreement

On 15 May 2015, Park Avenue Construction Sdn. Bhd. ("PASB"), a wholly-owned subsidiary of the Company entered into an Understanding Agreement with a related party, HLSR whereby HLSR has consented to PASB occupying HLSR's orchard without rental charge. PASB will use HLSR's brand name and in return manage the orchard, collect rental and earn profit from the sale of fruits harvested from the orchard.

During the financial period, income earned from this arrangement amounted to **RM Nil** (31.3.2019: RM30,010).

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 34. RELATED PARTY DISCLOSURES (Cont'd)

### (iv) Compensation of key management personnel

The remuneration of the directors and other key management personnel during the financial period are as follows:

	GROUP		COMPANY	
	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM	1.4.2019 to 30.6.2020 (15 months) RM	1.4.2018 to 31.3.2019 (12 months) RM
Directors (Note 26)	2,027,743	1,348,106	556,653	295,680
Other key management personnel:				
- Salaries and allowances	164,835	133,200	-	-
- Defined contribution plan	17,652	14,256	-	-
	<u>182,487</u>	<u>147,456</u>	<u>-</u>	<u>-</u>
	<u>2,210,230</u>	<u>1,495,562</u>	<u>556,653</u>	<u>295,680</u>

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

## 35. COMMITMENTS

### (i) Capital commitment

	GROUP AND COMPANY	
	30.6.2020 RM	31.3.2019 RM
Contracted but not provided for:		
- Property, plant and equipment	<u>113,000</u>	<u>-</u>

### (ii) Operating lease commitments - as lessor

The Company has entered into a non-cancellable operating lease agreement for an investment property. Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting period is as follows:

	GROUP AND COMPANY	
	30.6.2020 RM	31.3.2019 RM
Within 1 year	2,756,736	2,067,552
More than 1 year and less than 2 years	<u>1,378,368</u>	<u>-</u>
	<u>4,135,104</u>	<u>2,067,552</u>



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 36. FINANCIAL INSTRUMENTS

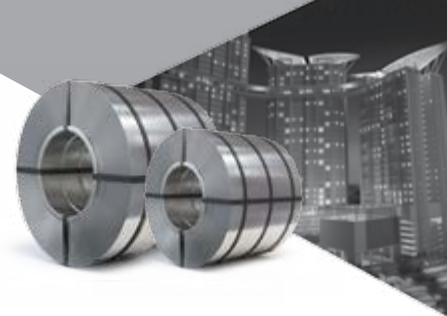
### 36.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
<b>GROUP</b>			
<b>30.6.2020</b>			
<b>Financial assets</b>			
Trade and other receivables	32,315,227	32,315,227	-
Other investments	22,155,091	-	22,155,091
Fixed deposits with licensed banks	4,504,232	4,504,232	-
Cash and bank balances	21,859,183	21,859,183	-
	<b>80,833,733</b>	<b>58,678,642</b>	<b>22,155,091</b>
<b>Financial liabilities</b>			
Trade and other payables	38,725,471	38,725,471	-
Borrowings	4,235,901	4,235,901	-
	<b>42,961,372</b>	<b>42,961,372</b>	<b>-</b>
<b>COMPANY</b>			
<b>30.6.2020</b>			
<b>Financial assets</b>			
Other receivables	221,812,889	221,812,889	-
Fixed deposits with licensed banks	625,384	625,384	-
Cash and bank balances	8,124,797	8,124,797	-
	<b>230,563,070</b>	<b>230,563,070</b>	<b>-</b>
<b>Financial liabilities</b>			
Other payables	475,546	475,546	-
Borrowings	2,350,927	2,350,927	-
	<b>2,826,473</b>	<b>2,826,473</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
31.3.2019			
Financial assets			
Trade and other receivables	59,562,852	59,562,852	-
Other investments	16,992,654	-	16,992,654
Fixed deposits with licensed banks	16,207,715	16,207,715	-
Cash and bank balances	62,685,035	62,685,035	-
	<u>155,448,256</u>	<u>138,455,602</u>	<u>16,992,654</u>
Financial liabilities			
Trade and other payables	29,892,621	29,892,621	-
Borrowings	7,232,176	7,232,176	-
	<u>37,124,797</u>	<u>37,124,797</u>	<u>-</u>
COMPANY			
31.3.2019			
Financial assets			
Other receivables	230,062,282	230,062,282	-
Fixed deposits with licensed banks	607,044	607,044	-
Cash and bank balances	533,979	533,979	-
	<u>231,203,305</u>	<u>231,203,305</u>	<u>-</u>
Financial liabilities			
Other payables	1,152,240	1,152,240	-
Borrowings	4,479,355	4,479,355	-
	<u>5,631,595</u>	<u>5,631,595</u>	<u>-</u>

### 36.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees given.

#### (i) Trade receivables

The Group extends to existing customers credit terms that range between 14 to 120 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis to early identify problematic receivables for action.

The Group assesses ECL on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

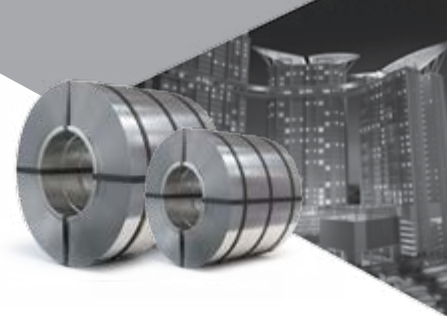
The Group applies simplified approach to recognise lifetime expected credit losses for all trade receivables.

The ageing of trade receivables of the Group is as follows:

	Gross RM	Expected credit losses RM	Net RM
<b>30.6.2020</b>			
Not past due	4,703,219	-	4,703,219
Past due 1 - 30 days	2,201,082	-	2,201,082
Past due 31 - 60 days	346,831	-	346,831
Past due 61 - 90 days	103,682	-	103,682
Past due more than 90 days	10,755,559	(3,300,302)	7,455,257
	<u>13,407,154</u>	<u>(3,300,302)</u>	<u>10,106,852</u>
	<u>18,110,373</u>	<u>(3,300,302)</u>	<u>14,810,071</u>
<b>31.3.2019</b>			
Not past due	11,277,520	-	11,277,520
Past due 1 - 30 days	4,197,897	-	4,197,897
Past due 31 - 60 days	1,163,435	-	1,163,435
Past due 61 - 90 days	386,870	-	386,870
Past due more than 90 days	5,979,139	(3,282,227)	2,696,912
	<u>11,727,341</u>	<u>(3,282,227)</u>	<u>8,445,114</u>
	<u>23,004,861</u>	<u>(3,282,227)</u>	<u>19,722,634</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.3 Credit risk (Cont'd)

#### (i) Trade receivables (Cont'd)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial period.

The Group has trade receivables amounting to **RM10,106,852** (31.3.2019: RM8,445,114) that are past due but not impaired as these customers have no recent history of default and the management is of the view that these debts will be recovered in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (31.3.2019: 2 customers) representing **24%** (31.3.2019: 31%) of the total trade receivables.

#### (ii) Intercompany balances

The Company provides advances to its subsidiaries and monitors its financial performance regularly.

The maximum exposure to credit risk is represented by their carrying amounts in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The amount is repayable on demand.

#### (iii) Financial guarantees

The Company provides unsecured financial guarantees to banks and third parties in respect of banking facilities granted to and supply of goods to certain subsidiaries. The maximum exposure to credit risk is as follows, representing the outstanding amount due as at the end of the reporting period:

	COMPANY	
	30.6.2020 RM	31.3.2019 RM
Guarantees given to financial institutions for credit facilities granted to certain subsidiaries	<b>2,285,346</b>	1,499,074
Guarantees given to third parties for supply of goods and services to certain subsidiaries	<b>437,928</b>	3,636,462
	<b><u>2,723,274</u></b>	<u>5,135,536</u>

The Company monitors on an ongoing basis the financial performance of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material as the Company did not receive any consideration for the issuance of the financial guarantees.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.4 Liquidity risk

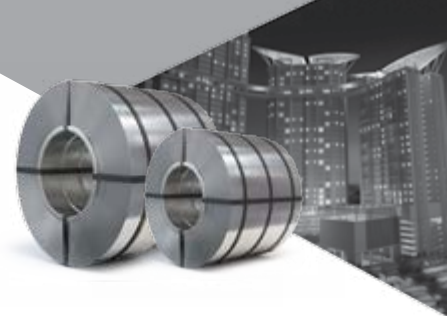
Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient level of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
<b>GROUP</b>					
<b>30.6.2020</b>					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	4,235,901	4,544,687	3,010,711	1,125,539	408,436
Lease liabilities	106,760	111,000	80,127	30,873	-
Trade and other payables	38,725,471	38,725,471	38,725,471	-	-
	<b>43,068,132</b>	<b>43,381,158</b>	<b>41,816,309</b>	<b>1,156,412</b>	<b>408,436</b>
<b>31.3.2019</b>					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	7,232,176	7,817,020	4,064,292	2,429,854	1,322,874
Trade and other payables	29,892,621	29,892,621	29,892,621	-	-
	<b>37,124,797</b>	<b>37,709,641</b>	<b>33,956,913</b>	<b>2,429,854</b>	<b>1,322,874</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.4 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
<b>COMPANY</b>					
<b>30.6.2020</b>					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	2,350,927	2,551,220	1,865,717	685,503	-
Other payables	475,546	475,546	475,546	-	-
Financial guarantees *	-	2,723,274	2,723,274	-	-
	<b>2,826,473</b>	<b>5,750,040</b>	<b>5,064,537</b>	<b>685,503</b>	<b>-</b>

31.3.2019

*Non-derivative financial liabilities*

Interest bearing borrowings	4,479,355	4,975,435	1,941,068	1,891,556	1,142,811
Other payables	1,152,240	1,152,240	1,152,240	-	-
Financial guarantees *	-	5,135,536	5,135,536	-	-
	<b>5,631,595</b>	<b>11,263,211</b>	<b>8,228,844</b>	<b>1,891,556</b>	<b>1,142,811</b>

\* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised.

### 36.5 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amounts as at the end of the reporting period is as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
<b>Fixed rate instruments</b>				
Financial assets	4,504,232	16,207,715	625,384	607,044
Financial liabilities	<b>1,498,317</b>	<b>2,266,826</b>	<b>103,103</b>	<b>314,863</b>
<b>Floating rate instruments</b>				
Financial liabilities	<b>2,737,584</b>	<b>4,965,350</b>	<b>2,247,824</b>	<b>4,164,492</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.5 Interest rate risk (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, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before tax by the amount shown below and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Decrease in profit before tax	<u>12,365</u>	<u>13,365</u>	<u>10,713</u>	<u>11,135</u>

### 36.6 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk is US Dollar and Singapore Dollar.

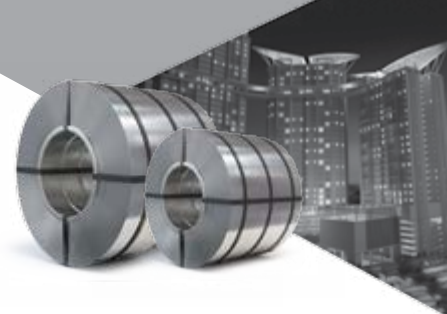
#### Sensitivity analysis for foreign currency risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased the profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP	
	30.6.2020 RM	31.3.2019 RM
US Dollar	12,347	96,657
Singapore Dollar	<u>13,694</u>	<u>30,450</u>
Decrease in profit before tax	<u>26,041</u>	<u>127,107</u>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 36. FINANCIAL INSTRUMENTS (Cont'd)

### 36.7 Reconciliation of liabilities arising from financing activities

The movement of financial liabilities arising from financial activities during the financial period/year is as follows:

	Balance at beginning RM	Others RM	Net cash flows RM	Balance at end RM
<b>GROUP</b>				
<b>30.6.2020</b>				
Bankers acceptance	344,000	-	(344,000)	-
Hire purchase loans	2,266,826	1,222,000	(1,990,509)	1,498,317
Term loan	4,164,492	-	(1,916,668)	2,247,824
<i>Total liabilities from financing activities</i>	<b>6,775,318</b>	<b>1,222,000</b>	<b>(4,251,177)</b>	<b>3,746,141</b>
<b>31.3.2019</b>				
Bankers acceptance	379,000	-	(35,000)	344,000
Hire purchase loans	3,593,964	594,305	(1,921,443)	2,266,826
Term loan	5,550,924	3,402,607	(4,789,039)	4,164,492
<i>Total liabilities from financing activities</i>	<b>9,523,888</b>	<b>3,996,912</b>	<b>(6,745,482)</b>	<b>6,775,318</b>
<b>COMPANY</b>				
<b>30.6.2020</b>				
Hire purchase loans	314,863	-	(211,760)	103,103
Term loan	4,164,492	-	(1,916,668)	2,247,824
<i>Total liabilities from financing activities</i>	<b>4,479,355</b>	<b>-</b>	<b>(2,128,428)</b>	<b>2,350,927</b>
<b>31.3.2019</b>				
Hire purchase loans	210,901	414,305	(310,343)	314,863
Term loan	5,550,924	-	(1,386,432)	4,164,492
<i>Total liabilities from financing activities</i>	<b>5,761,825</b>	<b>414,305</b>	<b>(1,696,775)</b>	<b>4,479,355</b>



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 37. FAIR VALUE MEASUREMENT

### 37.1 Fair value measurement of financial instruments

The carrying amounts of cash at bank, short term receivables and payables approximate their fair values due to the relative short-term nature of these financial instruments. The carrying amount of the non-current portion of the finance lease liabilities are reasonable approximation of their fair values due to the insignificant impact of discounting.

The fair values of financial assets that are quoted in an active market are determined by reference to the quoted closing price at the end of the reporting period.

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as disclosed in Note 2.4.

#### (a) Non-financial assets that are measured at fair value

The fair value of the Group's and the Company's investment properties have been arrived at on the basis of a valuation carried out by an independent professional valuer and assessments made by the management.

The fair value of investment properties of which a valuation is carried out, the land is valued by reference to transactions of similar land in the surrounding vicinity with adjustments made for differences in location, size, terrain, restrictive covenants, if any and other relevant characteristics. The buildings are valued by taking into consideration the replacement cost to construct a similar building, based on market prices for materials, labour and contractor's overhead. From this total, depreciation is then deducted using an appropriate rate to reflect the condition of the building.

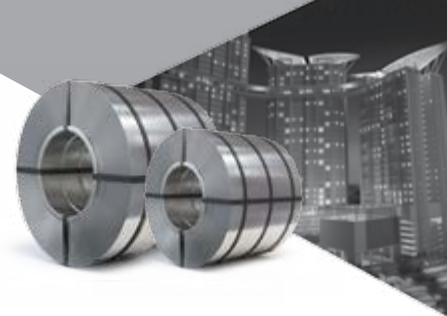
For investment properties of which no valuation is carried out by an independent professional valuer, the Group determines the fair values of its investment properties by reference to the selling price of recent transactions and asking prices of similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences. The directors of the Group believe that assessments made by the management are appropriate in determining the fair value of the Group's investment properties as there have been no significant changes to the market value of the Group's investment properties during the financial period.

Details of the Group's and the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>GROUP</b>					
<b>30.6.2020</b>					
Investment properties	-	-	63,300,000	63,300,000	63,300,000
<b>31.3.2019</b>					
Investment properties	-	-	82,432,181	82,432,181	82,432,181

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 37. FAIR VALUE MEASUREMENT (Cont'd)

### 37.1 Fair value measurement of financial instruments (Cont'd)

#### (a) Non-financial assets that are measured at fair value (Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>COMPANY</b>					
<b>30.6.2020</b>					
Investment properties	-	-	29,603,297	29,603,297	29,603,297
<b>31.3.2019</b>					
Investment properties	-	-	35,553,998	35,553,998	35,553,998

The amount included in profit or loss of the Group and of the Company for fair value gain or loss on Level 3 assets are disclosed in Note 25 and 29 to the financial statements respectively.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Recent selling prices and asking prices of comparable properties in close proximity are adjusted for differences in key attributes such as size, location, accessibility, visibility, time and present market trends. The most significant input in this valuation approach is price per square foot of comparable properties.

#### (b) Financial assets that are measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
<b>GROUP</b>					
<b>30.6.2020</b>					
<b>Financial assets</b>					
Other investments	22,155,091	-	-	22,155,091	22,155,091
<b>31.3.2019</b>					
<b>Financial assets</b>					
Other investments	16,992,654	-	-	16,992,654	16,992,654

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial period.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 38. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial period under review as compared to the previous financial year.

The Group manages its capital by regularly monitoring its liquidity requirements and modifies the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group and of the Company are as follows:

	GROUP		COMPANY	
	30.6.2020 RM	31.3.2019 RM	30.6.2020 RM	31.3.2019 RM
Total equity	<b>369,345,847</b>	363,025,380	<b>329,159,841</b>	335,821,297
Borrowings	<b>4,235,901</b>	7,232,176	<b>2,350,927</b>	4,479,355
Debt-to-equity ratio	<u>0.01</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>

There were no gearing covenants imposed on the Group and the Company as at the end of the reporting period.

## 39. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

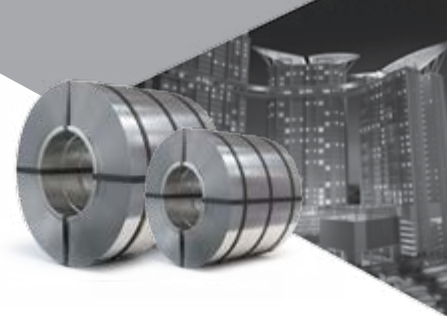
The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

The salient features of the ESOS are as follows:

- The total number of new ordinary shares which are available to be issued under the ESOS shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the ESOS.
- Any employee or director of any company comprised in the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis for a period of not less than six (6) months and must be a confirmed employee.
- The allocation of the options will be staggered over the duration of the ESOS and no further options shall be allocated after the first two (2) years of the ESOS. The maximum allocation available for each of the first two (2) years of the Scheme is 50% of the shares available under the ESOS.
- The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer or at par, whichever is higher.
- The shares under option shall remain unissued until the options are exercised and shall, on allotment, rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the options.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 39. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS") (Cont'd)

The details of the outstanding share options granted to the Group's employees and directors and its exercise price are as follows:

Grant date	Exercise price	Number of share options over ordinary shares			Balance at 30.6.2020
		Balance at 1.4.2019	Exercised	Lapsed	
9.10.2013	RM0.87	703,123	-	(8,013)	695,110
14.10.2014	RM0.87	193,792	-	(3,013)	190,779
15.2.2016	RM0.87	1,739,577	-	(29,000)	1,710,577

The fair value of the share options granted was estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model for the ESOS granted on:

Grant date	9.10.2013	14.10.2014	15.2.2016
Fair value (RM)	0.12	0.12	0.01
Expected volatility (%)	10.00	50.90	10.00
Risk-free interest rate (% p.a)	3.37	3.76	3.87
Expected life of option (years)	9	8	6.6
Weighted average share price (RM)	1.00	1.00	1.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## 40. PROPERTY DEVELOPMENT COSTS

	GROUP	
	30.6.2020 RM	31.3.2019 RM
Balance at beginning	-	10,740,486
Reclassified to inventories (Note 6.2(ii))	-	(10,740,486)
Balance at end	-	-

## 41. SIGNIFICANT EVENTS

### (i) Suspension of trading of Company's securities in Bursa Malaysia

The securities of Atta Global Group Berhad ("the Company") have been suspended from trading in Bursa Securities with effect from 12.08pm, Thursday, 16 January 2020, in accordance to Paragraph 16.02(1)(f) of the Main Market Listing Requirements pursuant to a directive from the Securities Commission Malaysia issued under Section 26(1)(c)(ii) of the Capital Markets and Services Act, 2007 ("CMSA") to effect the suspension as provided under Section 28(1)(a) of the CMSA.

The suspension arose from an investigation by the Polis Diraja Malaysia ("PDRM") of an offence under the Dangerous Drugs Act 1952 of which the Company has been implicated by the remand of the former Executive Chairman, Mr. Ooi Chieng Sim, to assist in the investigation. The background of the investigation: On Thursday, 16 January 2020, the police raided the portion of a subsidiary's premises which was tenanted to a third party and found some dangerous drug (methamphetamine) as well as some materials and equipment used to produce the drug. PDRM had arrested the tenant who is a Chinese National and another Malaysian for investigation. At the same time, the Company's former Executive Chairman, Mr. Ooi Chieng Sim was remanded by the police to assist in the investigation. The investigation into the alleged offences would fall under the Dangerous Drugs Act 1952 and Dangerous Drugs (Forfeiture of Property) Act, 1988.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 41. SIGNIFICANT EVENTS (Cont'd)

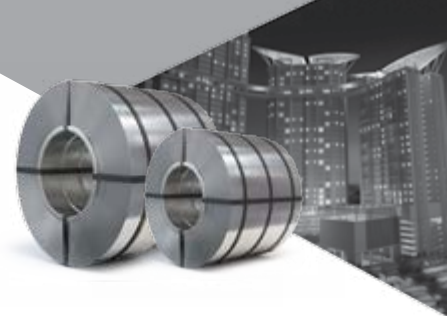
### (i) Suspension of trading of Company's securities in Bursa Malaysia (Cont'd)

In conjunction with the investigation, the PDRM has successfully applied to freeze/seize certain bank accounts, central depository system ("CDS") accounts and assets (inclusive of properties and motor vehicles) belonging to the Company and certain subsidiaries on suspicions that they were obtained from illegal money or money acquired from allegedly criminal activities. Details and status are disclosed below:

No.	Company	Bank/CDS Account/ Asset	Land Lot No./ Car Registration No.	Carrying amount at the end of reporting period (RM)	Status	
1	Atta Global Group Berhad	CDS accounts	-	-	Released	
		Bank accounts	-	7,937,154	Frozen	
		Properties	Lot 5037	}	40,000,000	Seized
			Lot 5038 PT 1444			
Motor vehicle	RT 7099	160,863	Released by way of bond			
2	Duro Metal Industrial (M) Sdn. Bhd.	Bank accounts	-	1,380,468	Frozen	
3	Metal Perforators (Malaysia) Sdn. Bhd.	Bank accounts (inclusive of overdraft)	-	(361,411)	Frozen	
4	SMPC Industries Sdn. Bhd.	CDS accounts	-	11,000	Frozen	
		Bank accounts	-	385,221	Frozen	
		Motor vehicles	PPB 2181	325,983	Released by way of bond	
BAP 33	154,184		Seized			
5	Syarikat Perkilangan Besi Gaya Sdn. Bhd.	Bank accounts	-	1,663,768	Frozen	
		Motor vehicles	BPT 4018	259,000	Released by way of bond	
BQA 3346	357,667					
6	Park Avenue Construction Sdn. Bhd.	Bank account	-	55,103	Frozen	

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020



## 41. SIGNIFICANT EVENTS (Cont'd)

### (i) Suspension of trading of Company's securities in Bursa Malaysia (Cont'd)

No.	Company	Bank/CDS Account/ Asset	Land Lot No./ Car Registration No.	Carrying amount at the end of reporting period (RM)	Status	
7	Progerex Sdn. Bhd.	CDS accounts	-	14,054,674	Frozen	
			Bank accounts	-	201,184	Frozen
			Lot 1242	1,432,500	Seized	
			Lot 1435	767,000	Seized	
			Lot 10707	} 4,170,000	Released	
			Lot 10708			
			Lot 10709			
			Lot 10710			
				GM1189/ M1/4/72 Lot 3793	50,000	Seized
				GM1189/ M1/4/73 Lot 3793	50,000	Seized
			Properties	GM1189/ M1/5/88 Lot 3793	50,000	Seized
				GM1189/ M1/5/89 Lot 3793	50,000	Seized
				GM1189/ M1/5/90 Lot 3793	50,000	Seized
				GM1189/ M1/4/71 Lot 3793	50,000	Seized
				Lot 4661	300,000	Seized
				Lot 4707	250,000	Seized
				PLE 4595	1	
				PLL 3622	1	
				PMY 7622	120,533	Released by way of bond
			Motor vehicles	PNA 3633	120,533	
		PNA 2633	-			
		BMM 2773	-			

Notwithstanding that some of the assets have been released under bond, the Company has asserted its rights to defend those assets seized by making a claim to the Session Court in Pulau Pinang and the Company's duty is to provide how the properties were acquired. On that score, the Company's Solicitor had sent a Letter of Representation to the Attorney General Chamber detailing the background, business operation and how the seized properties were legitimately acquired by the Company with relevant evidences provided.

The Company's solicitors have opined that the explanation given by the Company is justifiable under the law. In the meantime, the Prosecution is in the midst of verifying all documents and explanation given by the Company's solicitors to them so that they can make their own fact checking and a well-considered conclusion on how the seized assets were purchased and obtained.

As at the date of this report, neither the Company nor any of its subsidiaries has been formally charged in the Court for any illegal activity connected with the investigation of the previous Executive Chairman by the PDRM.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 June 2020

## 41. SIGNIFICANT EVENTS (Cont'd)

### (ii) COVID-2019 Pandemic

The World Health Organisation declared the 2019 Novel Coronavirus outbreak ("COVID-19") a pandemic on 11 March 2020. To contain the spread of the virus, our government implemented the Movement Control Order ("MCO") which was effective for the period from 18 March 2020 to 3 May 2020 and relaxed with a Conditional Movement Control Order ("CMCO") from 4 May 2020 to 9 June 2020. To open up the economy further, our government replaced the CMCO with a Recovery Movement Control Order effective for the period from 10 June 2020 to 31 August 2020 which was further extended to 31 December 2020.

The pandemic has and will impact the businesses of the Group and the Company as the local economy has taken a beating and has adversely affected certain sectors especially the hospitality and tourism industry which has seen the closure of businesses and retrenchment of employees. The Company will monitor closely the development of the pandemic and in the meantime has taken measures to control and reduce costs and streamline its operations to mitigate the adverse consequences this pandemic.

The Group has sufficient working capital to sustain its business operations and to continue as a going concern.

The financial impact on the Company's performance, if any, will be reflected in the financial year ending 30 June 2021. At this juncture, management is not in a position to quantify the potential impact to be suffered due to the uncertainties prevailing within and outside the country.

# FORM OF PROXY



No. of shares held	
CDS A/C No.	
Telephone No.	

I/We \_\_\_\_\_ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ (FULL ADDRESS)

being a member of ATTA GLOBAL GROUP BERHAD hereby appoint the following person(s):

Name of Proxy & NRIC No.	No. of Shares	%
1.		
2.		

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Ninth (39th) Annual General Meeting of the Company to be held on 9 December 2020 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution No.	Ordinary Business	For	Against
1	The payment of Directors' Fees		
2	The payment of Non-Executive Directors' Benefits		
	The re-election of Directors:		
3	Mr. Ng Chin Nam		
4	Ms. Loh Yee Sing		
5	Dato' Sri Tajudin Bin Md Isa		
6	Mr. Goh Chin Heng		
7	The re-appointment of Messrs Grant Thornton as Auditors and authority to Directors to fix their remuneration		
Special Business			
8	Retention of Independent Non-Executive Director		
9	Authority to allot and issue shares in general pursuant to Section 76 of the Companies Act, 2016		
10	Proposed Renewal of Share Buy Back Authority		

Please indicate with (√) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

\_\_\_\_\_  
Signature of Shareholder

## NOTES:

- Only members whose names appear on the Record of Depositors as at 30 November 2020 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/ her stead.
- A member (other than an exempt authorized nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/ her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670, otherwise the instrument of proxy should not be treated as valid.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.



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**AFFIX STAMP**  
(Within Malaysia)

To

The Share Registrar  
**ATTA GLOBAL GROUP BERHAD**  
[198101012950 (79082-V)]

11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

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## **ATTA GLOBAL GROUP BERHAD**

Company No: 198101012950 (79082-V)

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